



Apollo VCT 1

Unaudited Interim Report and Accounts
for the period ended 31 July 2007

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Financial Highlights

	Six months to 31 July 2007	Period to 31 January 2007
Net assets	£8,355,000	£2,889,000
Net revenue/(loss) after tax	£33,000	£(24,000)
Revenue/(loss) per share	0.6p	(4.2)p
Total return/(loss) per share	0.3p	(5.9)p
Net asset value per share	94.4p	93.4p

Apollo VCT 1 plc (“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 investment in a diversified portfolio of UK smaller companies, mostly in the form of mezzanine debt.

The Investment Manager is Octopus Investments Limited (“Octopus”). The Company was launched in May 2006 and, together with Apollo VCT 2 plc, raised £17.6 million in aggregate (£16.8 million net of expenses) through an offer (“the Offer”) for subscription by the time it closed on 5 April 2007.

Chairman's Statement

I am pleased to be presenting to you the interim results of Apollo VCT 1 plc for the six-month period to 31 July 2007.

Background

The Fund opened in May 2006 and had raised over £8.8 million by the time it closed on 5 April 2007. When combined with Apollo VCT 2, over £17.6 million was raised in the Offer period, making it one of the largest VCTs launched in the 2006/2007 tax year.

Net Asset Value ("NAV")

The NAV per share at 31 July 2007 was 94.4p, virtually unchanged when compared to the initial NAV of 94.5p. Since the close of the Offer, the net proceeds have been actively managed by our cash managers and are now generating income in excess of the running costs of the Fund.

Investment Portfolio

During much of the period under review, the Fund was engaged in seeking investors rather than looking to make investments. However, Octopus has taken an active approach to managing the cash raised through the Offer prior to its investment in qualifying companies. The funds raised have been invested by Goldman Sachs International in a range of money market securities.

Investment Process

The Fund will target investments into companies that will operate in sectors where there is a high degree of predictability. Ideally, these companies will have contractual revenues from financially sound customers and will provide the opportunity for an exit within three to five years.

Before investing in a company, the fund managers at Octopus will conduct their own fundamental analysis. This will include a thorough review and analysis of the company's business plan, meetings with management teams, and a detailed evaluation of the company's financial projections including scenario analysis (i.e. different sales growth rates, margins and overheads). This analysis will focus on the level of revenue visibility within the business and the extent to which this revenue is contractually agreed.

Share Price and Buy-Back Facility

The Fund has a share buy-back facility, proposing where possible to buy-back shares at no more than a 10% discount to the prevailing NAV. This should assist the marketability of the shares and help prevent the shares from trading at a wide discount to NAV. The Fund's mid market share price currently stands at 95p.

Shareholders should note that if they sell their shares within five years of the original purchase they forfeit any income tax relief obtained. If you need to sell your shares, please contact Octopus on 020 7710 2800.

Chairman's Statement (continued)

VCT Qualifying Status

The Fund must be 70% invested in qualifying companies by 31 January 2010, and maintain this level on a day by day basis thereafter, in order to comply with VCT regulations. The Directors will monitor the Fund's progress towards meeting and maintaining HM Revenue and Customs' conditions for VCT approval and have retained PricewaterhouseCoopers LLP, one of the UK's leading firms of accountants, to advise in this area.

Outlook

Since the fundraising period came to an end, the investment team have met with the management teams of a number of companies which may lead to suitable investment opportunities. We, and the Investment Manager, will update you in due course with regard to investments that have been completed.

We are confident that we will be able to build a portfolio which will be well positioned to deliver attractive returns to shareholders in the medium-term.



Andrew Boyle
Chairman

26 September 2007

Investment Manager's Review

We are delighted that the Fund raised over £8.8 million (and £17.6 million when the funds raised by its twin fund, Apollo VCT 2, are taken into account), by the time the Offer closed on 5 April 2007. As is usual for a VCT in a fundraising period and early stages, the Fund has yet to make its first investment.

Review of Investments

Although no qualifying investments were held at the period end, the Fund has taken an active approach to managing the cash raised through the Offer prior to its investment in qualifying companies. The funds raised have been invested by Goldman Sachs International in a range of money market securities.

Personal Service

At Octopus, we pride ourselves not only on our team's track record but also on our personalised customer service. We believe in open communication and our regular updates are designed to keep you involved and informed.

Octopus, founded in 2000, is one of the UK's fastest growing fund management companies. The company is committed to bringing innovative, high-return products to the broadest possible market. Octopus currently manages almost £400 million on behalf of more than 11,000 investors. Octopus is one of the largest VCT managers in the UK and was recently voted 'Best VCT Provider of the Year 2007' in the Professional Adviser Awards (voted for by financial advisers).

If you have any questions about this review, or if it would help to speak to one of the fund managers, please do not hesitate to contact us on 020 7710 2800.

Income Statement

	Six months to 31 July 2007			Period to 31 January 2007		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Realised gain on investments	-	10	10	-	-	-
Unrealised gain on investments	-	35	35	-	-	-
Income	126	-	126	23	-	23
Investment management fees	(20)	(59)	(79)	(3)	(9)	(12)
Other expenses	(73)	-	(73)	(44)	-	(44)
Profit/(loss) on ordinary activities before taxation	33	(14)	19	(24)	(9)	(33)
Taxation on profit/loss on ordinary activities	-	-	-	-	-	-
Profit/(loss) on ordinary activities after taxation	33	(14)	19	(24)	(9)	(33)
Return/(loss) per share	0.6p	(0.3)p	0.3p	(4.2)p	(1.7)p	(5.9)p

- the total column of this statement is the profit and loss account of the Company
- all revenue and capital items in the above statement derive from continuing operations
- the accompanying notes are an integral part of the financial statements
- the Company has only one class of business and derives its income from investments made in shares and securities and from bank and money market funds

Reconciliation of Movements in Shareholders' Funds

	Six months to 31 July 2007 £'000	Period to 31 January 2007 £'000
Shareholders' funds at start of period	2,889	-
Return on ordinary activities after tax	19	(33)
Issue of redeemable non-voting preference shares	-	50
Redemption of redeemable non-voting preference shares	-	(50)
Net proceeds of share issue	5,447	2,922
Shareholders' funds at end of period	8,355	2,889

Balance Sheet

	As at 31 July 2007 £'000	As at 31 January 2007 £'000
Current assets:		
Investments – money market securities	8,242	2,814
Debtors	128	106
Cash at bank	9	11
	8,379	2,931
Creditors: amounts falling due within one year	(24)	(42)
Net current assets	8,355	2,889
Net assets	8,355	2,889
Capital and reserves:		
Share capital	885	309
Share premium	7,484	2,613
Capital reserve – realised	(58)	(9)
– unrealised	35	–
Revenue reserve	9	(24)
Shareholders' funds	8,355	2,889
Net asset value per share	94.4p	93.4p
Number of shares in issue	8,854,161	3,092,248

Cash Flow Statement

	Six months to 31 July 2007 £'000	Period to 31 January 2007 £'000
Net cash inflow/(outflow) from operating activities	3	(88)
Management of liquid resources: Increase in money market securities	(5,428)	(2,814)
Financing: Issue of own shares	5,734	3,076
Share issue expenses	(287)	(154)
Capital reserve realised – capitalised management fees	(59)	(9)
Unrealised gains on investments	35	–
Increase/(decrease) in cash resources	(2)	11

Reconciliation of Net Cash Flow to Movement in Cash Resources

	Six months to 31 July 2007 £'000	Period to 31 January 2007 £'000
Increase in liquid resources	5,426	2,825
Opening net liquid resources	2,825	–
Net cash at 31 July/31 January	8,251	2,825

Reconciliation of Operating Profit to Cash Flow from Operating Activities

	Six months to 31 July 2007 £'000	Period to 31 January 2007 £'000
Profit/(loss) on ordinary activities before tax	19	(33)
Unrealised gains on investment	(35)	–
Capitalisation of management fees	59	9
Increase in debtors	(22)	(106)
Increase/(decrease) in creditors	(18)	42
Net cash (outflow)/inflow from operating activities	3	(88)

Notes to the Interim Financial Statements

1. Basis of Preparation

The unaudited interim results which cover the six months to 31 July 2007 have been prepared in accordance with applicable accounting standards and adopt the accounting policies set out in the statutory accounts of the Company for the year ended 31 January 2007.

2. Publication of Non-Statutory Accounts

The unaudited interim results for the six months ended 31 July 2007 do not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985 and have not been delivered to the Registrar of Companies.

3. Earnings per Share

The revenue/(loss) per share is based on revenue/(loss) from ordinary activities of £32,825 and on 7,143,563 shares (31 January 2007: £(24,033) and 567,872 shares), being the weighted average number of shares in issue during the period.

The total earnings/(loss) per share is based on total earnings/(loss) from ordinary activities of £18,793 and on 7,143,563 shares (31 January 2007: £(33,530) and 567,872 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.

4. Net Asset Value per Share

The calculation of net asset value per share is based on the net assets at 31 July 2007 and on 8,854,161 shares being the number of shares in issue at the same date (31 January 2007: 3,092,248).

5. During the six months ended 31 July 2007 the Company issued 5,761,913 ordinary shares at a price of 100p relating to the initial fundraising period. The Company did not buy back any shares during the same period.

6. Copies of this statement are being sent to all shareholders. Copies are also available from the registered office of the Company at 8 Angel Court, London, EC2R 7HP.

