



Octopus Apollo VCT 1 plc

Unaudited Half-Yearly Report
for the six months ended 31 July 2009

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Financial Summary

	Six months to 31 July 2009	Six months to 31 July 2008	Year to 31 January 2009
Net assets (£'000s)	7,980	8,223	8,119
Net profit/(loss) after tax (£'000s)	31	(66)	(106)
Net asset value per share ("NAV")	91.80p	93.20p	92.30p
Cumulative dividends since launch – paid and proposed	3.25p	1.25p	2.25p

Octopus Apollo VCT 1 plc ("Apollo 1", "Company" or "Fund") is a venture capital trust ("VCT") and is managed by Octopus Investments Limited ("Octopus").

The Fund was launched in May 2006 together with Octopus Apollo VCT 2 plc. Both companies have identical constitutions, boards of directors and investment policies, and together launched an offer for subscription comprising 25,000,000 ordinary shares each, or 50,000,000 in aggregate (the "Offer"). The Offer closed on 5 April 2007 having raised £17.6 million in aggregate (£16.8 million net of expenses). The objective of the Fund is to invest in a diversified portfolio of UK smaller companies in order to generate income and capital growth over the long-term.

The table below shows the movement in NAV per share and lists the dividends that have been paid since the launch of Apollo 1:

Period Ended	NAV	Dividend paid in period	NAV + cumulative dividends
31 January 2007	93.40p	–	93.40p
31 July 2007	94.40p	–	94.40p
31 January 2008	94.70p	–	94.70p
31 July 2008	93.20p	0.75p	93.95p
31 January 2009	92.30p	0.50p	93.55p
31 July 2009	91.80p	1.00p	94.05p

Chairman's Statement

Introduction

I am pleased to present the half-yearly report of Octopus Apollo VCT 1 plc for the period ended 31 July 2009.

Performance

At 31 July 2009 the total return (being NAV plus cumulative dividends paid) of the Fund was 94.1p, which compares to 93.6p at 31 January 2009. The performance of the Fund has been relatively stable because a large proportion of its assets are held in cash and cash equivalent securities. Investments have been made as discussed below but these are unchanged in value at the period end.

Investment Portfolio

As mentioned in the Annual Report, since 31 January 2009 six investments have been made. The Fund invested £700,000 into CSL Dualcom Limited and £825,000 in to Diagnos Limited. Furthermore, a total of £800,000 was invested into four companies that have been established to seek suitable qualifying investments across a range of sectors.

Over the period, we have focused on providing support to existing portfolio companies. We contributed a small investment into portfolio company Bruce Dunlop as part of a rights issue and continue to work with all companies to help steer them through the downturn.

In the context of the tough economic environment, most portfolio companies are making progress or holding steady. Furthermore, since the end of the period, the Board is pleased to announce the successful sale of Funeral Services Partnerships. In total, the investment returned circa 1.4 times the initial investment of £875,000. Further details of this exit will be provided in the Annual Report for the year ended 31 January 2010.



CSL DualCom Limited

CSL DualCom (www.csldual.com) is the UK's leading supplier of dual path signalling devices, which link burglar alarms to the police or a private security firm. The devices communicate using a telephone line or broadband connection and a wireless link from Vodafone, which has been a partner since 2000.



Diagnos Limited

Diagnos (www.autologic-diagnos.co.uk) develops and sells sophisticated automotive diagnostic software and hardware that enables independent mechanics, dealerships and garages to service and repair vehicles. Mechanics require a diagnostic tool to communicate with the in-car computer in order to measure, monitor and, where necessary, fix the electronic process or system.

Chairman's Statement (continued)

In terms of new investments, we are seeing reasonable deal flow and are at offer stage for a number of new deals.

Investment Strategy

The Fund is being invested on the basis of taking less risk than a typical VCT. Typically the Fund will receive its return from interest paid on secured loan notes as well as an exposure to the value of the shares of a company. The investment strategy is to derive sufficient return from the secured loan notes to achieve the Fund's investment aims and to use the equity exposure to boost returns. As portfolio companies are unquoted the Fund will receive a return from an equity holding when a company is sold.

The Manager of the Fund aims to reduce risk by investing in well managed and profitable businesses with strong recurring cash-flows. Furthermore with the majority of the investment being made in the form of a secured loan, in the event of the business failing, the Fund will rank ahead of unsecured creditors and equity investors.

Dividend and Dividend Policy

It is your Board's policy to strive to maintain a regular dividend flow where possible and this primarily relies on the level of profitable realisations and available cash reserves. However, given the prevailing economic climate this cannot be guaranteed. That said, for the period ended 31 July 2009, the Board has declared an interim dividend of 1p per share, payable from revenue reserves. This dividend will be paid to shareholders, on 30 October 2009, who are on the register on 9 October 2009.

VCT Qualifying Status

PricewaterhouseCoopers LLP provides the Board and Investment Manager with advice on the ongoing compliance with HM Revenue & Customs ("HMRC") rules and regulations concerning VCTs. As at 31 July 2009, over 43.2% of the portfolio (as measured by HMRC rules) was invested in VCT qualifying investments. The Manager does not foresee any issues with reaching the required investment hurdle of 70% before the third anniversary of the end of the financial year in which investors subscribed to the Fund.

Principal Risks and Uncertainties

The principal risks and uncertainties are set out in note 6 of the Notes to the Half-Yearly Report on page 13.

Chairman's Statement (continued)

Outlook

While the Fund is insulated from the stock market, all companies face challenging trading conditions. In this environment, it is the good companies with strong management teams and sound business models, such as those in your portfolio, that have the best chance of succeeding.

The Investment Manager is in a strong position to provide the support that companies need, which is especially crucial while banks refuse to lend or impose high lending terms. Our strategy is focused on strengthening businesses for the future through guidance and funding. In these ways, we are working to ensure ongoing value from your VCT investment.

If you have any questions on any aspect of your investment, please call one of the team on 0800 316 2347.



Andrew Boyle
Chairman

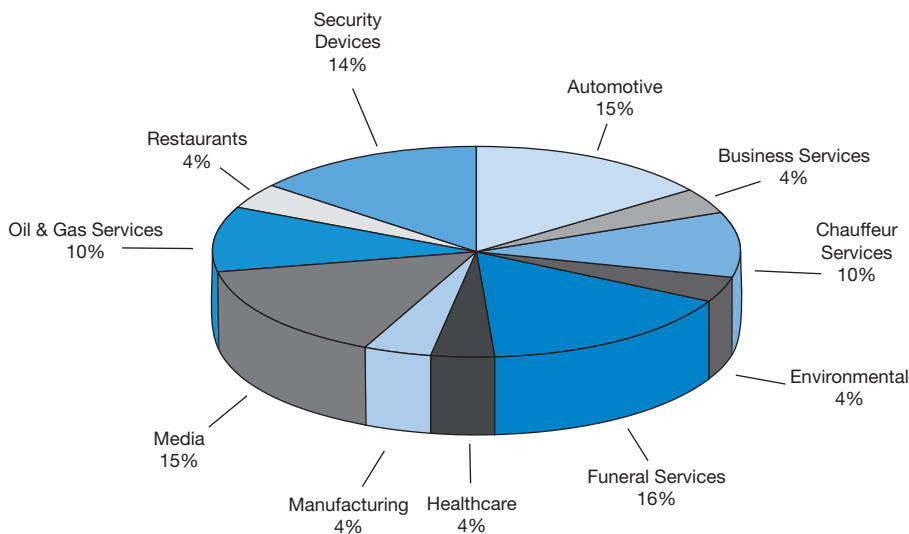
25 September 2009

Investment Portfolio

Unquoted qualifying investments	Sector	Investment at cost (£'000)	Unrealised profit/(loss) (£'000)	Carrying value at 31 July 2009 (£'000)	% equity held by Apollo 1	% equity held by all funds managed by Octopus
Funeral Services	Funeral Services	875	-	875	2.2%	6.8%
Partnerships Limited	Funeral Services	875	-	825	N/A	N/A
Diagnos Limited	Automotive	750	-	750	0.9%	33.3%
Bruce Dunlop & Associates Limited	Media	700	-	700	N/A	N/A
CSL Dualcom Limited	Security devices	500	-	500	12.3%	49.0%
Vulcan Services II Limited	Oil & Gas Services	500	-	500	1.25%	35.0%
Tristar Limited	Chauffeur Services	200	-	200	5.0%	49.0%
Salus Services I Limited	Healthcare	200	-	200	5.0%	49.0%
PubCo Services Limited	Restaurants & Pubs	200	-	200	5.0%	49.0%
GreenCo Services Limited	Environmental	200	-	200	5.0%	49.0%
BusinessCo Services Limited	Business Services	200	-	200	5.0%	49.0%
Hydrobolt Limited	Manufacturing	197	-	197	0.9%	48.1%
Total unquoted qualifying investments		5,147	-	5,147		
Bonds		428	10	438		
Floating rate notes		1,154	-	1,154		
Money market funds		1,116	53	1,169		
Cash at bank		59	-	59		
Total money market securities and cash at bank		2,757	63	2,820		
Total investments		7,904	63	7,967		
Net current assets				13		
Total net assets				7,980		

Sector Analysis

Total qualifying 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



Andrew Boyle
Chairman

25 September 2009

Income Statement

	Six months to 31 July 2009			Six months to 31 July 2008			Year to 31 January 2009		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gain on disposal of current asset investments	-	-	-	-	-	-	-	19	19
Gain/(loss) on valuation of current asset investments	-	63	63	-	(42)	(42)	-	(206)	(206)
Income	128	-	128	181	-	181	461	-	461
Investment management fees	(20)	(60)	(80)	(25)	(73)	(98)	(47)	(143)	(190)
VAT management fee rebate	-	-	-	-	-	-	9	26	35
Other expenses	(80)	-	(80)	(107)	-	(107)	(225)	-	(225)
Profit/(loss) on ordinary activities before tax	28	3	31	49	(115)	(66)	198	(304)	(106)
Taxation on profit/(loss) on ordinary activities	-	-	-	-	-	-	(86)	86	-
Profit/(loss) on ordinary activities after tax	28	3	31	49	(115)	(66)	112	(218)	(106)
Earnings per share – basic and diluted	0.3p	0.0p	0.3p	0.6p	(1.3p)	(0.7p)	1.3p	(2.5p)	(1.2p)

- 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 July 2009 £'000	Six months ended 31 July 2008 £'000	Year to 31 January 2009 £'000
Shareholders' funds at start of period	8,119	8,355	8,355
Profit/(loss) on ordinary activities after tax	31	(66)	(106)
Cancellation of own shares	(83)	-	(20)
Dividends paid	(87)	(66)	(110)
Shareholders' funds at end of period	7,980	8,223	8,119

Balance Sheet

	As at 31 July 2009 £'000	As at 31 July 2008 £'000	As at 31 January 2009 £'000
Fixed asset investments	5,147	2,072	2,572
Current assets:			
Money market securities	2,761	6,001	3,971
Debtors	58	97	86
Cash at bank	59	76	1,575
	2,878	6,174	5,632
Creditors: amounts falling due within one year	(45)	(23)	(85)
Net current assets	2,833	6,151	5,547
Net assets	7,980	8,223	8,119
Called up equity share capital	869	882	879
Special distributable reserve	7,350	7,451	7,429
Capital redemption reserve	16	4	6
Capital reserve – Realised	(245)	(193)	(275)
– Unrealised	(116)	18	–
Revenue reserve	106	61	80
Total equity shareholders' funds	7,980	8,223	8,119
Net asset value per share	91.8p	93.2p	92.3p

Cash Flow Statement

	Six months to 31 July 2009 £'000	Six months to 31 July 2008 £'000	Year to 31 January 2009 £'000
Net cash (outflow)/inflow from operating activities	(44)	(64)	114
Financial investment:			
Purchase of fixed asset investments	(2,575)	(196)	(697)
Management of liquid resources:			
Purchase of current asset investments	(2,166)	394	(3,431)
Sale of current asset investments	3,439	–	5,710
Dividends paid	(87)	(66)	(110)
Financing:			
Cancellation of own shares	(83)	–	(20)
(Decrease)/increase in cash at bank	(1,516)	68	1,566

Reconciliation of Net Cash Flow to Movement in Net Funds

	Six months to 31 July 2009 £'000	Six months to 31 July 2008 £'000	Year to 31 January 2009 £'000
(Decrease)/increase in cash at bank	(1,516)	68	1,566
Decrease in cash equivalents	(1,210)	(437)	(2,466)
Opening net cash resources	5,546	6,446	6,446
Net cash resources at end of period	2,820	6,077	5,546

Reconciliation of Profit before Taxation to Cash Flow from Operating Activities

	Six months to 31 July 2009 £'000	Six months to 31 July 2008 £'000	Year to 31 January 2009 £'000
Profit/(loss) on ordinary activities before tax	31	(66)	(106)
Gain on disposal of current asset investments	-	-	(19)
(Gain)/loss on valuation of current asset investments	(63)	42	206
Decrease/(increase) in debtors	28	(1)	10
(Decrease)/increase in creditors	(40)	(39)	23
Net cash (outflow)/inflow from operating activities	(44)	(64)	114

Notes to the Half-Yearly Report

1. Basis of preparation

The unaudited half-yearly results which cover the six months to 31 July 2009 have been prepared in accordance with the Accounting Standard Board's (ASB) statement on half-yearly financial reports (July 2007) and adopting the accounting policies set out in the statutory accounts of the Company for the year ended 31 January 2009, which were prepared under UK GAAP and in accordance with the Statement of Recommended Practice for Investment Companies issued by the Association of Investment Companies in January 2009.

2. Publication of non-statutory accounts

The unaudited half-yearly results for the six months ended 31 July 2009 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. The comparative figures for the year ended 31 January 2009 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 under Section 235 of the Companies Act 1985 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 July 2009 is calculated on the basis of 8,861,898 (31 January 2009: 8,813,950 and 31 July 2008: 8,818,986) shares, being the weighted average number of shares in issue during the year.

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 net asset value per share is based on net assets as at 31 July 2009 divided by 8,693,486 (31 January 2009: 8,793,986 and 31 July 2008: 8,818,986) shares in issue at that date.

5. Dividends

The interim dividend of 1 pence per share for the six months ending 31 July 2009 will be paid on 30 October 2009, to those shareholders on the register on 9 October 2009. This will be paid from revenue reserves.

A final dividend, for the year ending 31 January 2009, of 1 pence per share was paid on 31 July 2009 to shareholders on the register on 3 July 2009. This was paid wholly from revenue reserves.

6. Principal 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 31 January 2009. 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 annum of the net assets of the Company for the investment management services. During the period, the Company incurred management fees of £80,000 (31 January 2009: £190,000 and 31 July 2008: £98,000) payable to Octopus. At the period end there was £Nil (31 January 2008: Nil and 31 July 2008: Nil) outstanding to Octopus. Furthermore, Octopus Investments Limited provides administration and company secretarial services to the Company. Octopus Investments Limited receives a fee of 0.3% per annum of net assets of the Company for administration services and £7,500 per annum for company secretarial services.

8. 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, and will also be available to view on the Investment Manager's website at www.octopusinvestments.com.

Details of Board and Advisers

Board of Directors

Andrew Boyle (Chairman)
Roger Penlington
Stuart Brocklehurst
Matt Cooper

Independent Auditor and Taxation Adviser

Grant Thornton UK LLP
1 Westminster Way
Oxford
OX2 0PZ

Secretary and Registered office

Celia L Whitten FCIS
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EC2R 7HP
Registered in England No 05770752

VCT Status Adviser

PricewaterhouseCoopers LLP
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Investment Manager

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