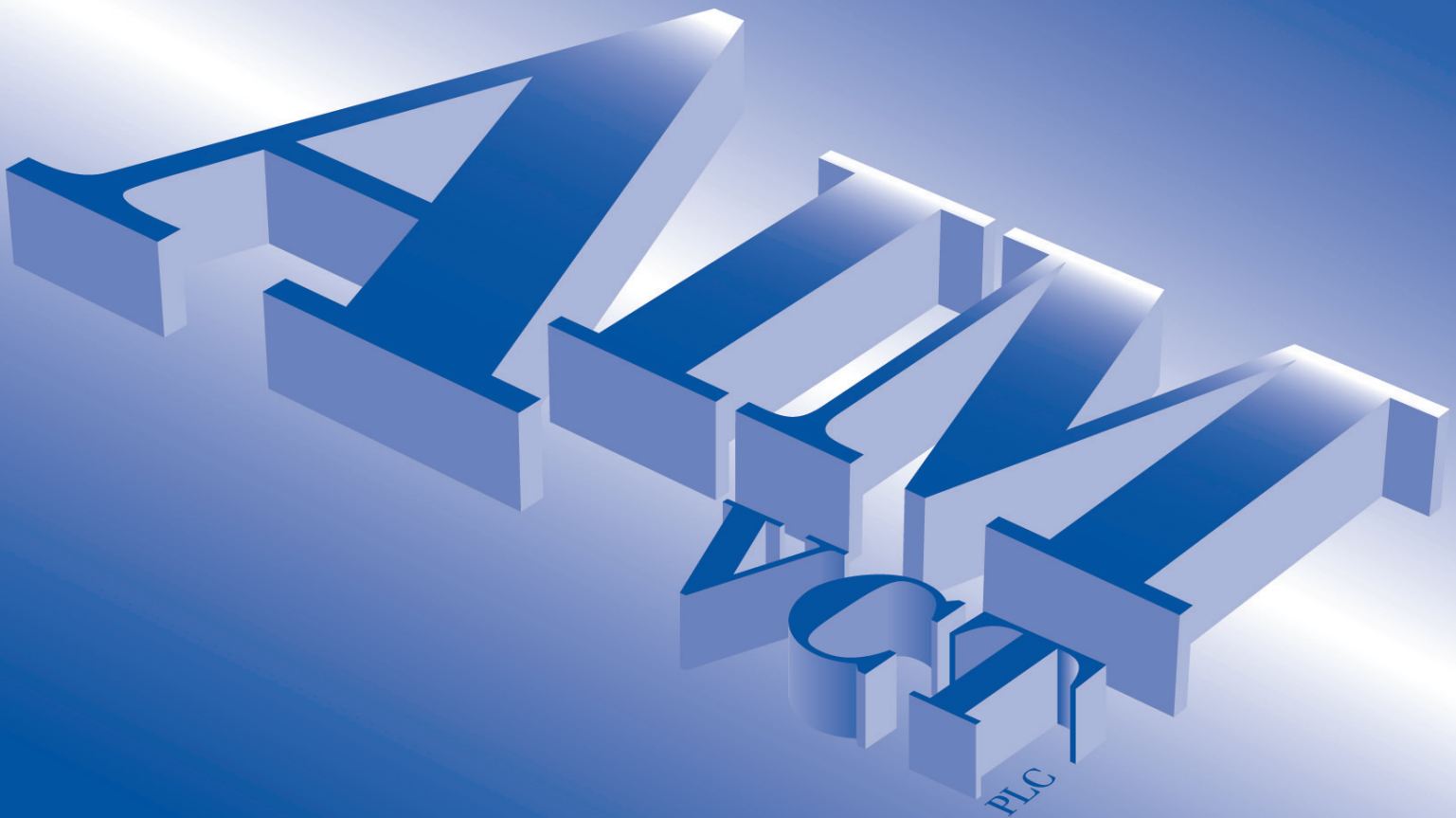


OCTOPUS
AIM VCT PLC
(FORMERLY CLOSE AIM VCT PLC)



Annual Report and Accounts
for the year ended
28 February 2009



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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.

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 at a conversion ratio determined by a price mechanism related to the respective net assets per share of both the Ordinary Shares and C Shares at 29 February 2004 (which resulted in C Shareholders receiving 1.0765 Ordinary Shares for each C Share held).

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

In the year covered by this report, the Ordinary Shares converted into D Shares on 31 May 2008 at a conversion ratio of 0.5448 D Shares for each Ordinary Share. The two classes of shares were combined and renamed New Ordinary Shares which is now the only class of share capital.

Financial Summary

Year to 28 February 2009	New Ordinary Shares*
Net assets ('000)	£19,443
Net loss after tax ('000)	£(12,285)
Net asset value per share (“NAV”)	64.50p
Cumulative dividends paid	2.50p
Total return (NAV plus dividends paid)	67.00p

* No comparatives are shown for New Ordinary Shares given the conversion of Ordinary Shares to D Shares on 31 May 2008. The resulting share class was named “New Ordinary Shares”. Ordinary Shares were converted into D Shares at a conversion ratio of 0.5448 D Shares for every Ordinary Share. All of the D Shares were then redesignated into New Ordinary Shares on 31 May 2008.

Prior period pre-conversion of the share classes are shown below.

Year to 29 February 2008	Ordinary Shares	D Shares	Total
Net assets ('000)	£17,346	£17,437	£34,783
Net loss after tax ('000)	£(6,709)	£(1,625)	£(8,334)
Net asset value per share (“NAV”)	60.06p	110.23p	–
Cumulative dividends paid since launch	64.61p	11.05p	–
Total return (NAV plus dividends paid)	124.67p	121.28p	–

Dividends paid in the Period Ended	New Ordinary Shares	Ordinary Shares	C shares	D Shares
28 February 1999	–	1.88p	–	–
29 February 2000	–	3.13p	–	–
28 February 2001	–	37.25p	–	–
28 February 2002	–	6.50p	2.55p	–
28 February 2003	–	3.50p	1.50p	–
29 February 2004	–	0.50p	0.50p	–
28 February 2005	–	0.50p	0.50p	0.50p
28 February 2006	–	2.15p	2.31p	2.25p
28 February 2007	–	4.20p	4.52p	3.30p
31 August 2007	–	2.50p	2.69p	2.50p
29 February 2008	–	2.50p	2.69p	2.50p
31 August 2008	–	2.50p	2.69p	2.50p
28 February 2009	2.50	–	–	–
Total dividends (capital and revenue)	2.50p	67.11p	19.65p	13.55p
Total return as at 28 February 2009	67.00p	–	–	–

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.
- 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 above table excludes the tax benefits investors received upon subscription.
- 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 in the Investment Companies section of the Financial Times on a daily basis. 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.

Chairman's Statement

Introduction

Following the appointment of Octopus Investments Limited ("Octopus") as investment manager in place of Close Investments Limited in July 2008 your Company's name was changed to its present form. The appointment of Octopus followed the move to that Company by Andrew Buchanan and Kate Tidbury who had been responsible for the management of the Company's portfolio for many years.

At the end of May 2008 the Ordinary Shares and D Shares were combined and renamed New Ordinary Shares which is now the only class of share capital.

Despite our commitment to manage as best we can the discount against net asset value at which your shares stand in the market close to 10% by the repurchase of shares, the discount has recently widened. However, at the end of the period the discount stood at around 7%. During the year we repurchased 284,564 Ordinary Shares, 526,701 D Shares and 723,039 New Ordinary Shares.

In recent years, the Chancellor has in his Budget tightened the criteria for VCT qualifying investments on several occasions thus dampening the demand for new VCT shares. At a time when many small companies are finding it difficult to obtain credit it is particularly disappointing that the Chancellor has shown such indifference in the recent Budget by totally ignoring the potential for VCTs to foster growth in small companies.

Performance

The year to 28 February 2009, which these accounts cover, has been a turbulent one and has seen smaller companies deserted by many investors. Share prices have fallen under the weight of several factors, which have not been avoidable as the Company has to maintain exposure to the stock market in order to retain VCT status.

This background has made the last year a very difficult one for shareholders of all sorts, but particularly for those invested in very small companies. The Investment Manager's Review will deal with this matter more fully, but in the year to 28 February 2009 the FTSE All Share Index fell by 36.8% and the FTSE AIM All-Share index by 61.2%. Thus, although very disappointing, the fall in the NAV of 44.8% after adding back the dividend paid needs to be viewed in the context of the conditions that have prevailed and the need to remain invested.

Portfolio

Activity has been very subdued this year as new issues have all but dried up, and with the combined portfolio already fully invested for HM Revenue and Customs ("HMRC") purposes, your Manager has been very selective about investment opportunities. Only three new qualifying investments were made in the year, and of these, two Advanced Computer Software and Praesepe, were to back management teams which have previously delivered a successful result for your Company. Your Manager has started to make a few non-qualifying investments in smaller companies at prevailing low ratings to benefit from market recovery as confidence is restored.

Dividend

Your Board has declared a final dividend of 2.5p per share which is made up of a revenue dividend of 0.4p and a capital dividend of 2.1p which is subject to approval by HMRC. The record date and payment of this dividend will be announced on the London Stock Exchange news service in due course. If approval is received the dividend payment for the year will amount to 5p per share, made up of a revenue dividend of 0.8p and a capital dividend of 4.2p. Assuming the current market price of 63p per share this represents a tax free yield of 7.9%.

VCT Qualifying Status

PricewaterhouseCoopers LLP provides the Board and Investment Manager with advice on the ongoing compliance with HMRC rules and regulations concerning VCTs. The Board has been advised that Octopus AIM VCT PLC is in compliance with the conditions laid down by HMRC for maintaining approval as a VCT. As at 28 February 2009, nearly 80.0% of the portfolio (as measured by HMRC rules) was invested in VCT qualifying investments.

VAT on Management Fees

The Government has announced that VCTs will be exempt from paying VAT on investment management fees with effect from 1 October 2008. This follows a European Court of Justice Judgement against the Government in a case relating to VAT payable by investment trusts. It is now virtually certain that a VAT repayment will be obtained for VAT paid on management fees for the last four years. However, the extent and timing of repayments is not yet known. We will follow developments with the help of our advisers. For the purposes of these accounts, and with guidance from our advisers at Octopus, we have accrued income of £350,000.

Risks and Uncertainties

As required under the new Listing Rules under which your Company operates, we are required to comment on the potential risks and uncertainties which could have a material impact over the Company's performance. The key risk derives from the need to maintain compliance with the HMRC regulations requiring 70 per cent of your Company to be invested in qualifying holdings. In addition, the current fall in GDP combined with a contraction in the lending markets is a more challenging economic backdrop for smaller companies and this could continue to have an adverse effect on share prices. Further details are set out in the Director's Report on pages 19 to 24.

Annual General Meeting

In order to ensure that the Company can look forward to a successful long-term future as an AIM VCT, your Board believes that it is important that the Company maintains an attractive dividend yield (where possible within the constraints of the performance of the Company and the level of cash reserves). Whilst there are some signs that a secondary market in VCT shares is starting to develop, the Board also intends to continue to offer a share buyback facility to allow any shareholders who need to sell their shares to do so. The Board further believes that the Company should have the ability to conduct top up share offers to raise further cash resources. Increasing the size of the Company would reduce the running costs of the VCT as a percentage of net assets (by spreading the fixed costs over a larger base), while also providing further financial resources with which to take advantage of the investment opportunities that will emerge in the coming years. In order to be able to issue new shares to investors, it is important that the Company's life extends beyond the five year minimum holding period that applies to investors who wish to obtain upfront income tax relief by participating in a top up share offer. Therefore, a resolution will be proposed at the Annual General Meeting to extend the life of the Company until 2015, and the Board anticipates that it will put a similar resolution to shareholders at subsequent Annual General Meetings in order to preserve the ability of the Company to conduct top ups in future years.

Outlook

Your Company's portfolio is 80% invested in qualifying investments. This is fortunate as a paltry £13 million of new money was raised on the AIM market in the last quarter of 2008 and a mere £3 million in the first quarter of 2009, which may be compared with £300 million in the same period in 2008.

In my statement last year I said that the year under review had been an exceptionally difficult time for financial assets and smaller companies in particular. All I can say is that that year was nothing compared with the year currently under review. When the market capitalisation of major financial institutions can double and halve not just once but twice in a three month period one realises that volatility knows no bounds and uncertainty is rife. Some see green shoots, others do not or if they do fear that they will be quickly frosted and that the recovery from the worst global recession since the nineteen thirties will be slow. There is no doubt that credit is tight. However, if smaller companies remain less favoured by banks, there is an interesting opportunity for investors to provide capital to good companies at attractive share price ratings. With this in mind, the Board's strategy remains to maintain an appropriate level of liquidity in the balance sheet to achieve four aims which should benefit VCT investors in the years to come:

- to take advantage of new investment opportunities as they arise;
- to support further investment in existing portfolio companies if required;
- to assist liquidity in the Company's shares through the buy back facility;
- to establish a consistent dividend flow over time.

By adhering to sound investment principles in applying these aims, I hope and trust that in a year's time, as the stock market discriminates between companies, it will be possible to report a higher NAV.



Michael Reeve
Chairman

26 May 2009

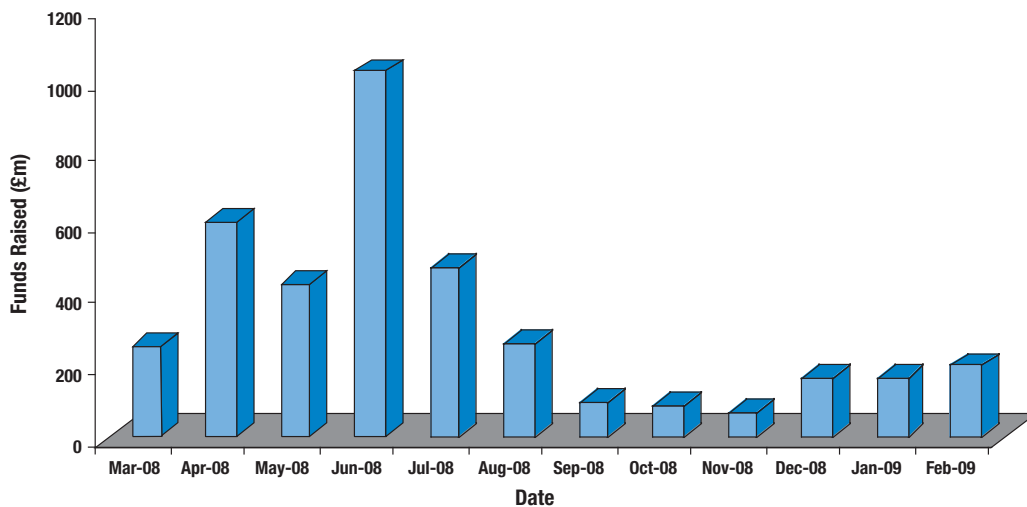
Investment Manager's Review

The AIM Market

In the twelve months to 28 February 2009 the FTSE AIM Index fell by 61%, severely impacted by the well publicised banking crisis and a rapidly deteriorating economic outlook. As is usual during periods of uncertainty, investors shun small companies in favour of larger and more liquid investments. However, as you will be aware, the latter fared little better as the banking crisis unfolded.

The severe derating of shares has been particularly marked in the microcap sector where your VCT makes its investments. This has made the process of investing harder in the short term, because new companies looking to float have been put off by the constant stream of bad news about the economy and financial markets and the inevitably lower values afforded to businesses by the stock market. This is well illustrated in the chart below, which shows the funds raised on AIM over the year. Most of the VCT qualifying opportunities that have arisen have been further fundraisings for existing companies, many of which have been at lower prices than a year ago.

Funds Raised (£m) on AIM in the Year to 28 February 2009



Performance

The total return of the New Ordinary Shares fell by 44.8% in the year to 28 February 2009. Although disappointing, this reflected the market conditions outlined above. The FTSE All share Index fell 36.8% and the FTSE Smaller Companies Index ex Investment Trusts fell by 51.5%. The FTSE AIM Index fared even worse as the previous outperformance of the resource sector unwound and poorly financed companies suffered savage share price falls.

The portfolio has suffered from both deteriorating economic conditions and from reduced bank funding, especially in the second half of the financial year. The businesses in the Company's portfolio have direct experience of the treatment the smallest companies have been subjected to as the banking industry's problems have unfolded.

Sadly, even before the banking crisis really had its full effect, four investments, Cains Beer Company, Hatpin, Food & Drink and Landround had called in administrators. The reasons range from poor management controls to the early impact of the economic downturn. Two companies have delisted – Conder Environmental and Independent Media Support. Both of these investments have been written down to nil, although there may be a small payment to shareholders eventually. Since the year end Playgolf has, as expected, appointed an administrator. As an indebted leisure facilities developer, with Bank of Scotland as its bank, the events of the last few months had created a certain inevitability.

However, there are holdings that continue to perform well. Notable amongst these are Craneware, Pressure Technologies, Animalcare and Mattioli Woods, although unfortunately this is not reflected in present share prices as increased fear and deteriorating sentiment have overridden trading results. It is not surprising therefore that the NAV fell more in the second half of the financial year. It has to be hoped that the worst, in terms of share price falls, is now over and is reflected in share price ratings.

As the last interim and annual accounts noted, smaller company shares have been steadily derated. This process has gathered considerable momentum in the last six months of the financial year. It has appeared, for much of the time, to

be indiscriminate and a function of greater risk aversion rather than any view of an individual company's prospects. Examples of this would be Vertu Motors and Bond International Software where the cyclical nature of their businesses and the likelihood of downgrades to forecasts caused their share prices to fall to levels, which suggested that they were in danger of failing. Both have since seen their share prices rebound quite strongly.

Investment Portfolio as at 28 February 2009

Qualifying Investments	Sector	Company summary	Investment at cost (£'000)	Unrealised profit/(loss) (£'000)	Carrying value at 28 February 2009 (£'000)	% equity held by Octopus AIM VCT PLC	% equity held by all funds managed by Octopus
Mattioli Woods plc	Financial Consultants	Provider of pensions consultancy and administration services.	523	405	928	2.29%	2.58%
Mears Group plc	Maintenance Contractor	Building maintenance contractor to local authorities, the MOD and private sector.	170	746	916	0.50%	0.83%
Advanced Computer Software plc	Software	Provides specialised software and services to the healthcare market.	600	106	706	1.85%	6.16%
Melorio Plc	Vocational Training	Acquirer and consolidator of UK vocational training businesses.	816	(131)	685	2.09%	5.82%
Research Now plc	Marketing	World-wide online fieldwork and specialist panel consumer company.	454	164	618	1.64%	4.29%
Brooks MacDonald Group plc	Financial Consultants	Provider of asset management and financial consulting services.	330	259	589	2.37%	4.40%
Praesepe plc	Gambling & Betting	Acquirer and developer of businesses in the 'Low stake High volume' gaming market in the UK and Europe.	550	-	550	3.25%	10.64%
Pressure Technologies plc	Manufacturing	Designer, manufacturer and tester of high pressure, seamless cylinders.	302	130	432	1.78%	10.96%
Idox Plc	Software	Developer of document, content and information management systems for the public sector.	362	36	398	1.40%	3.07%
Animalcare Group plc	Pharmaceutical & Healthcare	Provider of pharmaceutical products and services to vets and vet wholesalers.	300	82	382	2.77%	12.78%
Telephonetics plc	Telecommunications	Provider of advanced speech recognition products and services.	820	(472)	348	3.76%	7.65%
Mount Engineering Plc	Manufacturing	Manufacturer and supplier of thread conversion adaptors mainly for the oil industry.	431	(98)	333	2.52%	8.20%
Brulines Holdings plc	Security	Provider of quality revenue protection systems mainly for pub chains.	338	(38)	300	0.98%	7.91%
Craneware Plc	Manufacturing	Developer of billing software to the US healthcare industry	174	123	297	0.54%	1.60%
Bond International plc	Software	Provider of business software and support solutions to the recruitment and human resources industry	269	7	276	2.04%	4.14%
Concateno plc	Pharmaceutical & Healthcare	Provider of drug and alcohol testing services.	308	(51)	257	0.32%	0.90%
Focus Solutions Group plc	Software	Development, supply and support of point of sale systems to the United Kingdom financial services market.	237	5	242	3.29%	3.30%
Win plc	Telecommunications	Provider of services that enables business customers to send and receive text messages to and from a large number of users.	570	(344)	226	2.80%	3.28%
Zetar plc	Confectionery, Snack Food	Acquirer of businesses in the confectionery, snack food and related markets in the UK.	421	(200)	221	1.83%	4.16%
Vertu Motors plc	Motor Retail	Acquirer and consolidator of UK based motor retail businesses.	1,000	(783)	217	1.81%	7.69%
Cello Group plc	Marketing	Marketing services group.	710	(497)	213	1.60%	10.40%
Pilat Media Global plc	Software	Software provider for global multi-channel broadcasting market.	429	(248)	181	3.06%	3.33%
Altitude Group plc	Marketing	Distributor of promotional merchandise and related marketing services.	600	(433)	167	4.36%	5.09%
Optare plc	Manufacturing	Design, production and aftermarket support of award-winning range of buses and coaches	550	(385)	165	1.69%	7.03%

Investment Manager's Review (continued)

Qualifying Investments	Sector	Company summary	Investment at cost (£'000)	Unrealised profit/(loss) (£'000)	Carrying value at 28 February 2009 (£'000)	% equity held by Octopus AIM VCT PLC	% equity held by all funds managed by Octopus
Datong Electronics plc	Manufacturing	Developer and manufacturer of high performance surveillance products	500	(355)	145	2.82%	3.46%
Freshwater UK Plc	Media	Largest PR agency team in Wales.	304	(179)	125	2.85%	3.53%
Plastics Capital plc	Manufacturing	Manufacturers of proprietary plastic products for niche markets	400	(280)	120	1.49%	17.89%
Quadnetics Group plc	Security	Designing, installing and maintaining electronic security systems, and providing security monitoring and facilities management services.	344	(227)	117	0.64%	0.65%
IS Pharma plc	Pharmaceutical & Healthcare	Distributor of pharmaceutical and medical devices in the specialist hospital sector	447	(332)	115	0.65%	8.68%
Clarity Commerce plc	Software	Software and IT support services group that helps large, multi-site businesses to operate more profitably.	386	(273)	113	1.61%	3.00%
Hexagon Human Capital plc	Recruitment Services	Provider of recruitment services.	421	(311)	110	1.13%	15.67%
Claimar Care Group plc	Pharmaceutical & Healthcare	Provider of domiciliary care services in the UK.	990	(881)	109	2.58%	4.78%
The Clapham House Group plc	Restaurants	Acquirer and developer of UK restaurant groups.	215	(107)	108	0.49%	0.65%
Portrait Software plc	Software	Provider of software solutions for marketing activities .	876	(780)	96	1.55%	1.55%
Spice plc	Maintenance Contractor	Provider of outsourced infrastructure support services principally to the Utility sector.	169	(73)	96	0.07%	0.07%
Adventis Group plc	Marketing	Marketing and advertising agency, providing communication services to the healthcare, financial services and property markets.	165	(72)	93	1.35%	1.35%
Strategic Thought plc	Software	Owner and licensee of risk management software.	272	(188)	84	0.86%	4.83%
Freedom 4 Communication plc	Telecommunications	Provider of telecommunication services.	201	(140)	61	0.32%	0.36%
Clipper Ventures plc	Entertaining & Sports	Develops and promotes major marine events	297	(238)	59	4.09%	4.09%
Work Group plc	Recruitment Services	Recruitment consultants	943	(884)	59	4.09%	7.16%
Jelf Group plc	Financial Consultants	Consultants specialising in providing insurance, healthcare, financial services and commercial finance solutions.	120	(62)	58	0.23%	1.55%
Playgolf Holdings plc	Entertaining & Sports	Owner and operator of golfing facilities	600	(546)	54	4.62%	5.77%
Individual Restaurant Group plc	Restaurants	Operator of chain restaurants	800	(753)	47	0.92%	1.87%
Neuropharma Group plc	Pharmaceutical & Healthcare	Pharmaceutical company specialising in the development of treatment for autism and other disorders of the central nervous system.	966	(919)	47	2.00%	4.25%
Tanfield plc	Manufacturing	Manufacturing company which operates in the zero emission electric vehicles and aerial work platforms markets.	171	(125)	46	0.15%	2.93%
Twenty plc	Marketing	Marketing services group.	500	(456)	44	4.54%	18.72%
Adept Telecom plc	Telecommunications	Provides fixed line calls, line rental and broadband to both domestic and business customers	600	(557)	43	2.03%	4.58%
B Global plc	Utilities	Provider of smart meters for the utility market.	151	(110)	41	0.40%	3.12%
Huveaux plc	Media	Engaged in the business and professional markets through a combination of publications, conferences and events, online information and digital services, training courses and other media	202	(161)	41	0.53%	0.54%
Tasty plc	Restaurants	Restaurant operator	149	(115)	34	0.36%	4.76%
Armour Group plc	Manufacturing	Engaged in design, manufacture, distribution and sale of consumer electronics and entertainment products.	200	(171)	29	0.65%	0.65%

Qualifying Investments	Sector	Company summary	Investment at cost (£'000)	Unrealised profit/(loss) (£'000)	Carrying value at 28 February 2009 (£'000)	% equity held by Octopus AIM VCT PLC	% equity held by all funds managed by Octopus
Media Square plc	Marketing	Provides advertising, marketing and design services.	478	(456)	22	0.82%	2.95%
Invu Plc	Software	Developer of computer software for the electronic management of information and documents.	200	(190)	10	0.59%	1.21%
Capcon Holding plc	Financial Consultants	Provides audit compliance and stock reconciliation services, commercial research, investigation and business intelligence services	75	(71)	4	0.81%	0.81%
Total VCT Qualifying investments			23,406	(11,629)	11,777		
Total Non-Qualifying investments			1,754	(710)	1,044		
Total floating rate notes			6,205	(42)	6,163		
Total investments			31,365	(12,381)	18,984		
Net current assets					459		
Total net assets					19,443		

Portfolio Activity

During the year two new holdings were established, one being Advanced Computer Software, which has been set up by a management team to consolidate software operators in the healthcare sector. It has made two acquisitions so far. The second is Optare which manufactures both double and single deck buses. The holding in Pipex returned cash to shareholders, following the sale of its internet service provision business and the company was renamed Freedom4 Group. Maelor has also changed its name to IS Pharma. The holding in Hartest was sold and the bid for Imprint Search & Selection was accepted.

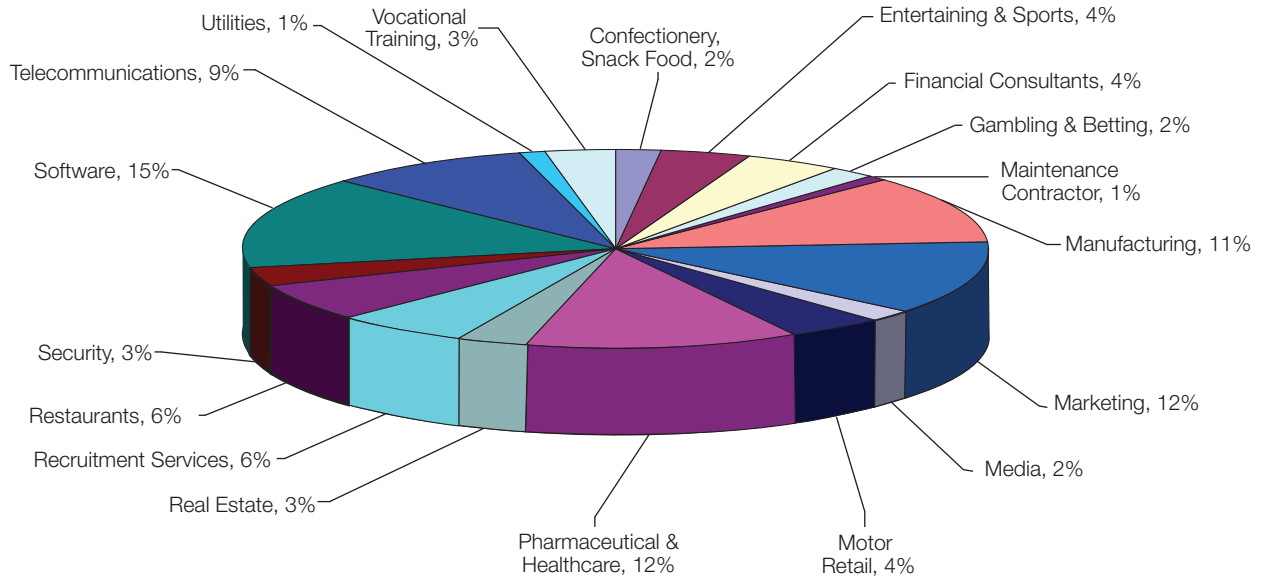
In the months since the year end in February we reluctantly accepted the bid for Pilat Media Global, although since this bid has now failed your company continues to hold the investment. The holding in Clipper Ventures was sold. We remain wary of bids for portfolio companies where potential acquirors can capitalise on the present low ratings and, in the interests of shareholders, will do our best to resist such situations. However, we are also making investments in non-qualifying holdings in order to capitalise on present low ratings, particularly now that the portfolio has had its two Floating Rate Notes redeemed and it has substantial liquidity to take advantage of these situations. Since the year end we have bought a number of non-qualifying holdings with the intention of improving the Net Asset Value. These are listed in Note 17.

Investment Manager's Review (continued)

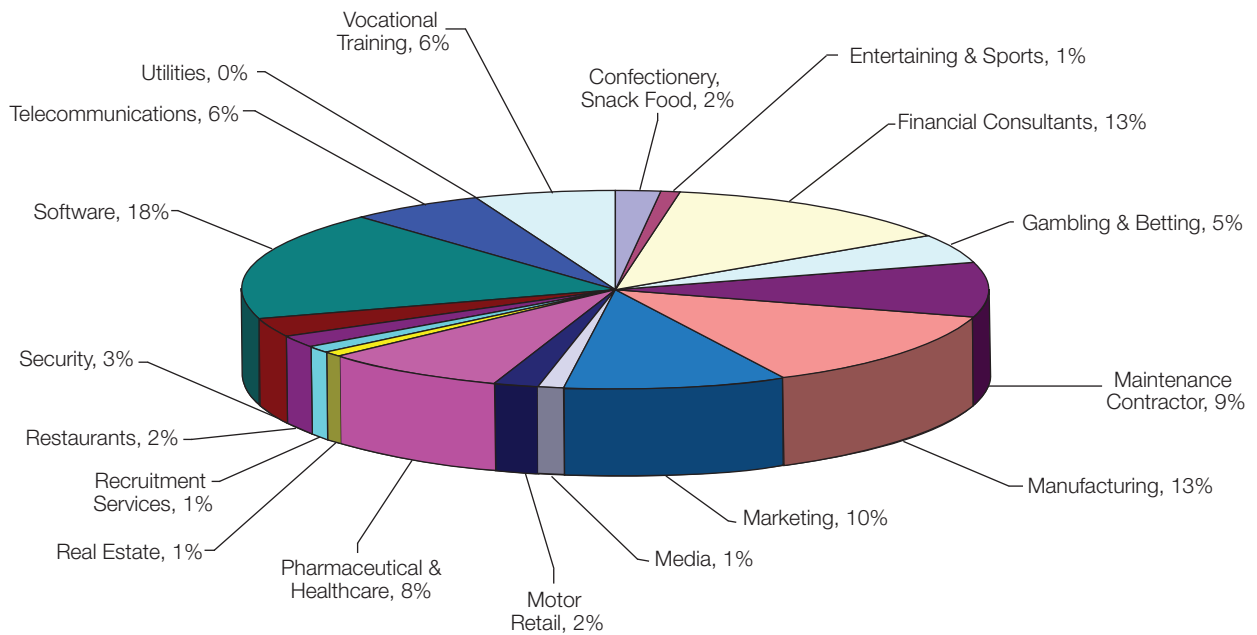
Sector Analysis

The following charts of the percentage of book cost and valuation of investments show that 64% by valuation have exceeded book cost.

Total Qualifying Investments by Book Cost



Total Qualifying Investments by Valuation



Ten Largest Holdings by value

Mattioli Woods plc

Mattioli Woods plc is a provider of pensions consultancy and administration services

Cost:	£523,000
Valuation:	£928,000
Valuation basis:	Bid Price
Equity held:	2.29%
Last audited accounts:	31 May 2008
Profit before tax:	£3.51m
Net assets:	£14.03m



Further information can be found at the company's website
www.mattioli-woods.com

Mears Group plc

Mears is a building maintenance contractor to local authorities, the MOD and the private sector. Provider of domiciliary care for the elderly on local authority contracts.

Cost:	£170,000
Valuation:	£916,000
Valuation basis:	Bid Price
Equity held:	0.50%
Last audited accounts:	31 December 2008
Profit before tax:	£16.58m
Net assets:	£95.7m



Further information can be found at the company's website
www.mearsgroup.co.uk

Advanced Computer Software plc

The group was formed to acquire and manage software businesses in sectors where the directors believe there are opportunities for consolidation. It has made one healthcare related acquisition to date.

Cost:	£600,000
Valuation:	£706,000
Valuation basis:	Bid price
Equity held:	1.85%
Last audited accounts:	28 February 2009
Profit before tax:	£1.1m
Net assets:	£25.44m



Further information can be found at the company's website
www.advcomputersoftware.com

Melorio plc

Melorio plc was formed to consolidate the UK vocational training market. In September 2007, it acquired CLW, the UK's largest provider of on-site construction assessment and training. As well as the construction industry, Melorio will focus on acquisitions within the utility, logistics and care sectors.

Cost:	£816,000
Valuation:	£685,000
Valuation basis:	Bid price
Equity held:	2.09%
Last audited accounts:	31 March 2009
Profit before tax:	£7.6 million
Net assets:	£42.7 million



Further information can be found at the company's website
www.melorio.com

Ten Largest Holdings by value (continued)

Research Now plc

Research Now operates specialist online research panels in the UK, Europe, the US and Asia.

Cost:	£454,000
Valuation:	£618,000
Valuation basis:	Bid Price
Equity held:	1.64%
Last audited accounts:	31 October 2008
Profit before tax:	£5.7m
Net assets:	£24.81m



Further information can be found at the company's website
www.researchnow.co.uk

Brooks MacDonald Group plc

Brooks MacDonald is a provider of asset management and financial consulting services with a particular emphasis on the pensions market.

Cost:	£330,000
Valuation:	£589,000
Valuation basis:	Bid Price
Equity held:	2.37%
Last audited accounts:	30 June 2008
Profit before tax:	£2.03m
Net assets:	£5.84m

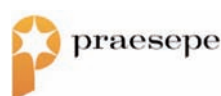


Further information can be found at the company's website
www.brooksmacdonald.com

Praesepe plc

Praesepe operates low stake high street gaming outlets under the Casino brand. The Group was established to consolidate this marketplace.

Cost:	£550,000
Valuation:	£550,000
Valuation basis:	Bid price
Equity held:	3.25%
Last audited accounts:	31 December 2008
Profit before tax:	£3.87m loss
Net assets:	£8.7m



Further information can be found at the company's website
www.praesepeplc.com

Pressure Technologies plc

Pressure Technologies the holding company for Chesterfield Special Cylinders ("CSC"). CSC designs, manufactures and offers testing and refurbishment services for a range of speciality high pressure, seamless steel gas cylinders for global energy and defence markets.

Cost:	£302,000
Valuation:	£432,000
Valuation basis:	Bid price
Equity held:	1.78%
Last audited accounts:	30 September 2008
Profit before tax:	£5.0 million
Net assets:	£11.2 million



Further information can be found at the company's website
www.pressuretechnologies.com

Idox plc

Idox is a leading developer and supplier of software solutions and services to local government for core functions relating to land, people and property.

Cost:	£362,000
Valuation:	£398,000
Valuation basis:	Bid Price
Equity held:	1.40%
Last audited accounts:	October 2008
Profit before tax:	£6.6million
Net assets:	£25.4 million



Further information can be found at the company's website
www.idoxplc.com

Animalcare plc

Animalcare is a manufacturer and distributor of veterinary medicines, identification chips and other products for pets and livestock.

Cost:	£300,000
Valuation:	£382,000
Valuation basis:	Bid price
Equity held:	2.77%
Last audited accounts:	June 2008
Profit before tax:	£1.1 million
Net assets:	£14.6 million



Further information can be found at the company's website
www.animalcaregroup.co.uk

Outlook

The steady stream of bad news about the state of the banks, the economy and Government finances, continues to dominate the press, not helped by the recent budget, which underlined the extent of the debt problem facing this country. There remain substantial economic problems, which will require some time to resolve. However, for those companies without uncomfortable levels of debt, life, whilst undoubtedly tougher, goes on. Trade even in a recession continues. This message seems to have got through to the stock market in the last few weeks and there have been signs recently of investors looking for value amongst share prices which have fallen too far. It is for this reason that smaller companies have outperformed their larger peers in the current financial year, as the scale of the ratings discounts, at which they were trading, have become apparent. For your VCT, this should mean that there is scope for the asset values to recover as investments made over the past three years mature and as the economy stops shrinking, begins to flatten out and then grow. In time too it will mean that new issues revive.

If you have any questions on any aspect of your investment, please call Kate Tidbury or Andrew Buchanan on 0800 316 2347.

The Octopus AIM Team
 Octopus Investments Limited

26 May 2009

Shareholder Information

The Company

Octopus AIM VCT PLC is a venture capital trust ("VCT") launched in the Spring of 1998 when it 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. Subsequently, between 16 March and 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 at a conversion ratio determined by a price mechanism related to the respective net assets per share of both the Ordinary Shares and C Shares at 29 February 2004 (which resulted in C Shareholders receiving 1.0765 Ordinary Shares for each C Share held).

A further £15.0 million was raised between 6 January and 8 April 2005 through an issue of New D Shares. The Ordinary Shares were converted into D Shares on 31 May 2008 at a conversion ratio of 0.5448 D Shares for each Ordinary Share. All of the D Shares were then redesignated into New Ordinary Shares on 31 May 2008.

Shareholders will be aware that within the year to 28 February 2009 there has been a change to the corporate identity of your Company. Following the move by Andrew Buchanan and Kate Tidbury from Close Investments Limited ("Close") to Octopus Investments Limited ("Octopus"), your Board agreed to novate the management agreement to Octopus. As a result it was necessary to change the name of your Company which was approved at an EGM at the beginning of September. Shareholders' existing share certificates have not been replaced and remain valid.

At Octopus, Andrew and Kate have joined Richard Power's larger and better-resourced team, which is also involved in investment in smaller companies and VCTs. Octopus also acts as manager of 14 other VCTs and has a total of approximately £750 million under management.

During the year, the Board, advised by the Audit Committee, decided to put the audit of the Company out to tender. Following a formal selection process, the Board decided to appoint PKF (UK) LLP as auditors. As a result of this process Deloitte & Touche formally resigned as auditors to the Company.

Venture Capital Trusts

VCTs were introduced by the UK Government in 1995 to encourage individuals to invest in UK smaller companies. The Government achieved this by offering VCT investors a series of very attractive tax benefits.

With effect from 6 April 2006, the benefits to eligible investors include income tax relief at 30% on new subscriptions of up to £200,000 per tax year, provided the shares are held for at least five years, exemption from income tax on dividends paid by VCTs (such dividends may include the VCTs capital gains as well as its income) and exemption from capital gains tax on disposal of shares in VCTs. Subscribers for shares in VCTs between 6 April 2004 and 5 April 2006 were entitled to income tax relief at 40% rather than 30% and the shares had to be held for at least three years rather than five years. Prior to 6 April 2004, subscribers for shares in VCTs were entitled to income tax relief at 20% and could also obtain capital gains deferral relief. Capital gains deferred by pre-6 April 2004 subscriptions are not affected by the subsequent changes in tax reliefs.

Octopus AIM VCT plc has been fully approved as a VCT by HMRC. In order to maintain its approval the Company must comply with certain requirements on a continuing basis. Within three years from the date of provisional approval at least 70% of the Company's investments must comprise "qualifying holdings" of which at least 30% must be in eligible ordinary shares. A "qualifying holding" consists of up to £1 million invested in any one year in new shares or securities in an unquoted Company (including companies listed on AIM) which is carrying on a qualifying trade and whose gross assets do not exceed £15 million at the time of investment. The definition of a qualifying trade excludes certain activities such as property investment and development, financial services and asset leasing. The gross assets limit has been reduced to £7 million for investments made using funds subscribed after 5 April 2006. The Company has continued its compliance with these requirements, since no new funds have been raised since April 2005.

Financial Calendar

The Company's financial calendar is as follows:

25 June 2009	–	Annual General Meeting ("AGM")
October 2009	–	Six-monthly results to 31 August 2009 published
May/June 2010	–	Final results for year to 28 February 2010 announced; Annual Report and financial statements published

Share Price

The Company's mid-market share price as at 26 May 2009 stands at 63p. The Company's share price is published daily in the Financial Times and its FTSE classification is "Investment Companies" "VCTs".

Annual and Interim Reports

Previously published Annual Reports and Interim Reports are available for viewing on the Investment Manager's website at www.octopusinvestments.com by navigating to the VCT Meetings & Reports under the 'Services' section. The result of any poll on a resolution put before shareholders will also be found there.

Details of Advisers

Secretary and Registered office

Celia L Whitten FCIS
8 Angel Court
London
EC2R 7HP
Registered in England No: 03477519

Investment manager

Octopus Investments Limited
8 Angel Court
London
EC2R 7HP

Custodians

Capita Trust Company Limited
7th Floor, Phoenix House
18 King William Street
London
EC4N 7HE

Solicitors

Berwin Leighton Paisner
Adelaide House
London Bridge
London
EC4R 9HA

Independent auditor

PKF (UK) LLP
Farringdon Place
20 Farringdon Road
London
EC1M 3AP

Taxation advisor

PricewaterhouseCoopers UK
1 Embankment Place
London
WC2N 6RH

VCT status adviser

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Stockbroker

Brewin Dolphin Limited
34 Lisbon Street
Leeds
LS1 4LX

Registrar

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

Details of Directors

The Board comprises three Directors all of whom are independent of the Investment Manager. The Directors operate in a non-executive capacity and are responsible for overseeing the investment strategy of the Company. The Board has wide experience of investment in both smaller growing companies and larger quoted companies.

Michael Reeve MA FCA Chairman (72)

Michael Reeve is a chartered accountant and was formerly managing director of Greyhound Bank PLC from 1981 – 1987 and a director of Rea Brothers Plc from 1977 – 1980. He was the chairman and director of Finsbury Growth & Income Trust PLC from 1991 – 2008. He is currently a director of a number of unquoted companies. Michael Reeve became director and chairman in 1998.

Roger Smith BSc (Hons) (70)

Roger Smith is chairman of a family owned investment company with a wide range of interests and investments. He was deputy chairman of Tricentral plc, and chairman of European Motor Holdings PLC from 1992 to 2007. He is chairman of the Central Finance Board of the Methodist Church. Roger Smith became a director in 1998.

Stephen Hazell-Smith (55)

Stephen Hazell-Smith was, until September 2001, the managing director of Close Investment Limited. Prior to this he gained experience of investment in smaller companies at GT Investment Management where he was responsible for launching its first UK Equity Fund. He also worked at Mercury Asset Management from 1989 to 1992. He is currently chairman of Octopus Phoenix VCT PLC and chairman of PLUS Markets Group plc. Stephen Hazell-Smith became a director in 1998.

The Investment Manager

Personal Service

At Octopus, we have a dual focus on managing your investments and keeping you informed throughout the investment process. We are committed to providing our investors with regular and open communication. Our updates are designed to keep you involved about the progress of your investment.

During this time of economic upheaval, we consider it particularly important to be in contact with our investors. We are working hard to manage your money in the current climate. If you have any questions about this report, or if it would help to speak to one of the fund managers, please do not hesitate to contact us on 0800 316 2347.

With effect from 1 August 2008, the management of the Company was novated to Octopus Investments Limited simultaneously with the move of Andrew Buchanan and Kate Tidbury to Octopus.

Octopus Investments Limited was established in 2000 and has a strong commitment to both smaller companies and to VCTs. Currently it manages 15 VCTs, including this Company, and manages over £200 million in the VCT sector. Octopus has over 100 employees and has been voted as "Best VCT Provider of the Year" by the financial adviser community for the last three years.

The AIM investment team of Octopus Investments Limited comprises:

Andrew Buchanan

Andrew originally joined Barclays Bank in 1973 to manage investment portfolios. After gaining an MBA from London Business School, he spent time with Mercury Asset Management and Hoare Govett, before joining Rutherford Asset Management in 1993. He established Beacon Investment Trust in 1994, the first fund to specialise in investment in AIM. He joined Close Brothers when it purchased Rutherford and left to join Octopus in 2008. He has been involved in the management of this Company since its launch in 1998 as well as other AIM VCTs and IHT portfolios.

David Crawford

David joined the AIM team of Octopus in 2006 from Hermes, having previously worked at M&G. He is responsible for the management of the CF Octopus Partner Fund (Absolute Return), which has a small company section to its portfolio.

Edward Griffiths

Edward is a portfolio manager at Octopus involved particularly in the management of AIM portfolios for private individuals. He joined Octopus in 2004 having previously worked at Schroder's and State Street.

Richard Power

Richard started his career at Duncan Lawrie, where he managed a successful small companies fund. He subsequently joined Close Brothers to manage a smaller companies investment trust before moving to Octopus to head up the AIM team in 2004. He is involved in the management of AIM portfolios, AIM VCTs and the CF Octopus Partner Fund (UK Smaller Companies).

Paul Stevens

Paul joined Octopus in 2005 as a member of the AIM investment team and has been involved in the management of AIM portfolios since then.

Kate Tidbury

Kate has had an extensive career which has included periods as an investment analyst with Sheppards and Chase and Panmure Gordon and then as an Investment Manager specialising in ethical and smaller companies with the Co-operative Bank and Colonial First State Investments. She joined the AIM team at Close Brothers in 2000 where she was involved in the management of this Company as well as other AIM VCTs and IHT portfolios. She joined Octopus in 2008.

Directors' Report

The Directors present their report and the audited financial statements for the year ended 28 February 2009.

The Company's independent auditor is required by law to report on whether the information given in the Directors' Report (including the business review) is consistent with the financial statements. The auditor's opinion is included in their report on pages 31 and 32.

Principal Activity and Status

The Company is a VCT and its principal activity is to invest in a diversified portfolio of AIM or PLUS quoted companies in order to generate capital growth over the long-term as well as an attractive tax-free dividend stream. The Company has been granted full approval as a venture capital trust by HMRC. In order to maintain approved status, the Company must comply on a continuing basis with the provisions of s274 of the Income Tax Act 2007; in particular, the Company is required at all times to hold at least 70% of its investments (as defined in the legislation) in VCT qualifying holdings, of which at least 30% must comprise eligible ordinary shares. For this purpose, a "VCT qualifying holding" consists of up to £1million invested in any one year in new shares or securities of a UK unquoted company (which may be quoted on AIM or PLUS) which is carrying on a qualifying trade, and whose gross assets at the time of investment do not exceed a prescribed limit. The definition of "qualifying trade" excludes certain activities such as property investment and development, financial services and asset leasing.

The Company's share capital comprises New Ordinary Shares.

There are no restrictions on the transfer of securities or on voting rights known to the Company.

The Company has been approved by HMRC as a VCT in accordance with Part 6 of the Income Taxes Act 2007. In the opinion of the Directors, the Company has conducted its affairs so as to enable it to continue to obtain such approval. Approval for the year ended 28 February 2009 is subject to review should there be any subsequent enquiry under corporation tax self assessment.

Under current tax legislation, shares in the Company provide tax free capital growth and income distribution, in addition to the income tax relief some investors would have obtained when they invested at the time of the initial fundraising.

To allow the Company to distribute realised capital gains and purchase its own shares, following the creation of a Special Distributable Reserve on cancellation of the Company's share premium account in relation to Ordinary and D Shares, investment company status was revoked on 3 March 2000. There remains a Share Premium account in relation to New Ordinary Shares. The accounts have been drawn up to include a statutory Profit and Loss account in accordance with Schedule 4 of the Companies Act 1985 and Financial Reporting Standard 3 (Reporting Financial Performance). The Directors are required by the Articles of Association to propose an ordinary resolution at the Company's Annual General Meeting this year that the Company should continue as a venture capital trust for a further five year period and at each fifth subsequent Annual General Meeting thereafter. If any such resolution is not passed, the Directors shall within four months convene a general meeting to consider the proposals for the reorganisation or winding-up of the Company.

Review of Business Activities

The Directors are required by s417 of the Companies Act 2006 to include a business review to shareholders. The business review is set out below but also includes the Chairman's Statement on pages 4 and 5 and the Investment Manager's Review on pages 6 to 13.

The purpose of this review is to provide information about the main trends and factors likely to effect the future development, performance and position of the Company.

Performance and Key Performance Indicators (KPIs)

As a VCT, the Company's objective is to provide shareholders with an attractive income and capital return by investing its funds in a broad spread of AIM or PLUS quoted UK companies which meet the relevant criteria for venture capital trusts. The Board has a number of performance measures to assess the Company's success in meeting its objectives. Performance, measured by the change in NAV return and Company share price, is also measured against the FTSE AIM Index and the FTSE All-Share Index. This is shown in the graph on page 26 of the Directors' Remuneration Report. These indices have been adopted as an informal benchmark. Investment performance, cash returned to shareholders and share price are also measured against the Company's peer group of the other AIM VCTs. The Chairman's Statement, on pages 4 and 5, includes a review of the Company's activities and future prospects; further details are also provided within the Investment Manager's Review on pages 6 to 13. Further details of the Company's risk management policies are provided on pages 20 to 21 and note 16 to the financial statements.

Directors' Report (continued)

The total expense ratio for the Company for the year to 28 February 2009 was 3.2 per cent (2008: 3.4 per cent).

Results and Dividend

	Year ended 28 February 2009 £'000	Year ended 29 February 2008 £'000
Net loss attributable to shareholders	(12,285)	(8,334)
Appropriations:		
Final dividend proposed 2.5p per New Ordinary Share (2008: Ordinary Shares 2.5p and D Shares 2.5p)	1,750	1,468

The record and payment date of the proposed final dividends will, if approved by shareholders, be announced on the London Stock Exchange RNS service after HMRC approval.

Objective and Investment Policy

The objective of the Company is to invest in a broad range of AIM or PLUS quoted companies in order to generate income and long term capital growth. Investments are made selectively across a range of sectors in companies that have the potential to grow and enhance their value. Start-up companies will usually be avoided.

The Company's investment policy has been designed to enable the Company to comply with the VCT qualifying conditions. The Directors intend that the long-term disposition of the Company's assets will be not less than 80% in a portfolio of AIM or PLUS quoted investments. Once its qualifying target has been reached, the Company intends that approximately 20% of its funds will be invested in non qualifying investments comprising gilts, floating rate securities and short term money market deposits with, or issued, by major companies and institutions with a minimum Moody's long term debt rating of 'A'. A proportion of the 20% could be invested in an authorised UK smaller company fund managed by Octopus Investments Limited. This 20% could provide a reserve of liquidity which should maximise the Company's flexibility as to the timing of investment acquisitions and disposals, dividend payments and share buy-backs.

Risk is spread by investing in a number of different businesses within different industry sectors using a mixture of securities. In order to qualify as an investment in a VCT qualifying holding, at no time during the year must the Company's holdings in any one company (other than another VCT) exceed 15% by value of its investments. The value of an individual investment is expected to increase over time as a result of trading progress and a continuous assessment is made of its suitability for sale. However, shareholders should be aware that the Company's VCT qualifying investments are held with a view to long-term capital growth as well as income and will often have limited marketability; as a result it is possible that individual holdings may grow in value to the point where they represent a significantly higher proportion of total assets prior to a realisation opportunity being available. Investments will normally be made using the Company's equity shareholders' funds and it is not intended that the Company will take on any long-term borrowings.

No material changes may be made to the Company's investment policy described above without the prior approval of shareholders by the passing of an ordinary resolution. The Directors will continually monitor the investment process and ensure compliance with the investment policy.

Principal Risks, Risk Management and Regulatory Environment

The Board carries out a regular review of the risk environment in which the Company operates. The main areas of risk identified by the Board are as follows:

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 Investment Manager keeps the Company's VCT qualifying status under continual review and reports to the Board regularly throughout the year. The Board has also retained PricewaterhouseCoopers LLP to undertake an independent VCT status monitoring role.

Investment risk: the majority of the Company's investments are in AIM or PLUS companies which are VCT qualifying holdings, which by their nature entail a higher level of risk and lower liquidity than investments in large quoted companies. The Directors and the Manager aim to limit the risk attached to the portfolio as a whole by careful selection and timely realisation of investments, by carrying out rigorous due diligence procedures and by maintaining a

wide spread of holdings in terms of financing stage, industry sector and geographical location. The Board reviews the investment portfolio with the Manager on a regular basis.

Financial risk: By its nature, as a VCT, the Company is exposed to market price risk, 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 foreign currency risk. The Company is financed through equity and does not have any borrowings. The Company does not use derivative financial instruments.

Credit risk: Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The Investment Manager and the Board carry out a regular review of counterparty risk. The carrying values of financial assets represent the maximum credit risk exposure at the balance sheet date.

Regulatory risk: the Company is required to comply with the Companies Acts, 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 risk: the Board reviews annually the system of internal controls, both financial and non-financial, operated by the Company and the Manager. These include controls designed to ensure that the Company's assets are safeguarded and that proper accounting records are maintained.

Competitive Risk: retention of key personnel is vital to the success of the Company.

Due to the nature of the Company, environmental, social and employee issues do not apply and therefore no disclosures in respect of these have been included in the Directors' Report.

Further details of the Company's risk management policies are provided in note 16 to the financial statements.

The Board seeks to mitigate the internal risks by setting policy, regular review of performance, enforcement of contractual obligations and monitoring progress and compliance. In the mitigation and management of these risks, the Board applies appropriately the principles detailed in the 'Turnbull' guidance. Details of the Company's internal controls are contained in the Corporate Governance section on pages 27 to 29.

Directors

The Directors of the Company during the period and their interests (in respect of which transactions are notifiable under Disclosure and Transparency Rule 3.1.2R) in the issued ordinary shares of 50p are shown in the table below:

	Shares of 50p each 28 February 2009 New Ordinary	Shares of 50p each 29 February 2008	
		Ordinary	D Shares
Michael Reeve	6,959	5,000	4,235
Stephen Hazell-Smith	79,142	126,913	10,000
Roger Smith	–	–	–

All of the Directors' shares were held beneficially. There have been no changes in the Directors' share interests between 28 February 2009 and the date of this report.

Michael Reeve retires by rotation, and being eligible, offers himself for re-election. The Board has considered provision A.7.2 of the Combined Code 2006 and believes that he continues to be effective and demonstrates commitment to his role. They, therefore, recommend his re-election at the forthcoming Annual General Meeting.

Brief biographical notes on the Directors are given on page 17.

Directors' and Officers' Liability Insurance

The Company has, as permitted by s232-236 of the Companies Act 2006, maintained insurance cover on behalf of the Directors and Secretary indemnifying them against certain liabilities which may be incurred by them in relation to the Company.

Management

As noted above in the Chairman's Statement, the investment management of the Company changed from Close Investments Limited to Octopus Investments Limited on 1 August 2008.

Directors' Report (continued)

The principal terms of the Company's management agreement with Octopus are set out in Notes 3 and 19 to the financial statements. The Manager also provides secretarial, administrative and custodian services to the Company.

As required by the Listing Rules, the Directors confirm that in their opinion the continuing appointment of Octopus as Investment Manager is in the best interest of the shareholders as a whole. In reaching this conclusion the Directors have taken into account the performance of the investment portfolio and the efficient and effective service provided by Octopus to the Company.

The Company has established a performance incentive scheme whereby the Investment Manager is entitled to an annual performance related incentive fee in the event that certain performance criteria are met, commencing at the end of the 2008 financial year. No performance fee was payable at 28 February 2009. (2008: Nil)

Share Issues

There were no share issues during the period.

Share Buy-Backs

Prior to the share conversion on 31 May 2008, the Company purchased 284,564 Ordinary Shares for a weighted average price of 51.8p per share for total consideration £147,306 and 526,701 D Shares for a weighted average price of 96.3p per share for total consideration £507,472.

Post 31 May 2008, the Company purchased 723,039 New Ordinary Shares for a weighted average price of 74.0p per share for total consideration of £534,990.

The shares were repurchased in accordance with the Company's share buy-back facility in an attempt to assist the marketability of the shares and prevent the shares trading at a wide discount to the NAV.

Share Capital, Rights Attaching to the Shares and Restrictions on Voting and Transfer

The Company's authorised share capital is £35,000,000 divided into 70,000,000 New Ordinary Shares of £0.50 each, of which as at 28 February 2009, 31,930,030 shares were in issue (as at that date 1,781,343 of the issued shares were held by the Company as treasury shares). Subject to any suspension or abrogation of rights pursuant to relevant law or the Company's Articles of Association, the New Ordinary Shares confer on their holders (other than the Company in respect of any treasury shares) the following principal rights:

(a) Dividends

The New Ordinary Shares shall be entitled to receive all dividends and other distributions payable to holders of New Ordinary Shares.

(b) Rights as to Capital

The capital and assets of the Company shall on a winding up or on a return of capital be divided amongst the holders of the New Ordinary Shares pro rata according to their holdings of New Ordinary Shares; and

(c) Voting Rights

The holders of New Ordinary Shares have the right to receive notice of, to attend and to vote at any general meeting of the Company. On a show of hands every eligible member present or represented and voting has one vote and on a poll every member present or represented and voting has one vote for every share of which that member is the holder; the appointment of a proxy must be received not less than 48 hours before the time of the holding of the relevant meeting or adjourned meeting or, in the case of a poll taken otherwise than at or on the same day as the relevant meeting or adjourned meeting, be received after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll. These rights can be suspended. If a member, or any other person appearing to be interested in shares held by that member, has failed to comply within the time limits specified in the Company's Articles of Association with a notice pursuant to s793 of the Companies Act 2006 (notice by Company requiring information about interests in its shares), the Company can until the default ceases suspend the right to attend and speak and vote at a general meeting and if the shares represent at least 0.25% of their class the Company can also withhold any dividend or other money payable in respect of the shares (without any obligation to pay interest) and refuse to accept certain transfers of the relevant shares. Shareholders, either alone or with other shareholders, have other rights as set out in the Company's Articles of Association and in company law (principally the Companies Act 2006 and, so far as still applicable, the Companies Act 1985).

A member may choose whether his shares are evidenced by share certificates (certificated shares) or held in electronic (uncertificated) form in CREST (the UK electronic settlement system). Any member may transfer all or any of his shares, subject in the case of certificated shares to the rules set out in the Company's Articles of Association or in the

case of uncertificated shares to the regulations governing the operation of CREST (which allow the Directors to refuse to register a transfer as therein set out); the transferor remains the holder of the shares until the name of the transferee is entered in the register of members. The Directors may refuse to register a transfer of certificated shares in favour of more than four persons jointly or where there is no adequate evidence of ownership or the transfer is not duly stamped (if so required). The Directors may also refuse to register a New Ordinary Share transfer if it is in respect of a certificated share which is not fully paid up or on which the Company has a lien provided that, where the share transfer is in respect of any share admitted to the Official List maintained by the UK Listing Authority, any such discretion may not be exercised so as to prevent dealings taking place on an open and proper basis, or if in the opinion of the Directors (and with the concurrence of the UK Listing Authority) exceptional circumstances so warrant, provided that the exercise of such power will not disturb the market in those shares. Whilst there are no squeeze-out and sell out rules relating to the shares in the Company's Articles of Association, shareholders are subject to the compulsory acquisition provisions in s974 to s991 of the Companies Act 2006.

Appointment and Replacement of Directors

A person may be appointed as a director of the Company by the shareholders in general meeting by ordinary resolution (requiring a simple majority of the persons voting on the relevant resolution) or by the Directors: No person, other than a director retiring by rotation or otherwise, shall be appointed or reappointed a director at any general meeting unless he is recommended by the Directors or, not less than seven nor more than 42 clear days before the date appointed for the meeting, notice is given to the Company of the intention to propose that person for appointment or re-appointment in the form and manner set out in the Company's Articles of Association. Each director who is appointed by the Directors (and who has not been elected as a director of the Company by the members at a general meeting held in the interval since his appointment as a director of the Company) is to be subject to election as a director of the Company by the members at the first Annual General Meeting of the Company following his appointment. At each Annual General Meeting of the Company one third of the Directors for the time being, or if their number is not three or an integral multiple of three the number nearest to but not exceeding one-third, are to be subject to re-election. The Companies Act allows shareholders in general meeting by ordinary resolution (requiring a simple majority of the persons voting on the relevant resolution) to remove any director before the expiration of his or her period of office, but without prejudice to any claim for damages which the director may have for breach of any contract of service between him or her and the Company. A person also ceases to be a director if he or she resigns in writing, ceases to be a director by virtue of any provision of the Companies Act, becomes prohibited by law from being a director, becomes bankrupt or is the subject of a relevant insolvency procedure, or becomes of unsound mind, or if the Board so decides following at least six months' absence without leave or if he or she becomes subject to relevant procedures under the mental health laws, as set out in the Company's Articles of Association.

International Financial Reporting Standards

As the Company is not part of a group it is not mandatory for it to apply International Financial Reporting Standards. The Company does not anticipate that it will voluntarily adopt the International Financial Reporting Standards.

Creditor Payment Policy

The Company's payment policy for the forthcoming financial year is to agree terms of payment before business is transacted and to settle accounts in accordance with those terms. The Company does not follow any code or standard with regard to creditor payment practice. At 28 February 2009 there were no trade creditors (2008: £nil).

Going Concern

After making enquiries, the Directors believe that it is appropriate to continue to apply the going concern basis in preparing the financial statements. This is appropriate as cash reserves and current asset investments are significantly greater than the average annual running costs of the Fund.

Substantial Shareholdings

As at the date of this report, no disclosures of major shareholdings had been made to the Company under Disclosure and Transparency Rule 5 (Vote Holder and Issuer Notification Rules).

Annual General Meeting

Notice convening the 2009 Annual General Meeting of the Company and a form of proxy in relation to the meeting can each be found at the end of this document.

Independent Auditor

PKF (UK) LLP offers themselves for reappointment as auditor. A resolution to re-appoint PKF (UK) LLP as auditor and to authorise the Directors to fix their remuneration will be proposed at the forthcoming Annual General Meeting.

Directors' Report (continued)

Directors' Authority to Allot Shares and to Disapply Pre-emption Rights

The authority proposed under Resolution 6 is required so that the Directors may offer existing shareholders the opportunity to add to their investment or to offer to potential shareholders an opportunity to invest in the Company in a tax efficient manner without the Company having to incur substantial costs. Any consequent modest increase in the size of the Company will, in the opinion of the Directors, be in the interests of shareholders generally. Any issue proceeds will be available for investment in line with the Company's investment policy and may be used, in part, to purchase New Ordinary Shares in the market. Resolution 6 renews the Directors' authority to allot New Ordinary shares. This would enable the Directors until June 2010, to allot up to 3,193,003 New Ordinary Shares of 50p (representing approximately 10% of the Company's current issued share capital).

Resolution 7 renews and extends the Directors' authority to allot equity securities for cash without pre-emption rights applying in certain circumstances. This resolution would authorise the Directors, until the date falling 15 months after the date of the passing of the Resolution or, if earlier, the conclusion of the next Annual General Meeting of the Company, to issue New Ordinary Shares for cash without pre-emption rights applying by way of an offer to existing shareholders, or re-issuing shares out of Treasury up to a maximum of 3,193,003 New Ordinary Shares of £0.50 (representing approximately 10% of the Company's current issued share capital). This power will be exercised only if, in the opinion of the Directors, it would be in the best interests of shareholders as a whole.

Directors' Authority to Make Market Purchase of its Own Shares

The authority proposed under Resolution 8 is required so that the Directors may make purchases of up to approximately 10% of the Company's issued share capital and Resolution 8 seeks renewal of such authority until the next Annual General Meeting (or the expiry of 15 months, if earlier). The price paid for shares will not be less than the nominal value nor more than the maximum amount permitted to be paid in accordance with the rules of the UK Listing Authority in force as at the date of purchase. This power will be exercised only if, in the opinion of the Directors, a repurchase would be in the best interests of shareholders as a whole. Any shares repurchased under this authority will either be cancelled or held in Treasury for future re-sale in appropriate market conditions.

To extend the life of the Company

The continuation vote proposed under Resolution 9 is explained in full in the Chairman's Statement on page 5.

By Order of the Board



Celia L Whitten, FCIS
Company Secretary

26 May 2009

Directors' Remuneration Report

Introduction

This report is submitted in accordance with schedule 7A of the Companies Act 1985. An ordinary resolution for the approval of this report will be put to the members at the forthcoming Annual General Meeting.

The Company's auditors, PKF (UK) LLP, are required to give their opinion on certain information included in this report; this only comprises the Directors' emoluments section below. Their report on these and other matters is set out on pages 31 and 32.

Consideration by the Directors of matters relating to Directors' Remuneration

The Board as a whole considers Directors' remuneration and has not appointed a separate committee in this respect. The Board has not sought advice or services from any person in respect of its consideration of Directors' remuneration during the year (although the Directors expect from time to time to review the fees against those paid to the Boards of directors of other VCTs).

Statement of the Company's policy on Directors' Remuneration

The Board consists entirely of non-executive directors, who meet at least four times a year and on other occasions as necessary, to deal with the important aspects of the Company's affairs. Directors are appointed with the expectation that they will serve for, at least, a period of three years. All Directors retire at the first General Meeting after election and thereafter one third of all Directors are subject to retirement by rotation at subsequent Annual General Meetings. Re-election will be recommended by the Board but dependent upon shareholder vote.

Each Director received a letter of appointment. A Director may resign by notice in writing to the Board at any time. None of the Directors are entitled to compensation payable upon early termination of their contract other than in respect of any unexpired notice period.

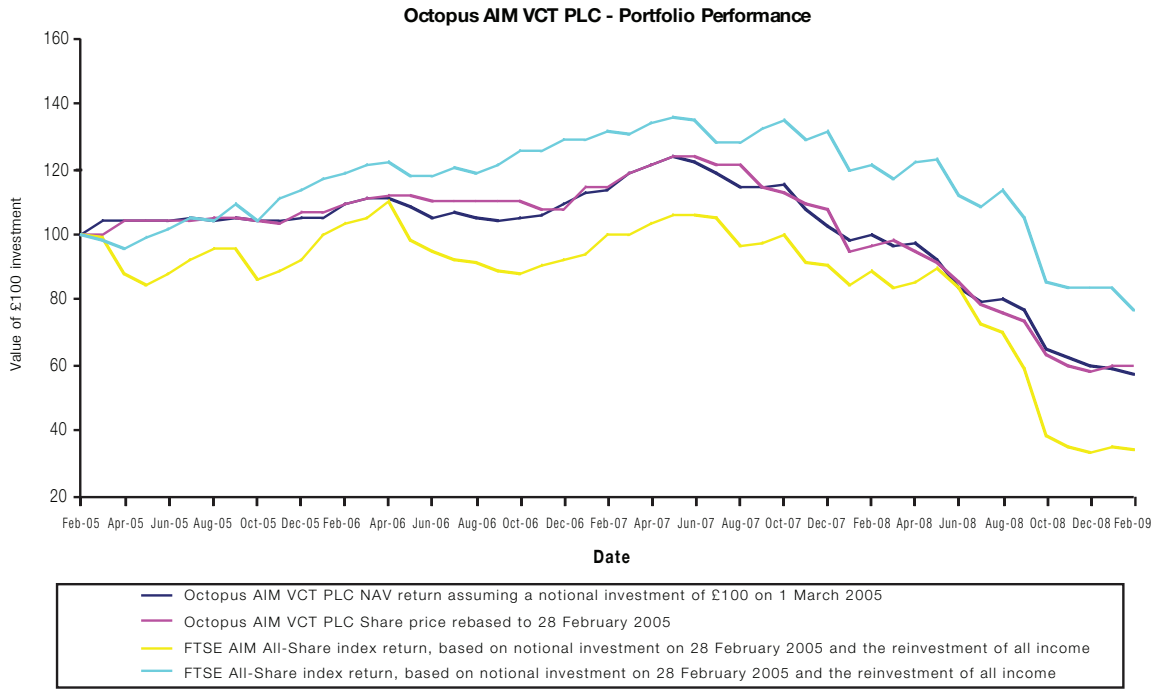
The Company's policy is that the fees payable to the Directors should reflect the time spent by the Board on the Company's affairs and the responsibilities borne by the Directors. They should be sufficient to attract candidates of high calibre to be recruited. The policy is for the Chairman of the Board to be paid higher fees than the other Directors in recognition of his more onerous role. The policy is to review these rates from time to time, although such review will not necessarily result in any changes.

The Company's policy is for the Directors to be remunerated in the form of fees, payable quarterly in arrears. The fees are not specifically related to the Directors' performance, either individually or collectively. There are no long-term incentive schemes, share option schemes or pension schemes in place. No other remuneration or compensation was paid or payable by the Company during the year to any of the current Directors.

Company Performance

The Board is responsible for the Company's investment strategy and performance, although the management of the Company's investment portfolio is delegated to the Investment Manager through the investment management agreement, as referred to in the Directors' Report on pages 19 to 24. The graph below compares the NAV return and share price of the Company over the period from February 2005 to February 2009 with the total return from notional investments in the FTSE All-Share Index and FTSE AIM All-Share index over the same period. The Directors consider these to be the most appropriate benchmarks but would remind investors that approximately 30 per cent of the FTSE AIM All-share Index is attributable to resources or property sector stocks which venture capital trusts cannot invest in. Investors should be reminded that shares in venture capital trusts generally continue to trade at a discount to the net asset value of the Company.

Directors' Remuneration Report (continued)



Directors' Emoluments (information subject to audit)

Annual rate of Directors' fees, exclusive of Employers' National Insurance

	Year ended 28 February 2009 £	Year ended 29 February 2008 £
Michael Reeve	24,450	24,450
Stephen Hazell-Smith	18,340	18,340
Roger Smith	18,340	18,340
Frank Malcolm	–	4,585
Total	61,130	65,715

The Directors do not receive any other form of emoluments in addition to the Directors' fees.

By Order of the Board

Celia L Whitten, FCIS
Company Secretary

26 May 2009

Corporate Governance

The Board of Octopus AIM VCT PLC has considered the principles and recommendations of the Association of Investment Companies Code of Corporate Governance (AIC Code) by reference to the Association of Investment Companies Corporate Governance Guide for Investment Companies (AIC Guide). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in Section 1 of the Combined Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company. The Board considers that reporting against principles and recommendations of the AIC Code, by reference to the AIC Guide (which incorporates the Combined Code), will provide better information to shareholders.

The Company is committed to maintaining high standards in corporate governance. The Directors consider that the Company has, throughout the year under review, complied with the provisions set out in section 1 of the 2006 Combined Code on Corporate Governance with the exceptions set out in the Compliance Statement on page 29.

Board of Directors

The Company has a Board of three non-executive Directors, all of whom are considered to be independent. The Board meets regularly on a quarterly basis, and on other occasions as required, to review the investment performance and monitor compliance with the investment policy laid down by the Board. The Board has a formal schedule of matters specifically reserved for its decision which include:

- the consideration and approval of future developments or changes to the investment policy, including risk and asset allocation;
- consideration of corporate strategy;
- approval of the appropriate dividend to be paid to the shareholders;
- the appointment, evaluation, removal and remuneration of the Manager;
- the performance of the Company, including monitoring of the discount of the net asset value and the share price; and
- Monitoring shareholder profiles and considering shareholder communications.

The Chairman leads the Board in the determination of its strategy and in the achievement of its objectives. The Chairman is responsible for organising the business of the Board, ensuring its effectiveness and setting its agenda and has no involvement in the day to day business of the Company. He facilitates the effective contribution of the Directors and ensures that they receive accurate, timely and clear information and that they communicate effectively with shareholders.

The Company Secretary is responsible for advising the Board through the Chairman on all governance matters. All of the Directors have access to the advice and services of the Company Secretary, who has administrative responsibility for the meetings of the Board and its committees. Directors may also take independent professional advice at the Company's expense where necessary in the performance of their duties. As all of the Directors are non-executive, it is not considered appropriate to identify a member of the Board as the senior non-executive Director of the Company.

The Company's Articles of Association and the schedule of matters reserved to the Board for decision provide that the appointment and removal of the Company Secretary is a matter for the full Board.

During the year the following were held:

5 full Board meetings

All Directors attended all meetings

2 Audit Committee meeting

All Members attended

Additional meetings were held as required to address specific issues including considering recommendations from the Investment Manager and approval of documentation to shareholders. A brief biographical summary of each Director is given on page 17.

The Company's Articles of Association require that one third of Directors should retire by rotation each year and seek re-election at the Annual General Meeting and that Directors appointed by the Board should seek re-appointment at the next Annual General Meeting. All Directors are required to submit themselves for re-election at least every three years. This practice was followed during the year under review.

The Board has appointed one committee to make recommendations to the Board in a specific area:

Audit Committee:

The Audit Committee, chaired by Roger Smith, consists of the three independent Directors. The Audit Committee believes Roger Smith possesses appropriate and relevant financial experience as per the requirements of the

Corporate Governance (continued)

Combined Code. The Board considers that the members of the Committee are independent and have collectively the skills and experience required to discharge their duties effectively.

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

- reviewing and making recommendations to the Board in relation to the Company's published financial statements and other formal announcements relating to the Company's financial performance;
- reviewing and making recommendations to the Board in relation to both Close Brothers internal controls and Octopus Investments' internal controls (including internal financial control) and risk management systems;
- periodically considering the need for an internal audit function;
- making recommendations to the Board in relation to the appointment, re-appointment and removal of the external auditor and approving the remuneration and terms of engagement of the external auditor;
- reviewing and monitoring the external auditors' independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional regulatory requirements;
- monitoring the extent to which the external auditor is engaged to supply non-audit services; and
- 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.

The Committee reviews its terms of reference and its effectiveness annually and recommends to the Board any changes required as a result of the review. The terms of reference are available on request from the Company Secretary. The Committee meets twice per year and has direct access to PKF (UK) LLP, the Company's external auditor.

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.

During the year ended 28 February 2009, the Audit Committee discharged its responsibilities by:

- reviewing and approving the external auditor's terms of engagement and remuneration;
- reviewing the external auditor's plan for the audit of the Company's financial statements, including identification of key risks and confirmation of auditor independence;
- reviewing Close Brothers and Octopus' statement of internal controls and compliance procedures in relation to the Company's business and assessing the effectiveness of those controls in minimising the impact of key risks;
- reviewing periodic reports on the effectiveness of Close Brothers and Octopus's compliance procedures;
- reviewing the appropriateness of the Company's accounting policies;
- reviewing the Company's draft annual financial and interim results statement prior to Board approval; and
- reviewing the external auditor's detailed reports to the Committee on the annual financial statements.

Internal Controls

The Directors have overall responsibility for keeping under review the effectiveness of the Company's systems of internal controls. The purpose of these controls is to ensure that proper accounting records are maintained, the Company's assets are safeguarded and the financial information used within the business and for publication is accurate and reliable; such a system can only provide reasonable and not absolute assurance against material misstatement or loss. The system of internal controls, under Turnbull guidance is designed to manage rather than eliminate the risk of failure to achieve the business objectives. The Board regularly reviews financial results and investment performance with its Investment Managers.

The Board delegates the identification of appropriate opportunities and the investment of funds to Octopus. The Board regularly reviews reports upon the investments made and on the status of existing investments.

Octopus is engaged to carry out the accounting function and all quoted investments are held in CREST.

The Directors confirm that they have established a continuing process throughout the year and up to the date of this report for identifying; evaluating and managing the significant potential risks faced by the Company and have reviewed the effectiveness of the internal control systems. As part of this process an annual review of the internal control systems is carried out in accordance with the Financial Reporting Council guidelines for internal control. The Board does not consider it necessary to maintain a separate internal audit function.

Financial Risk Management Objectives and Policies

The Company is exposed to the risks arising from its operational and investment activities. Further details can be found in note 16 to the Financial Statements and on pages 20 to 21 of the Director's Report.

Relations with Shareholders

Shareholders have the opportunity to meet the Board at the AGM. In addition to the formal business of the AGM, the Board is available to answer any questions shareholders may have.

The Board is also happy to respond to any written queries made by shareholders during the course of the year and can be contacted at 8 Angel Court, London, EC2R 7HP. Alternatively, the team at Octopus is happy to answer any questions you may have and can be contacted on 0800 316 2347.

Compliance Statement

The Listing Rules require the Board to report on compliance with the forty-eight Combined Code provisions throughout the accounting year. The preamble to the Combined Code does, however, acknowledge that some provisions may have less relevance for investment companies. With the exception of the limited items outlined below, the Company has complied throughout the accounting year to 28 February 2009 with the provisions set out in Section 1 of the Combined Code.

1. New Directors do not receive a full, formal and tailored induction on joining the Board. Such matters are addressed on an individual basis as they arise.
2. Due to the size of the Board and the nature of the Company's business, a formal performance evaluation process for the Board, its committees, the individual Directors and the Chairman has not been put in place this year or a formal evaluation undertaken. Specific performance issues will be dealt with as they arise.
3. The Company does not have a chief executive officer or senior independent director. The Board does not consider this necessary for the size of the Company.
4. The Company conducts a formal review as to whether there is a need for an internal audit function. However, the Directors do not consider that an internal audit would be an appropriate control for a venture capital trust.
5. The Company does not have a separate Nomination Committee, appointments are dealt with by the full Board as and when appropriate.
6. The non-executive Directors do not have service contracts, whereas the recommendation is for fixed term renewable contracts.
7. The Company has no major shareholders so shareholders are not given the opportunity to meet any new non-executive Directors at a specific meeting other than the Annual General Meeting.
8. The Company does not have a remuneration committee as it does not have any executive Directors.

Directors' Responsibility Statement

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations. They are also responsible for ensuring that the annual report includes information required by the Listing Rules of the Financial Services Authority.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. 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 confirm that to the best of their knowledge that the financial statements for the year ended 28 February 2009 comply with the requirements set out above and that suitable accounting policies, consistently applied and supported by reasonable and prudent judgement, have been used in their preparation. They also confirm that the annual report includes a fair review of the development and performance of the business together with a description of the principal risks and uncertainties faced by the Company.

Under applicable law and regulations, the Directors are responsible for preparing a Directors' Report (including Business Review), Directors' Remuneration Report and Corporate Governance Statement which comply with that law and those regulations.

In so far as the Directors are aware:

- there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Manager is responsible for the maintenance and integrity of the corporate and financial information included on the Investment Manager's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions. The work carried out by PKF (UK) LLP as independent auditor of the Company does not involve consideration of the maintenance and integrity of the website and accordingly they accept no responsibility for any changes that have occurred to the financial statements since they were initially presented on the website.

The Directors confirm to the best of their knowledge that:

- the financial statements prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) and the 2003 Statement of Recommended Practice, "Financial Statements of Investment Trust Companies" (SORP), revised December 2005, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company.
- the annual report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

Brief biographical notes on the Directors are given on page 17.

On Behalf of the Board



Michael Reeve
Chairman

26 May 2009

Independent Auditors' Report to the Members of Octopus AIM VCT PLC

We have audited the financial statements of Octopus AIM VCT PLC for the year ended 28 February 2009 which comprise the Income Statement, the Balance Sheet, the Reconciliation of Movements in Shareholders Funds, the Cash Flow Statement and the related notes. The financial statements have been prepared under the accounting policies set out therein. We have also audited the information in the Directors' Remuneration Report that is described as having been audited.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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

The Directors' responsibilities for preparing the annual report, the Directors' Remuneration Report and the financial statements in accordance with applicable law and United Kingdom accounting standards ('United Kingdom Generally Accepted Accounting Practice') are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements and the part of the Directors' Remuneration Report to be audited in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. The information in the Directors' Report includes that specific information presented in the Chairman's Statement and Investment Manager's Review that is cross referenced from the business review section of the Directors' Report.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We review whether the Corporate Governance Statement reflects the Company's compliance with the nine provisions of the 2006 Combined Code specified for our review by the Listing Rules of the Financial Services Authority, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Company's corporate governance procedures or its risk and control procedures.

We read other information contained in the annual report and consider whether it is consistent with the audited financial statements. The other information comprises only the Chairman's Statement, Investment Manager's Review, Shareholder Information, Directors' Report, Corporate Governance Statement and the unaudited part of the Directors' Remuneration Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements and the part of the Directors' Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements and the part of the Directors' Remuneration Report to be audited are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Directors' Remuneration Report to be audited.

Independent Auditors' Report to the Members of Octopus AIM VCT PLC (continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 28 February 2009 and of its loss for the year then ended;
- the financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

PKF(UK)LLP

PKF (UK) LLP
Registered Auditors
London, UK
26 May 2009

Income Statement

	Notes	Year to 28 February 2009								
		Ordinary Shares*			New Ordinary Shares**			Total		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gain/(loss) on disposal of fixed asset investments	10	-	229	229	-	(2,608)	(2,608)	-	(2,379)	(2,379)
Loss on valuation of fixed asset investments	10	-	(1,335)	(1,335)	-	(8,725)	(8,725)	-	(10,060)	(10,060)
Loss on valuation of current asset investments	11	-	-	-	-	(2)	(2)	-	(2)	(2)
Investment income	2	86	-	86	544	-	544	630	-	630
Investment management fees	3	(25)	(76)	(101)	(112)	(335)	(447)	(137)	(411)	(548)
Management fee VAT rebate	3	-	-	-	78	236	314	78	236	314
Other expenses	4	(43)	-	(43)	(197)	-	(197)	(240)	-	(240)
Profit/(loss) on ordinary activities before tax		18	(1,182)	(1,164)	313	(11,434)	(11,121)	331	(12,616)	(12,285)
Taxation on profit/(loss) on ordinary activities	6	4	16	20	(28)	8	(20)	(24)	24	-
Profit/(loss) on ordinary activities after tax		22	(1,166)	(1,144)	285	(11,426)	(11,141)	307	(12,592)	(12,285)
Earnings/(loss) per share – basic and diluted	8	0.0p	(4.0)p	(4.0)p	0.8p	(33.6)p	32.8p	-	-	-

- the 'Total' column of this statement represents the statutory Profit and Loss account of the Company; the supplementary revenue return and capital return columns have been prepared in accordance with the AITC Statement of Recommended Practice
- 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

The Company has no recognised gains or losses other than the results for the year as set out above. Accordingly a statement of total recognised gains or losses is not required.

Other than revaluation movements arising on investments held at fair value through profit and loss account, there were no differences between the profit/ (loss) as stated above and at historical cost

* Ordinary Shares for the period 1 March 2008 to 31 May 2008

** No comparatives are shown for New Ordinary Shares given the conversion of Ordinary Shares to D Shares on 31 May 2008. The resulting share class was named "New Ordinary Shares." Ordinary Shares were converted into D Shares at a conversion ratio of 0.5448 D Shares for every Ordinary Share.

Income Statement

	Year to 29 February 2008									
	Notes	Ordinary Shares			D Shares			Total		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Loss/(gain) on disposal of fixed asset investments	10	-	(1,587)	(1,587)	-	987	987	-	(600)	(600)
Loss on disposal of current asset investments	11	-	-	-	-	(4)	(4)	-	(4)	(4)
Loss on valuation of fixed asset investments	10	-	(4,831)	(4,831)	-	(2,544)	(2,544)	-	(7,375)	(7,375)
Loss on valuation of current asset investments	11	-	(18)	(18)	-	(25)	(25)	-	(43)	(43)
Investment income	2	369	-	369	494	-	494	863	-	863
Investment management fees	3	(133)	(398)	(531)	(114)	(341)	(455)	(247)	(739)	(986)
Other expenses	4	(114)	-	(114)	(75)	-	(75)	(189)	-	(189)
Profit/(loss) on ordinary activities before tax		122	(6,834)	(6,712)	305	(1,927)	(1,622)	427	(8,761)	(8,334)
Taxation on profit/(loss) on ordinary activities	6	3	-	3	(59)	56	(3)	(56)	56	-
Profit/(loss) on ordinary activities after tax		125	(6,834)	(6,709)	246	(1,871)	(1,625)	371	(8,705)	(8,334)
Earnings/(loss) per share – basic and diluted	8	0.4p	23.2p	(22.8)p	1.6p	(11.8)p	(10.2)p			

- the 'Total' column of this statement represents the statutory Profit and Loss account of the Company; the supplementary revenue return and capital return columns have been prepared in accordance with the AITC Statement of Recommended Practice
- 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

The Company has no recognised gains or losses other than the results for the year as set out above. Accordingly a statement of total recognised gains or losses is not required.

Other than revaluation movements arising on investments held at fair value through profit and loss account, there were no differences between the profit/(loss) as stated above and at historical cost.

Balance Sheet

	Notes	As at 28 February 2009		As at 29 February 2008		Total £'000
		New Ordinary Shares £'000	£'000	Ordinary Shares £'000	D Shares £'000	
Fixed asset investments	10		12,821	14,170	11,686	25,856
Current assets:						
Investments	11	6,163		1,901	4,264	6,165
Debtors	12	485		127	115	242
Cash at bank		167		1,211	1,432	2,643
			6,815	3,239	5,811	9,050
Creditors: amounts falling due within one year	13		(193)	(63)	(60)	(123)
Net current assets			6,622	3,176	5,751	8,927
Net assets			19,443	17,346	17,437	34,783
Called up equity share capital	14	15,965		14,762	7,923	22,685
Share premium	15	8,209		1,450	39	1,489
Special distributable reserve	15	16,412		7,311	9,100	16,411
Capital redemption reserve	15	3,727		3,569	159	3,728
Capital reserve – realised	15	(11,052)		(7,508)	459	(7,049)
– unrealised	15	(12,381)		(2,003)	(316)	(2,319)
Own shares held in treasury	15	(1,636)		(411)	(28)	(439)
Revenue reserve	15	199		176	101	277
Total equity shareholders' funds			19,443	17,346	17,437	34,783
Net asset value per share – basic and diluted	9		64.5p	60.1p	110.2p	n/a

The statements were approved by the Directors and authorised for issue on 26 May 2009 and are signed on their behalf by:



Michael Reeve
Chairman

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

Reconciliation of Movements in Shareholders' Funds

	Year to 29 February 2009		Total £'000
	Ordinary Shares £'000	New Ordinary Shares £'000	
Shareholders' funds at start of period	17,346	17,437	34,783
Loss for the period	(1,144)	(11,141)	(12,285)
Shares purchased and held in Treasury	(147)	(1,049)	(1,196)
Transfer between share class	(16,055)	16,055	–
Dividends paid	–	(1,859)	(1,859)
Shareholders' funds at end of period	–	19,443	19,443

Reconciliation of Movements in Shareholders' Funds

	Year to 29 February 2008		Total £'000
	Ordinary Shares £'000	D Shares £'000	
Shareholders' funds at start of period	26,288	20,088	46,376
Loss for the period	(6,709)	(1,625)	(8,334)
Shares purchased for cancellation	(354)	(204)	(558)
Shares purchased and held in treasury	(411)	(28)	(439)
Dividends paid	(1,468)	(794)	(2,262)
Shareholders' funds at end of period	17,346	17,437	34,783

Cash Flow Statement

	Year to 28 February 2009		Total £'000
	Ordinary Shares* £'000	New Ordinary shares** £'000	
Loss on ordinary activities before tax	(1,164)	(11,121)	(12,285)
Decrease/(increase) in debtor	127	(370)	(243)
Increase/(decrease) in creditors	(63)	133	70
Loss/(gain) on realisation of investments	(229)	2,608	2,379
Loss/(gain) on valuation of investments	1,335	8,727	10,062
Net cash inflow/(outflow) from operating activities	6	(23)	(17)
Taxation: UK Corporation tax paid	-	-	-
Capital expenditure and financial investment			
Purchase of investments	-	(1,706)	(1,706)
Disposal of investments	1,089	1,213	2,302
Net cash (outflow)/inflow from investing activities	1,089	(493)	596
Equity dividends paid			
Dividends paid	-	(1,859)	(1,859)
Net cash (outflow)/inflow before financing	1,095	(2,375)	(1,280)
Financing :			
Own shares held in treasury	(147)	(1,049)	(1,196)
Net cash (outflow)/inflow from financing	948	(3,424)	(2,476)
Interclass transfer	(2,159)	2,159	-
Increase/(decrease) in cash resources	(1,211)	(1,265)	(2,476)

* Ordinary Shares for the period 29 February 2008 to 31 May 2008

** No comparatives are shown for New Ordinary Shares given the conversion of Ordinary Shares to D Shares on 31 May 2008. The resulting share class was named "New Ordinary Shares." Ordinary shares were converted into D Shares at a conversion ratio of 0.5448 D Shares for every Ordinary share.

Reconciliation of Net Cash Flow to Movement in Liquid Resources

	Year to 28 February 2009		Total £'000
	Ordinary Shares £'000	New Ordinary shares £'000	
Increase/(decrease) in cash at bank	(1,211)	(1,265)	(2,476)
Decrease in liquid reserves	-	-	-
Opening net liquid resources	1,211	1,432	2,643
Net liquid resources at 28 February	-	167	167

Cash Flow Statement (continued)

	Year to 29 February 2008		
	Ordinary Shares £'000	D Shares £'000	Total £'000
Loss on ordinary activities before tax	(6,712)	(1,622)	(8,334)
Decrease/(increase) in debtors	32	33	65
Increase/(decrease) in creditors	14	(6)	8
Loss/(gain) on realisation of investments	1,587	(983)	604
Loss/(gain) on valuation of investments	4,849	2,569	7,718
Net cash inflow/(outflow) from operating activities	(230)	(9)	(239)
Taxation: UK Corporation tax paid	-	-	-
Capital expenditure and financial investment			
Purchase of investments	(1,389)	(4,970)	(6,359)
Disposal of investments	3,847	4,543	8,390
Net cash (outflow)/inflow from investing activities	2,458	(427)	2,031
Equity dividends paid			
Dividends paid	(1,468)	(794)	(2,262)
Net cash (outflow)/inflow before financing	760	(1,230)	(470)
Financing :			
Cancellation of shares	(355)	(205)	(560)
Own shares held in treasury	(405)	(28)	(433)
Net cash (outflow)/inflow from financing	(760)	(233)	(993)
Increase/(decrease) in cash resources	-	(1,463)	(1,463)

Reconciliation of Net Cash Flow to Movement in Liquid Resources

	Year to 29 February 2008		
	Ordinary Shares £'000	D Shares £'000	Total £'000
Increase/(decrease) in cash at bank	-	(1,463)	(1,463)
Decrease in liquid resources	-	-	-
Opening net liquid resources	1,211	2,895	4,106
Net liquid resources at 29 February	1,211	1,432	2,643

Notes to the Financial Statements

1. Principal Accounting policies

The financial statements have been prepared under the historical cost convention, except for the revaluation of certain financial instruments, and in accordance with UK Generally Accepted Accounting Practice (UK GAAP). Where presentational guidance set out in the Statement of Recommended Practice (SORP) "Financial Statements of Investment Trust Companies", revised December 2005, is consistent with the requirements of UK GAAP, the Directors have sought to prepare the financial statements on a consistent basis compliant with the recommendations of the SORP.

The principal accounting policies have remained unchanged from those set out in the Company's 2008 annual report and financial statements. A summary of the principal accounting policies is set out below.

The accounts have been drawn up to include a statutory Profit and Loss account in accordance with Schedule 4 of the Companies Act 1985. Investment company status was revoked on 3 March 2000.

Investments

Purchases and sales of investments are recognised in the financial statements at the date of the transaction (trade date).

These investments will be managed and their performance evaluated on a fair value basis in accordance with a documented investment strategy and information about them has to be provided internally on that basis to the Board. Accordingly as permitted by FRS 26, the investments will be designated as fair value through profit and loss ("FVTPL") on the basis that they qualify as a group of assets managed, and whose performance is evaluated, on a fair value basis in accordance with a documented investment strategy. The Company's investments are measured at subsequent reporting dates at fair value.

In the case of investments quoted on a recognised stock exchange, fair value is established by reference to the closing bid price on the relevant date or the last traded price, depending upon convention of the exchange on which the investment is quoted. This is consistent with the International Private Equity and Venture Capital (IPEVC) guidelines. For the avoidance of doubt, the Company does not hold any unquoted investments.

Gains and losses arising from changes in fair value of investments are recognised as part of the capital return within the Income Statement and allocated to the capital reserve unrealised.

In preparation of the valuations of assets the Directors are required to make judgements and estimates that are reasonable and incorporate their knowledge of the performance of the investee companies.

Current asset investments

Current asset investments comprise Floating Rate Notes ("FRN") and are designated as FVTPL. Gains and losses arising from changes in fair value of investments are recognised as part of the capital return within the Income Statement and allocated to the capital reserve unrealised as appropriate. FRNs are classified as current asset investments as they are investments held for the short term and comparative classification in the Balance Sheet has been restated accordingly.

The current asset investments are all invested with the Company's cash manager and are readily convertible into cash at the choice of the Company. The current asset investments are held for trading, are actively managed and the performance is evaluated on a fair value basis in accordance with a documented investment strategy. Information about them has to be provided internally on that basis to the Board.

Income

Investment income includes interest earned on bank balances and money market securities and includes income tax withheld at source. Dividend income is shown net of any related tax credit.

Dividends receivable are brought into account when the Company's right to receive payment is established and there is no reasonable doubt that payment will be received. Fixed returns on debt and money market securities are recognised on a time apportionment basis so as to reflect the effective yield, provided there is no reasonable doubt that payment will be received in due course.

Expenses

All expenses are accounted for on an accruals basis. Expenses are charged wholly to revenue with the exception of the investment management fee, which has been charged 25% to the revenue account and 75% to the realised capital reserve to reflect, in the Directors' opinion, the expected long term split of returns in the form of income and capital gains respectively from the investment portfolio.

Notes to the Financial Statements (continued)

Revenue and capital

The revenue column of the Income Statement includes all income and revenue expenses of the Company. The capital column includes realised and unrealised gains and losses on investments. Gains and losses arising from changes in fair value are considered to be realised only to the extent that they are readily convertible to cash in full at the balance sheet date.

Taxation

Corporation tax payable is applied to profits chargeable to corporation tax, if any, at the current rate. The tax effect of different items of income/gain and expenditure/loss is allocated between capital and revenue return on the "marginal" basis as recommended in the SORP.

Deferred tax is recognised on an undiscounted basis in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less tax, with the exception that deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing can be deducted.

Cash and liquid resources

Cash, for the purposes of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand. Liquid resources are current asset investments which are disposable without curtailing or disrupting the business and are either readily convertible into known amounts of cash at or close to their carrying values or traded in an active market. Liquid resources comprise term deposits of less than one year (other than cash), government securities, investment grade bonds and investments in money market managed funds.

Loans and receivables

The Company's loans and receivables are initially recognised at fair value and subsequently measured at amortised cost.

Financial instruments

The Company's principal financial assets are its investments and the policies in relation to those assets are set out above. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities. Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Dividends

Dividends payable are recognised as distributions in the financial statements when the Company's liability to make payment has been established. This liability is established when the dividends proposed by the Board are approved by the shareholders.

2. Income

	28 February 2009		
	Ordinary Shares £'000	New Ordinary Shares £'000	Total £'000
Dividends received (fixed asset investments)	36	166	202
Income on money market securities and bank balances	50	377	427
Other	–	1	1
	86	544	630

	29 February 2008		
	Ordinary Shares £'000	D Shares £'000	Total £'000
Dividends received (fixed asset investments)	76	102	198
Income on money market securities and bank balances	293	392	665
	369	494	863

3. Investment management fees

	28 February 2009		Total £'000
	Ordinary Shares £'000	New Ordinary Shares £'000	
Investment management fee:			
Revenue	25	112	137
Capital	76	335	411
Total	101	447	548
VAT rebate:			
Revenue	-	(78)	(78)
Capital	-	(236)	(236)
Total	-	(314)	(314)

	29 February 2008		Total £'000
	Ordinary Shares £'000	D Shares £'000	
Investment management fee:			
Revenue	133	114	247
Capital	398	341	739
Total	531	455	986

For the purposes of the revenue and capital columns in the Income Statement, the management fee (including VAT) has been allocated 25% to revenue and 75% to capital, in line with the Board's expected long term return in the form of income and capital gains respectively from the Company's investment portfolio.

Octopus provides investment management and accounting and administration services to the Company under a management agreement dated 3 February 1998 which was revised in September 2000 and again in January 2004 for an initial fixed term to June 2008 and may be terminated at any time thereafter by not less than twelve months' notice given by either party. No compensation is payable in the event of terminating the agreement by either party, if the required notice period is given. The fee payable, should insufficient notice be given, will be equal to the fee that would have been paid should continuous service be provided, or the required notice period was given. The basis upon which the management fee is calculated is disclosed within note 19 to the financial statements.

The Chancellor of the Exchequer announced in his budget statement on 12 March 2008 that the Finance Act 2008 would contain draft legislation exempting VCTs from VAT on management fees with effect from 1 October 2008. This legislation was passed in July 2008 and as such all VCTs have been made exempt from VAT on management fees from this date, thus VAT has not been included on management fees for this year and has been rebated for previous years.

Notes to the Financial Statements (continued)

4. Other expenses

	28 February 2009		Total £'000
	Ordinary Shares £'000	New Ordinary Shares £'000	
Directors' remuneration (including VAT & NIC)	10	58	68
Fees payable to the Company's auditor for the audit of the financial statements*	2	17	19
Fees payable to the Company's auditor – Deloitte fee for share merger	–	12	12
Other administration expenses	31	110	141
	43	197	240

	29 February 2008		
	Ordinary Shares £'000	D Shares £'000	Total Shares £'000
Directors' remuneration (including VAT & NIC)	44	29	73
Fees payable to the Company's auditor for the audit of the financial statements*	9	6	15
Other administration expenses	61	40	101
	114	75	189

*Please note all 2008 audit fees were payable to Deloitte & Touche LLP. All fees relating to the Company's auditor in 2009 were paid wholly to PKF LLP except as otherwise noted above.

The total expense ratio for the Company for the year to 28 February 2009 was 3.2 per cent (2008: 3.4 per cent).

5. Directors' remuneration

(Excluding including VAT & NIC)	28 February 2009 £'000	29 February 2008 £'000
Directors' emoluments		
Michael Reeve	24	24
Roger Smith	18	18
Stephen Hazell-Smith	18	18
Frank Malcolm	–	5
	60	65

None of the Directors received any other remuneration or benefit from the Company during the year. The Company has no employees other than non-executive Directors. The average number of non-executive Directors in the year was three (2008: three).

6. Tax on ordinary activities

The corporation tax charge for the year was £nil (2008: £nil)

Factors affecting the tax charge for the current year:

The current tax charge for the year differs from the standard rate of corporation tax in the UK of 20.9% (2008: 30.0%). The differences are explained below.

	28 February 2009 Ordinary Shares		
	Revenue £'000	Capital £'000	Total £'000
Profit/(loss) on ordinary activities before tax	18	(1,182)	(1,164)
Current tax at 20.9%	4	(247)	(243)
Income not liable to tax	(8)	-	(8)
Expenses not deductible for tax purposes	-	231	231
Total current tax charge	(4)	(16)	(20)

	28 February 2009 New Ordinary Shares		
	Revenue £'000	Capital £'000	Total £'000
Profit/(loss) on ordinary activities before tax	313	(11,434)	(11,121)
Current tax at 20.9%	65	(2,389)	(2,324)
Income not liable to tax	(37)	-	(37)
Expenses not deductible for tax purposes	-	2,362	2,362
Excess management expenses	-	19	19
Total current tax charge	28	(8)	20

	28 February 2009 Total		
	Revenue £'000	Capital £'000	Total £'000
Profit/(loss) on ordinary activities before tax	331	(12,616)	(12,285)
Current tax at 20.9%	69	(2,636)	(2,567)
Income not liable to tax	(45)	-	(45)
Expenses not deductible for tax purposes	-	2,593	2,593
Excess management expenses	-	19	19
Total current tax charge	24	(24)	-

	29 February 2008 Ordinary Shares		
	Revenue £'000	Capital £'000	Total £'000
Profit/(loss) on ordinary activities before tax	122	(6,834)	(6,712)
Current tax at 30.0%	37	(2,050)	(2,013)
Income not liable to tax	(41)	-	(41)
Non-taxable losses on investments	-	1,931	1,931
Marginal relief adjustment	1	-	1
Excess management expenses	-	119	119
Total current tax charge	(3)	-	(3)

Notes to the Financial Statements (continued)

	29 February 2008		
	Revenue £'000	D Shares Capital £'000	Total £'000
Profit/(loss) on ordinary activities before tax	305	(1,927)	(1,622)
Current tax at 30.0%	91	(578)	(487)
Income not liable to tax	(19)	–	(19)
Non-taxable losses on investments	–	476	476
Marginal relief adjustment	(13)	–	(13)
Excess management expenses	–	46	46
Total current tax charge	59	(56)	3

	29 February 2008		
	Revenue £'000	Total Capital £'000	Total £'000
Profit/(loss) on ordinary activities before tax	427	(8,761)	(8,334)
Current tax at 30.0%	128	(2,628)	(2,500)
Income not liable to tax	(60)	–	(60)
Non-taxable losses on investments	–	2,407	2,407
Marginal relief adjustment	(12)	–	(12)
Excess management expenses	–	165	165
Total current tax charge	56	(56)	–

Approved venture capital trusts are exempt from tax on capital gains within the Company. Since the Directors intend that the Company will continue to conduct its affairs so as to maintain its approval as a venture capital trust, no current deferred tax has been provided in respect of any capital gains or losses arising on the revaluation or disposal of investments.

7. Dividends

The final dividend of 2.5p per share for New Ordinary Shares for the year ended 28 February 2009, subject to shareholder approval at the Annual General Meeting, will be paid once HMRC approval has been obtained.

The interim dividend declared of 2.5 pence per New Ordinary Share for the six months ending 31 August 2008 was paid on 9 January 2009 to shareholders on the register on 12 December 2008.

8. Earnings per share

The earnings per share is based on loss after tax of (£1,144,000) on Ordinary Shares and (£11,141,000) on New Ordinary Shares, (2008: (£6,709,000) for Ordinary Shares and (£1,625,000) for D Shares) on 28,719,324 Ordinary Shares and 33,947,228 New Ordinary Shares (2008: 29,426,743 Ordinary Shares and 15,882,684 D Shares), being the weighted average number of shares in issue during the year.

There are no potentially dilutive capital instruments in issue and, as such, the basic and diluted earnings per share are identical.

9. Net asset value per share

The calculation of net asset value per New Ordinary Share (basic and diluted) as at 28 February 2009 is based on net assets of £19,443,000 (2008: £17,346,000 for Ordinary Shares and £17,437,000 for D Shares) divided by 30,148,687 (2007: 28,883,802 Ordinary Shares and 15,818,800 D Shares) New Ordinary Shares in issue at that date (excluding treasury shares).

10. Fixed asset investments (AIM and PLUS Quoted)

	29 February 2008		
	Ordinary Shares £'000	New Ordinary Shares £'000	Total £'000
Book cost as at 29 February	16,155	11,980	28,135
Revaluation to 29 February	(1,985)	(294)	(2,279)
Valuation at 29 February	14,170	11,686	25,856
	28 February 2009		
Opening valuation at 29 February	14,170	11,686	25,856
Purchases at cost	–	1,706	1,706
Disposal proceeds	(1,089)	(1,213)	(2,302)
(Loss)/Profit on realisation of investments – current year	229	(2,608)	(2,379)
Revaluation in year	(1,335)	(8,725)	(10,060)
Transfer between share classes	(11,975)	11,975	–
Closing valuation at 28 February	–	12,821	12,821
Book cost at 28 February:	–	25,160	25,160
Revaluation to 28 February:	–	(12,339)	(12,339)
	–	12,821	12,821
Valuation at 28 February	–	12,821	12,821

	28 February 2007		
	Ordinary Shares £'000	D Shares £'000	Total £'000
Book cost as at 28 February	18,265	7,917	26,182
Revaluation to 28 February	2,846	2,250	5,096
Valuation at 28 February	21,111	10,167	31,278

	29 February 2008		
	Ordinary Shares £'000	D Shares £'000	Total £'000
Opening valuation at 28 February	21,111	10,167	31,278
Purchases at cost	1,386	4,955	6,341
Disposal proceeds	(1,909)	(1,879)	3,788
(Loss)/Profit on realisation of investments – current year	(1,587)	987	(600)
Revaluation in year	(4,831)	(2,544)	(7,375)
Closing valuation at 29 February	14,170	11,686	25,856
Book cost at 29 February:	16,155	11,980	28,135
Revaluation to 29 February:	(1,985)	(294)	(2,279)
Valuation at 29 February	14,170	11,686	25,856

Further details of the fixed asset investments held by the Company are shown within the Investment Manager's Review on pages 7 to 9.

All investments are designated as fair value through profit or loss from the time of acquisition, and all capital gains or losses on investments so designated. Given the nature of the Company's venture capital investments, the changes in fair value of such investments recognised in these financial statements are not considered to be readily convertible to cash in full at the balance sheet date and accordingly these gains are treated as unrealised.

At 28 February 2009 and 29 February 2008 there were no commitments in respect of investments approved by the manager but not yet completed.

Transaction costs on purchases and disposals for the year were £3,000.

Notes to the Financial Statements (continued)

11. Current asset investments

Current asset investments at 28 February 2009 comprised Floating Rate Notes ("FRNs")*.

	29 February 2008		
	Ordinary Shares £'000	New Ordinary Shares £'000	Total £'000
Book cost at 29 February	1,919	4,286	6,205
Revaluation to 29 February	(18)	(22)	(40)
Valuation as at 29 February	1,901	4,264	6,165

	28 February 2009		
	£'000	£'000	£'000
Opening valuation at 29 February	1,901	4,264	6,165
Disposal proceeds:	-	-	-
Profit/(loss) in year on realisation of investments:	-	-	-
Revaluation in year:	-	(2)	(2)
Transfer between share classes	(1,901)	1,901	-
Closing valuation as at 28 February	-	6,163	6,163
Book cost at 28 February:	-	6,205	6,205
Revaluation to 28 February:	-	(42)	(42)
	-	6,163	6,163
Closing valuation as at 28 February	-	6,163	6,163

	28 February 2007		
	Ordinary Shares £'000	D Shares £'000	Total £'000
Book cost at 28 February	3,920	7,007	10,927
Revaluation to 28 February	-	3	3
Valuation as at 28 February	3,920	7,010	10,930

	29 February 2008		
	£'000	£'000	£'000
Opening valuation at 28 February	3,920	7,010	10,930
Disposal proceeds:	(2,001)	(2,717)	(4,718)
Profit/(loss) in year on realisation of investments:	-	(4)	(4)
Revaluation in year:	(18)	(25)	(43)
Closing valuation as at 29 February	1,901	4,264	6,165
Book cost at 29 February:	1,919	4,286	6,205
Revaluation to 29 February:	(18)	(22)	(40)
Closing valuation as at 28 February	1,901	4,264	6,165

*FRNs represent money held pending investment and can be accessed with 5 working days notice. FRNs were classified as fixed asset investments in the prior year but are classified as current asset investments in the current year.

Transaction costs on purchases and disposals for the year were £nil.

12. Debtors

	28 February 2009		29 February 2008	
	New Ordinary Shares £'000	Ordinary Shares £'000	D Shares £'000	Total £'000
Prepayments and accrued income	42	50	62	112
Inter class debtor	–	3	–	3
Sales awaiting settlement	78	63	53	116
Other debtors	365	11	–	11
	485	127	115	242

13. Creditors: amounts falling due within one year

	28 February 2009		29 February 2008	
	New Ordinary Shares £'000	Ordinary Shares £'000	D Shares £'000	Total £'000
Bank overdraft – current account	18	–	–	–
Accruals	175	57	57	114
Purchases awaiting settlement	–	6	–	6
Inter class creditor	–	–	3	3
	193	63	60	123

14. Share capital

	28 February 2009		29 February 2008	
	New Ordinary Shares £'000	Ordinary Shares £'000	D Shares £'000	Total £'000
Authorised:				
70,000,000 New Ordinary Shares of 50p each	35,000	–	–	–
45,000,000 Ordinary Shares of 50p each	–	22,500	–	22,500
25,000,000 D Shares of 50p each	–	–	12,500	12,500
	35,000	22,500	12,500	35,000
Allotted and fully paid up (including Treasury shares)				
31,930,030 New Ordinary Shares of 50p each	15,965	–	–	–
29,522,615 Ordinary Shares of 50p each	–	14,762	–	14,762
15,846,847 D Shares of 50p each	–	–	7,923	7,923
	15,965	14,762	7,923	22,685

The capital of the Company is managed in accordance with its investment policy with a view to the achievement of its investment objective as set on page 20. The Company is not subject to any externally imposed capital requirements.

At an Extraordinary General Meeting and separate class meetings held on 22 April 2008, shareholders approved extraordinary resolutions to revise the merger arrangement. The revised arrangements made to the Articles of Association merged the two share classes by converting the Ordinary Shares into D Shares (“the Conversion”) at a ratio of 0.5448 D Shares for each Ordinary Share and then redesignating all of the D Shares into New Ordinary Shares (“New Shares”) on 31 May 2008.

The Company did not issue any other shares in the year (2008: nil).

During the year the Company did not purchase any shares for cancellation (2008: 432,825 Ordinary Shares and 168,341 D Shares at a cost of £353,878 and £204,767 respectively, representing 1.44 per cent of the Ordinary Shares and 1.05 per cent of the D Shares in issue at 28 February 2007).

Notes to the Financial Statements (continued)

Prior to the share conversion on 31 May 2008, the Company purchased 284,564 Ordinary Shares for a weighted average price of 51.8p per share for total consideration of £147,306 and 526,701 D shares for a weighted average price of 96.3p per share for total consideration £507,472.

Post 31 May 2008, the Company purchased 723,039 New Ordinary shares for a weighted average price of 74.0p per share for total consideration of £534,990 (2008: 638,813 Ordinary Shares and 28,047 D Shares at a cost of £411,163 and £27,881 respectively). This represented 0.96% of Ordinary Shares, 2.27% of D Shares and 3.16% of New Ordinary Shares (2008: 2.13 per cent of the Ordinary Shares and 0.18 per cent of the D Shares in issue at 28 February 2007.).

15. Reserves

Ordinary Shares

	Share premium £'000	Special distributable reserve £'000	Capital Redemption Reserve £'000	Capital reserve realised £'000	Capital reserve unrealised £'000	Own shares held in treasury £'000	Revenue reserve £'000
As at 28 February 2008	1,450	7,311	3,569	(7,508)	(2,003)	(411)	176
Profit on ordinary activities	–	–	–	–	–	–	22
Repurchase of own shares	–	–	–	–	–	(147)	–
Capitalisation of management fees	–	–	–	(76)	–	–	–
Gains/(losses) on revaluation	–	–	–	229	(1,335)	–	–
Transfer to “New Ordinary Shares”	(1,450)	(7,311)	(3,569)	7,355	3,338	558	(198)
Balance as at 28 February 2009	–	–	–	–	–	–	–

New Ordinary Shares*

	Share Premium account £'000	Special distributable reserve £'000	Capital Redemption Reserve £'000	Capital reserve realised £'000	Capital reserve unrealised £'000	Own shares held in treasury £'000	Revenue reserve £'000
As at 28 February 2008	39	9,100	159	459	(316)	(28)	101
D share conversion	6,720	–	–	–	–	–	–
Transfer from “Ordinary Shares”	1,450	7,311	3,569	(7,355)	(3,338)	(558)	198
Repurchase of own shares	–	–	–	–	–	(1,050)	–
Capitalisation of management fees	–	–	–	(74)	–	–	–
Losses on valuation	–	–	–	(2,608)	(8,727)	–	–
Profit on ordinary activities after tax	–	–	–	–	–	–	285
Dividends paid	–	–	–	(1,474)	–	–	(385)
Reverse b/fwd stamp duty paid by	–	–	–	–	–	–	–
Close	–	1	(1)	–	–	–	–
Balance as at 28 February 2009	8,209	16,412	3,727	(11,052)	(12,381)	(1,636)	199

* Formerly D shares

When the Company revalues its investments during the period, any gains or losses arising are credited/charged to the Income Statement. Unrealised gains/losses are then transferred to the capital reserve – unrealised. When an investment is sold any balance held on the capital reserve unrealised is transferred to the capital reserve – realised as a movement in reserves. The purpose of the special distributable reserve was to create a reserve which will be capable of being used by the Company to pay dividends and for the purpose of making repurchases of its own shares in the market with a view to narrowing the discount at which the Company's shares trade to net asset value.

16. Financial instruments and risk management

The Company's financial instruments comprise equity investments, FRNs, cash balances and liquid resources including debtors and creditors. The Company holds financial assets in accordance with its investment policy of investing mainly in a portfolio of VCT qualifying unquoted and AIM-quoted securities whilst holding a proportion of its assets in cash or near-cash investments in order to provide a reserve of liquidity.

Fixed and current asset investments (see note 10 and 11) are valued at fair value. For quoted investments this is bid price. The fair value of all other financial assets and liabilities is represented by their carrying value in

the balance sheet. The Directors believe that the fair value of the assets held at the year end is equal to their book value.

In carrying on its investment activities, the Company is exposed to various types of risk associated with the financial instruments and markets in which it invests. The most significant types of financial risk facing the Company are price risk, interest rate risk, credit risk and liquidity risk. The Company's approach to managing these risks is set out below together with a description of the nature and amount of the financial instruments held at the balance sheet date.

Market risk

The Company's strategy for managing investment risk is determined with regard to the Company's investment objective, as outlined on page 20. 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 in accordance with the policies and procedures described in the Corporate Governance statement on pages 27 to 29, having regard to the possible effects of adverse price movements, with the objective of maximising overall returns to shareholders. Investments in smaller companies, by their nature, usually involve a higher degree of risk than investments in larger 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.

Details of the Company's investment portfolio at the balance sheet date are set out on pages 7 to 9.

97.6% (31 February 2008: 93% for Ordinary Shares and 91% for D shares) by value of the Company's net assets comprises equity securities listed on the London Stock Exchange or quoted on AIM and floating rate notes. A 30% increase in the bid price of these securities as at 28 February 2009 would have increased net assets and the total return for the year by £5,700,000 (31 February 2008: £4,800,000 for Ordinary Shares and £4,800,000 for D Shares); a corresponding fall would have reduced net assets and the total return for the year by the same amount.

Interest rate risk

Some of the Company's financial assets are interest-bearing. As a result, the Company is exposed to fair value interest rate risk due to fluctuations in the prevailing levels of market interest rates.

Floating rate

The Company's floating rate investments comprise cash held on interest-bearing deposit accounts and, where appropriate, within interest bearing money market securities. The benchmark rate which determines the rate of interest receivable on such investments is the bank base rate, which was 1.0% at 28 February 2009 (29 February 2008: 5.25%). The amounts held in floating rate investments at the balance sheet date were as follows:

	28 February 2009		29 February 2008	
	New Ordinary Shares £'000	Ordinary Shares £'000	D Shares £'000	Total Shares £'000
Floating rate notes	6,163	1,901	4,264	6,165
Cash on deposit	167	1,211	1,432	2,643
	6,330	3,112	5,696	8,808

A 1% increase in the base rate would increase income receivable from these investments and the total return for the year by £63,300 (29 February 2008: £88,080).

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The Investment Manager and the Board carry out a regular review of counterparty risk. The carrying values of financial assets represent the maximum credit risk exposure at the balance sheet date.

Notes to the Financial Statements (continued)

At 28 February 2009 the Company's financial assets exposed to credit risk comprised the following:

	28 February 2009		29 February 2008	
	New Ordinary Shares £'000	Ordinary Shares £'000	D Shares £'000	Total Shares £'000
Floating rate notes	6,163	1,901	4,264	6,165
Cash on deposit	167	1,211	1,432	2,643
Accrued dividends and interest receivable	18	25	24	49
	6,348	3,137	5,720	8,857

Credit risk relating to listed money market securities is mitigated by investing in money market instruments issued by major companies and institutions with a minimum Moody's long term debt rating of 'A'.

Those assets of the Company which are traded on recognised stock exchanges are held on the Company's behalf by third party custodians (BNP Paribas in the case of listed money market securities and quoted equity securities). Bankruptcy or insolvency of a custodian could cause the Company's rights with respect to securities held by the custodian to be delayed or limited.

Credit risk arising on the sale of investments is considered to be small due to the short settlement and the contracted agreements in place with the settlement lawyers.

The Company's interest-bearing deposit and current accounts are maintained with Royal Bank of Scotland.

Other than cash or liquid money market funds, there were no significant concentrations of credit risk to counterparties at 28 February 2009 or 29 February 2008.

Liquidity risk

The Company's financial assets include investments in AIM-quoted companies, which by their nature; involve a higher degree of risk than investments on the main market. As a result, the Company may not be able to realise some of its investments in these instruments quickly at an amount close to their fair value in order to meet its liquidity requirements, or to respond to specific events such as deterioration in the creditworthiness of any particular issuer.

The Company's listed money market securities are considered to be readily realisable as they are of high credit quality as outlined above.

The Company's liquidity risk is managed on a continuing basis by the Investment Manager in accordance with policies and procedures laid down by the Board. The Company's overall liquidity risks are monitored on a quarterly basis by the Board.

The Company maintains sufficient investments in cash and readily realisable securities to pay accounts payable and accrued expenses. At 28 February 2009 these investments were valued at £167,000, (29 February 2008 £1,211,000 for Ordinary Shares and £1,432,000 for D Shares).

17. Post balance sheet events

The following events occurred between the balance sheet date and the signing of these financial statements:

- The Company has purchased 66,242 New Ordinary Shares at a weighted average price of 59.8p per share. These shares are held in Treasury.

The following investments have been completed between the balance sheet date and the signing of these financial statements:

Date	Company	Valuation (£)	Purchase/Sell (P/S)
12 March 2009	Optimisa plc	7,821	S
24 April 2009	Clipper Ventures plc	79,688	S
20 April 2009	Hargreaves Services plc	120,000	P
28 April 2009	System C Healthcare plc	382,500	P
29 April 2009	Matchtech Group plc	194,350	P
6 May 2009	Ashley House plc	87,600	P
7 May 2009	Advanced Computer Software plc	10,9880	P
11 May 2009	Immunodiagnostoc Systems plc	229,000	P
20 May 2009	B Global plc	18,518	S

- 24 April 2009, Play golf was placed into administration

18. Contingencies, guarantees and financial commitments

There were no contingencies, guarantees or financial commitments as at 28 February 2009 (2008: £nil).

19. 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 1 August to 28 February 2009, the Company incurred management fees of £275,000 (2008: £nil) payable to Octopus. At the period end there was £Nil (2008: £nil) outstanding to Octopus.

Prior to 1 August 2008, Close acted as the Investment Manager of the Company. During the period 1 March 2008 to 31 July 2008, the Company incurred management fees of £309,000 (including VAT at the applicable rate at that time) payable to Close. At the period end there was £nil outstanding to Close.

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Octopus AIM VCT PLC will be held at 8 Angel Court, London, EC2R 7HP on Thursday, 25 June 2009 at 2.30 p.m. for the following purposes:

Ordinary Business

1. To receive and adopt the financial statements for the year to 28 February 2009 and the Directors' and Auditor's reports thereon.
2. To approve a final dividend of 2.5 pence per share.
3. To approve the Directors' Remuneration Report.
4. To re-elect Michael Reeve as a director.
5. To re-appoint PKF (UK) LLP as auditor of the Company and to authorise the Directors to determine their remuneration.

Special Business

To consider and if thought fit, pass Resolution 6 and 9 as Ordinary Resolutions and Resolutions 7 and 8 as Special Resolutions:-

6. **AUTHORITY TO ALLOT RELEVANT SECURITIES**
 THAT the Directors be generally and unconditionally authorised in accordance with s80 of the Companies Act 1985 to allot relevant securities (within the meaning of S80(2) of the said Act) up to an aggregate number of 3,193,003 ordinary shares of £0.50 in the capital of the Company (representing approximately 10% of the share capital in issue at the date of this notice) this authority to expire at the earlier of the conclusion of the Company's Annual General Meeting next following the passing of this resolution and the expiry of 15 months from the passing of this resolution (unless previously revoked, varied or extended by the Company in general meeting but so that such authority allows the Company to make offers or agreements before the expiry thereof which would or might require relevant securities to be allotted after the expiry of such authority).
7. **EMPOWERMENT TO MAKE ALLOTMENTS OF EQUITY SECURITIES AND DISAPPLY PRE-EMPTION RIGHTS**
 TO empower the Directors pursuant to s95(1) of the Companies Act 1985 to allot or make offers or agreements to allot equity securities (as defined in s94(2) of the said Act) for cash pursuant to the authority referred to in resolution 6 as if s89(1) of the said Act did not apply to any such allotments and so that:
 - (a) reference to allotment in this Resolution shall be construed in accordance with s94 of the said Act; and
 - (b) the power conferred by this Resolution shall enable the Company to make any offer or agreement before the expiry of the said power which would or might require equity securities to be allotted after the expiry of the said power and the Directors may allot equity securities in pursuance of such offer or agreement notwithstanding the expiry of such power.

And this power, unless previously varied, revoked or renewed, shall come to an end at the conclusion of the Annual General Meeting of the Company next following the passing of this resolution or, if earlier, on the expiry of 15 months from the passing of this resolution.
8. **AUTHORITY TO MAKE MARKET PURCHASES OF ITS OWN SHARES**
 THAT the Company be and is hereby generally and unconditionally authorised to make market purchases (within the meaning of s163(3) of the Companies Act 2006) of ordinary shares of £0.50p each in the Company ("ordinary shares") provided that:
 - (a) the maximum number of ordinary shares so authorised to be purchased shall not exceed 10% of the current issued ordinary share capital of the Company as at the date of this notice;
 - (b) the minimum price which may be paid for an ordinary share shall be £0.50;
 - (c) the maximum price, exclusive of expenses, which may be paid for an ordinary share is an amount equal to the higher of (a) 105% of the average of the middle market quotations for an ordinary share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the ordinary share is contracted to be purchased and (b) the amount stipulated by Article 5(1) of the Buy-back and Stabilisation Regulations 2003;
 - (d) the authority conferred comes to an end at the conclusion of the next Annual General Meeting of the Company or upon the expiry of 15 months from the passing of this resolution, whichever is the earlier; and
 - (e) the Company may enter into a contract to purchase its ordinary shares under this authority prior to the expiry of this authority which would or might be completed wholly or partly after the expiry of this authority.

9. CONTINUATION OF THE COMPANY AS A VCT

THAT the Company continue in being as a Venture Capital Trust until 2015.

By Order of the Board

8 Angel Court
London
EC2R 7HP



Celia L Whitten FCIS
Secretary

26 May 2009

NOTES

1. Holders of Ordinary Shares, or their duly appointed representatives, are entitled to attend and vote at the AGM. Shareholders are entitled to appoint a proxy to exercise all or any of their rights to attend and speak and vote on their behalf at the meeting. Ordinary shareholder can appoint the Chairman of the meeting or anyone else to be his/her proxy at the meeting. A proxy need not be a shareholder. More than one proxy can be appointed in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different ordinary share or shares held by that shareholder. To appoint more than one proxy, the Proxy Form should be photocopied and completed for each proxy holder. The proxy holder's name should be written on the Proxy Form together with the number of shares in relation to which the proxy is authorised to act. The box on the Proxy Form must also be ticked to indicate that the proxy instruction is one of multiple instructions being given. All Proxy Forms must be signed and, to be effective, must be lodged with the company's registrar so as to arrive not later than 48 hours before the time of the meeting, or in the case of an adjournment 48 hours before the adjourned time.
2. The return of a completed Proxy Form will not prevent a shareholder attending the AGM and voting in person if he/she wishes to do so.
3. Any person to whom this Notice is sent who is a person nominated under Section 146 of the CA 2006 to enjoy information rights (a Nominated Person) may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
4. Only shareholders whose names appear on the register of members of the Company as at 48 hours before the time of the meeting shall be entitled to attend the AGM either in person or by proxy and the number of ordinary shares then registered in their respective names shall determine the number of votes such persons are entitled to cast on a poll at the AGM.
5. As at 26 May 2009 being the latest practicable date prior to the publication of this document, the Company's issued share capital consists of 31,930,030 ordinary shares of £0.50, carrying one vote each. 1,781,343 ordinary shares of £0.50 are held in Treasury. Therefore the total voting rights in the Company as at 26 May 2009 is 30,148,687.
6. In order to facilitate voting by corporate representatives at the AGM, arrangements will be put in place at the AGM so that (i) if a corporate shareholder has appointed the Chairman of the meeting as its corporate representative to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the Chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives (www.icsa.org.uk) for further details of this procedure. The guidance includes a sample form of appointment letter if the Chairman is being appointed as described in (i) above.
7. In Accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, only those members entered on the Company's Register of Members at 6:00 p.m. on the day which is two days before the day of the meeting or, if the meeting is adjourned, shareholders entered on the Company's Register of Members at 6:00 p.m. on the day two days before the date of any adjournment shall be entitled to attend and vote at the meeting.
8. A form of proxy is enclosed which, to be effective, must be completed and delivered to the registrars of the Company, **Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU** so as to be received by no later than 48 hours before the time the Annual General Meeting is scheduled to begin. The completion and return of the form of proxy will not affect the right of a member to attend and vote at the Annual General Meeting.
9. Copies of the Directors' Letters of Appointment, the Register of Directors' Interests in the ordinary shares of the Company kept in accordance with s325 of the Companies Act 2006 will be available for inspection at the registered office of the Company during usual business hours on any weekday from the date of this notice until the Annual General Meeting, and at the place of that meeting for at least 15 minutes prior to the commencement of the meeting until its conclusion.

Proxy Form

Octopus AIM VCT plc Annual Report 2009

Form of Proxy for use at the Annual General Meeting of Octopus AIM VCT PLC to be held at 2.30 p.m. on Thursday, 25 June 2009

I/We,
(BLOCK CAPITALS PLEASE)

of

the undersigned, being (a) member/member(s) of Octopus AIM VCT PLC, hereby appoint the Chairman of the Meeting or,

Name of Proxy Number of shares

as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at 2.30 p.m. on Thursday, 25 June 2009 at the Company's offices at **8 Angel Court, London, EC2R 7HP** and at any adjournment thereof.

I/We wish my/our proxy to vote as shown below in respect of the resolutions set out in the Notice of the Meeting.

Please indicate by ticking the box if this proxy appointment is one of multiple appointments being made*
For the appointment of one or more proxy, please refer to explanatory note 4 (below).

Resolution number	FOR	AGAINST	WITHHELD
1. To receive, consider and adopt the financial statements for the year ended 28 February 2009	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. To approve a final dividend of 2.5p pence per share	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. To approve the Directors' Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. To re-elect Michael Reeve as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. To re-appoint PKF UK LLP as auditor and authorise the Directors to agree their remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. To authorise the Directors to allot shares under s80 of the Companies Act 1985 (Ordinary Resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. To disapply s89(1) of the Companies Act 1985 and allot shares on a non rights issue basis (Special Resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. To authorise the Directors to make market purchases of its own shares (Special Resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. To continue the Company as a Venture Capital Trust until 2015.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Signed: Dated:2009

NOTES

- To be valid, the proxy form must be received by the Registrars of Octopus AIM VCT PLC at, **Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU** no later than 48 hours before the commencement of the meeting. If delivering by Courier please use the full address of Capita set out in the Notice.
- Where this form of proxy is executed by a corporation it must be either under its seal or under the hand of an officer or attorney duly authorised.
- Every holder has the right to appoint some other person(s) of their choice, who need not be a shareholder as his proxy to exercise all or any of his rights, to attend, speak and vote on their behalf at the meeting. If you wish to appoint a person other than the Chairman, please insert the name of your chosen proxy holder in the space provided. If the proxy is being appointed in relation to less than your full voting entitlement, please enter in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. If left blank your proxy will be deemed to be authorised in respect of your full voting entitlement. (or if this proxy form has been issued in respect of a designated account for a shareholder, the full voting entitlement for that designated account.)
- To appoint more than one proxy, you may photocopy this form. Please indicate in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
- The 'Vote Withheld' option is provided to enable you to abstain on any particular resolution. However, it should be noted that a 'Vote Withheld' is not a vote in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.
- If the proxy form is signed and returned without any indication as to how the proxy shall vote, the proxy will exercise his/her discretion as to whether and how he/she votes.
- Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, entitlement to attend and vote at the meeting and the number of votes which may be cast thereat will be determined by reference to the Register of Members of the Company at 6 p.m. on the day which is two days before the day of the meeting or adjourned meeting. Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.
- The address on the envelope containing this notice is how your address appears on the Register of Members. If this information is incorrect please ring the Registrar's helpline on 0871 664 0300 (Calls cost 10p per minute plus network extras) to request a change of address form.
- The completion and return of this form will not preclude a member from attending the meeting and voting in person.



PLEASE USE THE REPLY PAID ENVELOPE PROVIDED



