

Oxford Technology Venture Capital Trust Plc

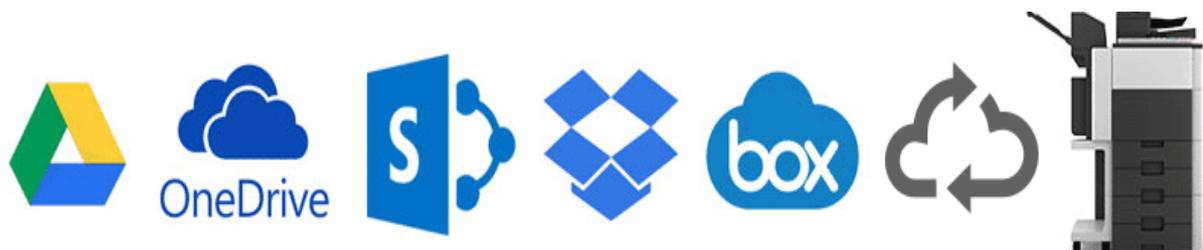
Unaudited Half-Yearly Report

For the period

1 March 2018 to 31 August 2018

Financial Headlines

	6 Months Ended 31 August 2018	Year Ended 28 February 2018
Net Assets at Period End	£2.77m	£2.84m
Net Asset Value per Share	51.0p	52.4p
Cumulative Dividend per Share	55.0p	55.0p
Total NAV Return per Share	106.0p	107.4p
Share Price at Period End (Mid-Market)	40.0p	40.0p
Earnings per Share	(1.4)p	0.2p



Select Technology – Scan2Everywhere

Company Number: 3276063

Registered Address: The Magdalen Centre, Oxford Science Park, Oxford OX4 4GA

Statement on behalf of the Board

I am pleased to present the unaudited results for the six month period ended 31 August 2018.

Results and Dividends

The Company's net asset value (NAV) per share has decreased by 1.4p from 52.4p at 28 February 2018 to 51.0p at 31 August 2018. The fall in NAV per share 1.4p was mainly as a result of a reduction in the value of the Company's listed holding in Scancell Holdings Plc (Scancell), which had a bid price at 31 August 2018 of 11.5p per share (28 February 2018: 14.0p per share). This fall in value of the Company's holding in Scancell was partially offset by an increase in value of your Company's unlisted holdings and a small amount of dividend income.

Portfolio Review

The four companies within the portfolio continue to exhibit progress, albeit without major change in valuation.

Select Technology, a photocopier (or more generally Multi Function Device, or MFD) software company, remains the largest holding in your Company's portfolio. The company continues to grow, despite the continued execution of a transition away from a dependency on one particular supplier, which has had the effect of increasing business resilience. Despite being loss-making for a period during this transition, Select Technology has been making good progress with IDEA - the International Document Evolution Alliance. This is a global network of distributors who all understand software, networks and the document management business, and who can offer global distribution at a stroke, which is attractive to developers. Sales and profit margins have been increasing and the prospects for the future are encouraging. The company attended our recent AGM and its presentation can be found on our website.

Scancell is developing a number of exciting new potential breakthrough cancer treatments, has a number of active initiatives and continues to make scientific and regulatory progress. In the last few months, it has established manufacture of Moditope, extended the Trichor delivery mechanism deal for SCIB1 and is busy preparing for the clinical trials which were signed up earlier in the year.

The rest of the portfolio is unchanged in valuation terms over the six month period to 31 August 2018: Getmapping is trading reasonably well in a challenging market; Biocote continues to make good progress, with sales and profits growing steadily, and a small dividend was paid during the period.

The Directors, along with the Investment Adviser, continue to take an active interest in the companies within the portfolio, both to support their management teams to achieve company development and also to prepare companies for realisation at the appropriate time. It should be noted that the current portfolio is highly concentrated with Select representing 57% and Scancell 29% of the VCT's equity – your Company's NAV is therefore very sensitive to changes in the valuations of these two portfolio companies.

Liquidity

At period end the Company had net current assets of £46k.

VCT qualifying status

The Board has procedures in place to ensure that the Company continues to comply with the conditions laid down by HMRC for maintaining approval as a VCT.

Change of Auditor

James Cowper Kreston, our auditors for the last 13 years, have decided to withdraw from auditing Public Interest Entities for the time being due to the increasing regulatory landscape and associated costs. Unfortunately, this includes VCTs. The Board would like to thank them for all their support and constructive feedback during their period in office. Shareholders will recall that last year, we carried out a tender for the audit. The Audit Committee was also impressed by one of the other firms who responded, and on its recommendation, the Board is therefore pleased to appoint UHY Hacker Young LLP ("UHY") to fill the casual vacancy that has arisen. UHY will audit the Company's 2019 annual results, and shareholders will be asked to reappoint them at next year's AGM for the following year's audit.

Presentation of half-yearly report

In order to reduce the length of this report, details of the Company's objectives and investment strategy, its Advisers and Registrar and how to buy and sell shares in the Company have been omitted. These details are all included in the Annual Reports, which together with previous half-yearly reports, are available for viewing on the Oxford Technology website.

Planning for the Future

Your Directors continue to monitor changes to VCT legislation and their potential impact on both the VCT and its investee companies. Recent rule changes to tax efficient investment schemes are not expected to have any material impact on the current portfolios or on current investors as the VCT is fully invested. However, our efforts to lobby HMT for a small change to the recent legislation that increases the level of qualifying investments that a VCT must hold (from 70% to 80%) were unsuccessful. Given the nature of OT1's portfolio, additional investee management will be required in future to ensure dividend income from the portfolio does not cause an inadvertent breach of VCT rules.

Whilst the impact of Brexit remains unclear, your Directors do not expect its eventual outcome to have a material impact on portfolio valuations.

In July 2017 the Board announced that, as it is not intending to increase the size of the Company's portfolio in terms of the number of investments, it wishes to have in place appropriate plans to ensure any further realisations do not result in your VCT becoming sub-economic. Your Board is continuing to consider options and looks forward to updating shareholders in due course; however, there can be no certainty that any of these discussions will lead to a concrete proposal, at this time or in the future.

Finally, I would like to take this opportunity to thank shareholders, many whom we were able to welcome to our AGM in July, for their continued support.

Alex Starling
Chairman
23 October 2018

Investment Portfolio as at 31 August 2018

Company	Description	Net Cost of investment £'000	Carrying value at 31/08/18 £'000	Change in value for the 6 month period £'000	% Equity held OT1	% Equity held All OTVCTs	% Net assets
Select Technology	Photocopier interfaces	488	1,570	132	30.0	58.5	56.7
Scancell (bid price 11.5p)	Antibody based cancer therapeutics	344	791	(172)	1.7	3.3	28.6
Getmapping	Aerial photography	518	223	-	3.7	3.7	8.1
Biocote	Bactericidal powder coating	85	139	-	6.6	6.6	5.0
Total Investments		1,435	2,723	(40)			98.4
Other Net Assets			46				1.6
Net Assets			2,769				100

Responsibility Statement of the Directors in respect of the half-yearly report

We confirm that to the best of our knowledge:

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

On behalf of the Board:
Alex Starling - Chairman
23 October 2018

Income Statement

	Six months to 31 Aug 2018			Six months to 31 Aug 2017			Year to 28 Feb 2018		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Unrealised (loss)/ gain on valuation of fixed asset investments	-	(40)	(40)	-	55	55	-	86	86
Investment income	7	-	7	7	-	7	7	-	7
Investment management fees	(4)	(11)	(15)	(4)	(11)	(15)	(7)	(22)	(29)
Other expenses	(27)	-	(27)	(27)	-	(27)	(55)	-	(55)
Return on ordinary activities before tax	(24)	(51)	(75)	(24)	44	20	(55)	64	9
Taxation on ordinary activities	-	-	-	-	-	-	-	-	-
Return on ordinary activities after tax	(24)	(51)	(75)	(24)	44	20	(55)	64	9
Earnings per share – basic and diluted	(0.5)p	(0.9)p	(1.4)p	(0.4)p	0.8p	0.4p	(1.0)p	1.2p	0.2p

- The 'Total' column of this statement is the profit and loss account of the Company; the supplementary Revenue return and Capital return columns have been prepared under guidance published by the Association of Investment Companies.
- All revenue and capital items in the above statement derive from continuing operations.
- The accompanying notes are an integral part of the half-yearly report.
- The Company has 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 period as set out above. Accordingly, a Statement of Comprehensive Income is not required.

Balance Sheet

	As at 31 Aug 2018		As at 31 Aug 2017		As at 28 Feb 2018	
	£'000	£'000	£'000	£'000	£'000	£'000
Fixed asset investments (At fair value through profit and loss)		2,723		2,732		2,763
Current assets:						
Debtors	21		14		2	
Creditors: Amounts falling due within one year	(19)		(9)		(12)	
Cash at Bank	44		118		91	
Net current assets		46		123		81
Net assets		2,769		2,855		2,844
Called up equity share capital		543		543		543
Share premium		176		176		176
Unrealised capital reserve		1,288		1,297		1,328
Profit and Loss account reserve		762		839		797
Total equity shareholders' funds		2,769		2,855		2,844
Net asset value per share		51.0p		52.6p		52.4p

Statement of Changes in Equity

	Share Capital £'000	Share Premium £'000	Unrealised Capital Reserve £'000	Profit & Loss Reserve £'000	Total £'000
As at 1 March 2017	543	176	1,242	928	2,889
Revenue return on ordinary activities after tax	-	-	-	(24)	(24)
Expenses charged to capital	-	-	-	(11)	(11)
Current period gains on fair value of investments	-	-	55	-	55
Dividends paid	-	-	-	(54)	(54)
Balance as at 31 August 2017	543	176	1,297	839	2,855
As at 1 March 2017	543	176	1,242	928	2,889
Revenue return on ordinary activities after tax	-	-	-	(55)	(55)
Expenses charged to capital	-	-	-	(22)	(22)
Current period gains on fair value of investments	-	-	86	-	86
Dividends paid	-	-	-	(54)	(54)
Balance as at 28 February 2018	543	176	1,328	797	2,844
As at 1 March 2018	543	176	1,328	797	2,844
Revenue return on ordinary activities after tax	-	-	-	(24)	(24)
Expenses charged to capital	-	-	-	(11)	(11)
Current period losses on fair value of investments	-	-	(40)	-	(40)
Dividends paid	-	-	-	-	-
Balance as at 31 August 2018	543	176	1,288	762	2,769

Statement of Cash Flows

	Six months to 31 Aug 2018 £'000	Six months to 31 Aug 2017 £'000	Year to 28 Feb 2018 £'000
Cash flows from operating activities			
Return on ordinary activities before tax	(75)	20	9
Adjustments for:			
Increase in debtors	(19)	(12)	-
Increase in creditors	7	2	5
Loss/(gain) on valuation of fixed asset investments	40	(55)	(86)
(Outflow)/inflow from operating activities	(47)	(45)	(72)
Cash flows from investing activities			
Purchase of fixed asset investments	-	-	-
Disposal of investments	-	-	-
Total cash flows from investing activities	-	-	-
Cash flows from financing activities			
Dividends paid	-	(54)	(54)
Total cash flows from financing activities	-	(54)	(54)
Decrease in cash and cash equivalents	(47)	(99)	(126)
Opening cash and cash equivalents	91	217	217
Closing cash and cash equivalents	44	118	91

Notes to the Half-Yearly Report

1. Basis of preparation

The unaudited half-yearly results which cover the six months to 31 August 2018 have been prepared in accordance with the Financial Reporting Council's (FRC) Financial Reporting Standard 104 Interim Financial Reporting ('FRS 104') and the Statement of Recommended Practice (SORP) for Investment Companies re-issued by the Association of Investment Companies in November 2014. Details of the accounting policies and valuation methodologies are included in the Annual Report.

2. Publication of non-statutory accounts

The unaudited half-yearly results for the six months ended 31 August 2018 do not constitute statutory accounts within the meaning of Section 415 of the Companies Act 2006. The comparative figures for the year ended 28 February 2018 have been extracted from the audited financial statements for that year, which have been delivered to the Registrar of Companies. The independent auditor's report on those financial statements, in accordance with chapter 3, part 16 of the Companies Act 2006, was unqualified. This half-yearly report has not been reviewed by the Company's auditor.

3. Earnings per share

The calculation of earnings per share for the period is based on the return attributable to shareholders divided by the weighted average number of shares in issue during the period. There are no potentially dilutive capital instruments in issue and, therefore, no diluted returns per share figures are relevant.

4. Net asset value per share

The net asset value per share is based on the net assets at the period end divided by the number of shares in issue at that date (5,431,655 in each case).

5. Principal risks and uncertainties

The Company's assets consist of equity and fixed interest investments, cash and liquid resources. Its principal risks are therefore market risk, credit risk and liquidity risk. Other risks faced by the Company include economic, loss of approval as a Venture Capital Trust, investment and strategic, regulatory, reputational, operational and financial risks. These risks, and the way in which they are managed, are described in more detail in the Company's Annual Report and Accounts for the year ended 28 February 2018. The Company's principal risks and uncertainties have not changed materially since the date of that report.

6. Related party transactions

OT1 Managers Ltd, a wholly owned subsidiary, provides investment management services to the Company for a fee of 1% of net assets per annum.

7. Copies of this statement are available from Oxford Technology Management, The Magdalen Centre, Oxford Science Park, Oxford OX4 4GA and on the Company's website – www.oxfordtechnology.com/vct1.

Board Directors: Alex Starling, Robin Goodfellow, Richard Roth and David Livesley

Investment Manager: OT1 Managers Ltd with services contracted to Oxford Technology Management Ltd

Website: www.oxfordtechnology.com/vct1