Calculus VCT plc

Annual Report and Accounts

For the year ended 28 February 2019

Calculus
CAPITAL

Registered number 07142153

About Calculus VCT plc

Our aim

Calculus VCT is a tax efficient listed company which aims to achieve long-term returns including tax-free dividends, for investors.

Investment objective

To invest primarily in a diverse portfolio of VCT qualifying UK growth companies whether unquoted or traded on AIM.

Investments are made selectively across a range of sectors in companies that have the potential for long- term growth. Our investment is intended to support those companies to grow, innovate and scale up.

Dividend objective

Your board aims to maintain a regular tax free annual dividend of 4.5% of NAV mindful of the need to maintain net asset value.

The ability to meet these twin objectives depends significantly on the level and timing of profitable realisations and cannot be guaranteed.

Contents

John Glencross
CEO, Calculus Capital
Calculus Investor Reception

Key Dates 2019

Annual General Meeting:
4 July 2019

Final dividend paid:
26 July 2019

Company's half year end:
31 August 2019

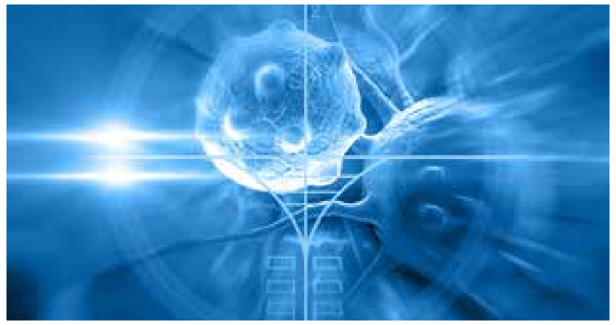
Half yearly results:
Announced October 2019

Annual results for year to 29 February 2020:
Announced May 2020

Financial Highlights

	Year to 28 February 2019	Year to 28 February 2018
Net asset value per share	**75.84p**	87.00p
Final dividend proposed	**3.40p**	4.00p
Total return per share	**(7.27)p**	(2.72)p

Some Examples of Recent New Investments



Cloud Trade Technologies Limited a fast growing software company providing business with patented technology that allows customers to automatically process invoices, orders and other business documents in whatever form received.

Essentia Analytics Limited is a FinTech (financial technology) company, based in London and New York. It's flagship service, Essentia Insight, applies behavioural analytics to help professional asset managers make measurably better decisions, by providing a powerful and continuous feedback loop.

Wheelright Limited uses patented flush mounted sensor plates which measure and record the tyre pressures on all of the tyres on a car, bus or truck as the vehicle drives over the plate. Their technology provides both effective maintenance and monitoring, enabling cost savings and safety benefits to vehicle and fleet owners.

Oxford Biotherapeutics Limited is a clinical stage oncology company with an experienced management team, strong and active board and collaboration agreements with leading European pharmaceutical companies.

Arecor Limited a life sciences company, develops superior biopharmaceutical products via the application of its patented Arestat™ formulation technology platform. The company's proprietary 'next generation' diabetes product can improve outcomes and quality of life.

MIP Diagnostic Limited uses its own technology to produce Molecularly Imprinted Polymers (MIP's). The robust nature of MIPs make them ideal reagents for a wide range of applications including point-of-care diagnostics and in field-based testing.

Strategic Report

The Strategic Report has been prepared in accordance with the requirements of Section 414A of the Companies Act 2006 (the "Act"). Its purpose is to inform members of the Company and help them assess how the Directors have performed their legal duty under Section 172 of the Act, to promote the success of the Company.

Chairman's Statement

I am pleased to present your Company's results for the year ended 28 February 2019. It has been an active year for the Company with ten new investments made on behalf of the qualifying portfolio and over £5.5m new Ordinary shares allotted during the year.

Having been a Board Member for 9 years and Chairman for over 8 years, it seems to me to be good corporate governance that I should retire from the Board and I will do so at the conclusion of this year's AGM. It has been a pleasure being a part of Calculus VCT plc, supporting the growth and development of some potentially outstanding British companies such as synthetic biology company, Synpromics Limited and technology company, Blu Wireless Technology Limited. The VCT has also led investments with a social and environmental impact such as Every1Mobile Limited which is providing digital communications solutions to international development agencies and NGOs as well as commercial enterprises across Africa, and Weeding Technologies Limited which is providing an alternative to potentially carcinogenic chemical herbicides. The portfolio comprises many promising companies and I am proud of what we have accomplished.

I am pleased to introduce my successor, Jan Ward CBE. Jan, who founded her own engineering company now active in eleven countries, brings strategic and operational experience gained over more than thirty years in the energy, petrochem and power industries. Jan's experience of growth companies will be a valuable contribution to the Company.

Results for the year

The net asset value per Ordinary share at 28 February 2019 was 75.8 pence, compared to 87.0 pence as at 28 February 2018, this is after paying a dividend of 4 pence per share. The most significant movements in the qualifying portfolio were caused by Air Leisure Group Limited which has gone into administration and therefore was written down in full during the year. Scancell Holdings plc, which is AIM quoted, lost 50% of its value, equating to a loss of value of over £180,000 for the VCT. Whilst progress in life sciences companies can most definitely be non-linear, it is disappointing that Scancell's share price does not reflect clear progress made during the year. Terrain Energy Limited conducted some initial testing of the Brockham well with inconclusive results, so an additional test is being performed at a further cost; this has caused the valuation to be written down by 15% in the year to 28 February 2019. These losses in the portfolio overshadowed some significant progress made by other portfolio companies. Both Every1Mobile Limited and Open Energy Market Limited (OEM) have increased in value by 15%. Every1Mobile has grown 60% year on year, in line with its expansion plan; while OEM is hitting its targets with bookings in the year to January 19 showing strong year-on-year growth. OEM is well positioned to continue on its growth trajectory and as such the valuation has been increased.

Further information on the portfolio can be found in the investment manager's report following this statement.

Venture Capital Investments

Calculus Capital Limited manages the portfolio of VCT qualifying investments made by the Company.

The Company made a number of new and follow on investments, which are set out in the Investment Manager's report. It also made two disposals: £150,000 was received from the redemption of loan stock in Antech Limited and £44,000 was received from the sale of Origin Broadband Limited.

During the year Tollan Energy Limited sold its portfolio of solar panels and made a capital distribution to the VCT of 65 pence per share. The company is currently being wound up and further payments are expected in the region of 8 pence per share.

Issue of new Ordinary shares

At the general meeting on 9 October 2018 shareholders approved the launch of a further offer for subscription for Ordinary shares, with the shares to be issued in the 2018/19 and 2019/20 tax years. 6,827,656 new Ordinary shares were allotted during the year raising over £5.5m.

Share buy backs

During the year the Company bought back and cancelled 48,000 Ordinary shares. The Company continues to review opportunities to carry out share buybacks at a discount of no greater than 10% to the NAV.

Dividend

The Directors are pleased to announce a final dividend of 3.4 pence per Ordinary share to be paid to all Ordinary shareholders.

Subject to shareholder approval, the Ordinary share dividend will be paid on 26 July 2019 to shareholders on the register on 5 July 2019.

The Board

In addition to Jan Ward, I am also pleased to welcome Claire Olsen to the board. Claire joined the Company on the 3rd January 2019. Claire has a background in financial services marketing and research and is currently an independent consultant. Steve Meeks and Diane Seymour-Williams have stepped down from the board during the year. Their services have been invaluable, the Company and I thank them for their contributions. Further details about the board are given in the Directors report.

Outlook

Brexit is undoubtedly causing some uncertainty; however, it is our view that on the whole the companies in our portfolio are not experiencing material difficulties as a result of the political situation. Many of the companies in the portfolio have business models based on global markets and hence stronger trade relationships outside of Europe than within.

Calculus Capital continues to identify attractive investment opportunities and the Board aims to further grow the VCT and build a diversified portfolio for investors in the coming years.

Developments since the year end

Since the year end, the Company has made three further qualifying investments: a further £100,000 has been invested in Wheelright Limited loan notes; a further £300,000 has been invested in Blu Wireless and £300,000 has been invested in Wazoku Limited. Wazoku is an idea management company with an impressive client list including the United Kingdom Ministry of Defence (MoD), Waitrose, Microsoft and HSBC. The Wazoku platform helps organisations transform raw ideas generated by the workforce into actionable innovation, with the aim of realising untapped business opportunities, identifying areas for improvement, making savings and boosting revenue.

Since the year end the Company has also made a further allotment of Ordinary shares. On 5th April 2019, a further 2,076,361 Ordinary shares were allotted at an average price of 78.54p per share.

Michael O'Higgins
Chairman
9 May 2019

Investment Manager's Review
(Qualifying Investments)

The net assets of £13,971,482 were as follows:

Asset class	NAV (£000s)	% of NAV	Number of investee companies/funds
Unquoted company investments	5,533	40	25
AIM traded company investments	408	3	5
Liquidity Fund investments	5,652	40	3
Other Liquid assets	2,378	17	-
Totals	13,971	100	

During the year, the Company made ten qualifying investments, as we seek to build a diversified portfolio, including:

Arecor Limited

Arecor is a life sciences company focussed on the development of superior biopharmaceutical products via the application of its patented Arestat™ formulation technology platform. In addition to a strong pipeline of partnership opportunities, Arecor is using its pipeline to develop a portfolio of proprietary products for diabetes care. In December 2018, funds managed by Calculus Capital invested £2 million of which the VCT invested £100,000 (as part of a £6 million funding round), which will be used to fund the development of three lead proprietary diabetes products into Phase I clinical trials, strengthen the management and sales team, and drive growth in its technology partnering business. In March 2019, Arecor announced regulatory approval to initiate a phase I clinical trial for its ultra-rapid acting insulin product.

C4X Discovery Limited

C4X Discovery (C4XD) is a drug discovery and development company that uses cutting-edge technology to design and create drug candidates. C4XD has programmes across a number of therapeutic areas including inflammation, neurodegeneration, immune-oncology and diabetes. In March 2018, C4XD licensed its candidate for the treatment of addiction to Indivior plc, resulting in the receipt of a $10 million upfront payment with the potential for up to $284 million in further milestones and royalties. In October 2018, funds managed by Calculus invested a further £1.5 million of which the VCT invested £50,000 (as part of a £10.0m round) in the Company, which will be used to support the acceleration of the pipeline portfolio and for the further expansion of the Company's commercial capability.

CloudTrade Technologies Limited

CloudTrade provides a solution to a problem faced by many medium to larger sized enterprises – how to smoothly and efficiently process invoices and other business documents received in multiple different formats. CloudTrade's patented software receives e-documents on behalf of the customer via a dedicated email address. Relevant information is automatically extracted with 100% accuracy from the email, with no manual intervention, converted to EDI or XML format and injected directly into the client's accounting or processing system. Calculus invested £2 million of which the VCT invested £200,000 as part of a £2.2 million investment round in CloudTrade in July 2018. The Company will invest the new capital primarily in sales, marketing and delivery.

Image: Essentia Analytics

Duvas Technologies Limited

In August 2018, £208,000 was invested in Duvas Technologies Limited. Duvas develops and produces specialised emissions detection equipment using ultra-violet (UV) spectroscopy. Duvas' highly sensitive detection technology enables remote sensing and identification of airborne chemicals at a "parts per billion" level. The Duvas core technology includes software and algorithms, together with an expanding 'gas library' of gas signatures that allow Duvas to programme its devices to recognise such gases. The company's first commercial, patented UV spectroscopy unit is called the DV3000, which has obtained CE marking for sales in Europe and is also being sold in China and the US. Duvas' primary target is the petrochemical industry where tighter regulation is driving demand growth.

Essentia Analytics Limited

Essentia Analytics provides decision analytics in order to improve the performance of asset managers. Essentia's proprietary software conducts a full algorithmic analysis, using machine learning of all past investment decisions, to identify each individual portfolio manager's behavioural biases. The software then continuously monitors their portfolio including individual stock performance and trading and creates proactive behavioural nudges to help the fund manager improve his or her alpha performance. Calculus Capital invested £2.5 million in the company in January 2019 of which the VCT invested £200,000. The investment will be used to expand the product offering and drive growth by strengthening the US and European sales and marketing capability.

Mologic Limited

Mologic is a Point of Care diagnostics company which is developing a new generation of diagnostic devices to improve accuracy or target diseases for which Point of Care diagnosis is underdeveloped, with the first two products having received an EU CE mark. In addition to the product development pipeline, the company has a number of contract research partnering programmes utilising the team's core expertise in diagnostics development and novel analytical techniques. The Bill & Melinda Gates Foundation has provided substantial grant funding to Mologic to develop advanced rapid diagnostics capable of 1pg/ml sensitivity. Calculus Capital first invested in 2015; to support its development efforts. The company raised a further £4 million in April 2018 which was led by Foresight with funds managed by Calculus investing £500,000 including £200,000 from the VCT. The funds are being used to support the launch of further diagnostics (including neglected tropical diseases) and international expansion of the Contract Research business.

MIP Diagnostics Limited

MIP Diagnostics is a novel affinity reagent company. Founded in 2015 as a spin out from the University of Leicester to commercialise various forms of Molecularly Imprinted Polymers (MIPs), sometimes called 'plastic antibodies'. The Company's proprietary technology includes a novel method to make nanoMIPs which circumvents the drawbacks of traditional MIP manufacturing methods. The robust nature of MIPs and nanoMIPs make them ideal reagents for a wide range of applications including point-of-care diagnostics and in field-based testing. The Calculus VCT invested £200,000 in MIP in October 2018. The investment will enable the company to further develop in house assets for future licensing, increase revenues, bring products to market and continue development of the platform.

Oxford BioTherapeutics Limited

In July 2018 £200,000 was invested in Oxford BioTherapeutics (OBT), a clinical stage oncology company committed to the discovery and development of novel therapies for various cancer types. OBT has a strong pipeline of immune-oncology (IO) therapies, which are used to re-engage and recruit the body's immune system to attack cancer cells. Moreover, OBT has two unique development platforms to support the discovery of novel therapeutics. OBT announced in December 2018 that it had received Investigational New Drug (IND) clearance from the US FDA for OBT076, an experimental treatment for women with high risk HER2 negative breast cancer, as well as other solid tumours expressing this target antigen including gastric, lung, bladder and ovarian cancer. The Company has raised over £5 million in additional funding from UK and Chinese institutional investors since our investment and is looking to raise a larger round in mid-2019 prior to an IPO in 2020, following positive OBT076 clinical readouts.

Image: Wheelright

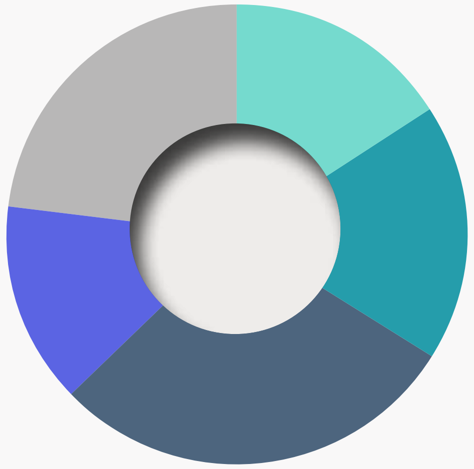
Pico's Limited ("Benito's Hat")

In July 2018, Calculus Capital completed a further £1 million investment into Benito's Hat, of which the Company invested £150,000. Benito's Hat is a Mexican-themed fast casual restaurant business which launched its first site in the West End of London in 2008. Benito's Hat has since opened eight further sites including Covent Garden, Oxford Circus, Farringdon, Selfridges Kitchen, Leadenhall Street and Bromley, as well as two new sites in Oxford and Leicester. This investment will fund the roll-out of further restaurant openings to reach new customers across London and the UK.

WheelRight Limited

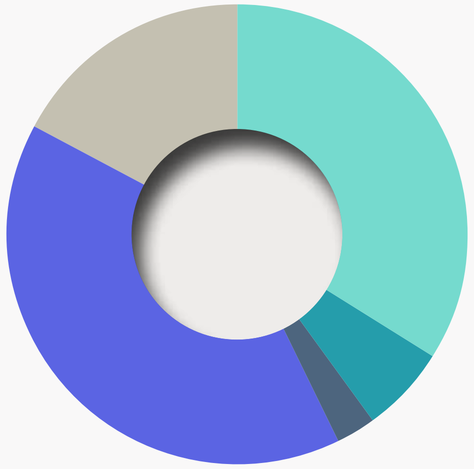
WheelRight has developed and commercially proven a fully automatic drive-through tyre check system capable of measuring tyre pressure and temperature, tread depth and weight-in-motion, as well as identifying tyre defects and reading the tyre sidewall data. The number of deployed systems has doubled in the year and the company is now reviewing which of the possible target markets (commercial fleet, open fleet/retail, government/regulatory) to focus on and the best strategy for this. Calculus VCT invested £100,000 equity in November 2018 and made a further £100,000 loan in January 2019.

Investment Diversification at 28 February 2019



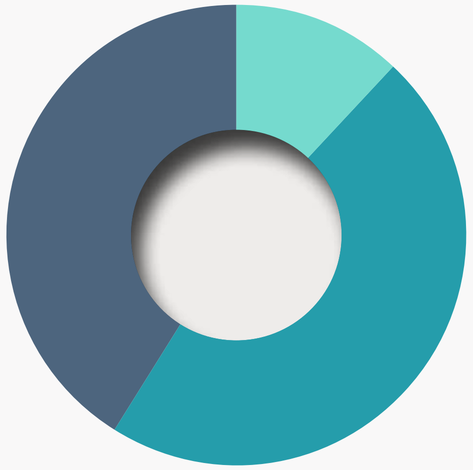
Sectors by investment cost

Consumer	16%
Energy	18%
Healthcare	29%
Industrials	14%
Technology	23%



Total assets by value

Unquoted company equity	34%
Unquoted company loan stock	6%
AIM traded equity	3%
Liquidity fund investments	40%
Other liquid assets	17%



Holding period of qualifying investments by value

Less than 1 year	12%
Between 1 and 3 years	47%
Greater than 5 years	41%

Investment Portfolio

Largest holdings by value

Three of the Company's ten largest investments are currently in liquidity funds. Details of the ten largest qualifying investments and of the liquidity funds are set out below

Investment	Book Cost £'000	Valuation £'000	% of investment portfolio
Unquoted Equity Investments			
Terrain Energy Limited	972	881	7.6
Solab Group Limited	479	475	4.1
The One Place Capital Limited	277	277	2.4
Arcis Biotechnology Holdings	275	275	2.4
Mologic Limited	200	266	2.3
MIP Diagnostics Limited	200	240	2.1
Weeding Technologies Limited	216	233	2.0
Cloud Trade Technologies Limited	200	231	2.0
Every1Mobile Limited	200	230	2.0
Open Energy Market Limited	200	230	2.0
Other unquoted equity investments	2,393	2,195	18.8
AIM Investments (quoted equity)			
AIM investments	777	408	3.5
Quoted Funds			
Fidelity Sterling Liquidity Fund	1,883	1,890	16.3
Aberdeen Sterling Liquidity Fund	1,882	1,882	16.3
Goldman Sachs Liquidity Funds	1,880	1,880	16.2
Total Investments	**12,034**	**11,593**	**100**

Calculus Capital Limited manages the portfolio of qualifying Investments made by the Company. To maintain its qualifying status as a Venture Capital Trust, the Company needed to be greater than 70 per cent invested in qualifying Investments by the end of the relevant third accounting period and to maintain it thereafter. At 28 February 2019, the qualifying percentage for the relevant funds was 73.1 per cent.

U Afya project
Every1Mobile, Engaging young women in Kenya on health, nutrition and motherhood

Terrain Energy Limited (“Terrain”)

Terrain Energy is an oil and gas exploration and production company.

Terrain has interests in a balanced portfolio of eleven on-shore licences in the East Midlands & Weald Basin in England, the Molasse Basin in Germany and the Lough Neagh Basin in Northern Ireland. They include production, development, appraisal and exploration assets. Terrain is currently producing from three oil fields which supports its overheads. The main value lies in the Egmating licence to the south of Munich following several hydrocarbon discoveries by geothermal companies in recent years; current estimates of recoverable resources are 23.4bcf of gas and 7 million barrels of oil. The initial testing of the Brockham well was inconclusive so an additional test is being performed at a further cost; this has negatively impacted the company’s value. Terrain is seeking an exit event in the next 12 months, potentially a merger with an AIM quoted company.

Latest Results	Audited 2017 £’000	Audited 2016 £’000
Year ended	**31 Dec**	**31 Dec**
Turnover	614	544
Pre-tax loss	281	543
Net assets	6,185	6,466
Valuation basis:		
Comparable companies and DCF		

Investment Information	£’000
Total cost	972
Income recognised in year/period	12
Equity valuation	781
Loan stock valuation	100
Total valuation	881
Voting rights / % of equity share capital held	7.4%

Total equity held by funds managed by Calculus Capital Limited: 100.0 per cent.

Solab Group Limited (“Solab”)

Solab is a long-established manufacturer of fragrances, shampoos and skincare products for third party customers, including Penhaligon’s and Philip Kingsley.

Solab has been affected by difficult market conditions, exacerbating the impact of the significant reduction in volumes from the loss of its largest customer, The Body Shop, several years ago. Initiatives introduced to improve performance, including a drive to win new business and enlarge existing customer accounts, recruiting Julien Laporte (former CEO of Crabtree & Evelyn) as a part time director and diversifying into pet products and online direct sales, have unfortunately had limited success and the company is considering its strategic options.

Latest Results (group)	Unaudited 2018 £’000	Audited 2017 £’000
Year ended	**31 Dec**	**31 Dec**
Turnover	16,200	19,000
Pre-tax loss	100	1,500
Net assets	1,400	1,500
Valuation basis:		
Comparable companies, comparable transactions & DCF		

Investment Information	£’000
Total cost	479
Income recognised in year/period	35
Equity valuation	180
Loan stock valuation	295
Total valuation	475
Voting rights / % of equity share capital held	7.5%

Total equity held by funds managed by Calculus Capital Limited: 85.1 per cent.

The One Place Capital Limited ("Money Dashboard")

Money Dashboard is a free web based personal financial management app, which offers its users a view of their finances (from bank accounts, credit cards, store cards, etc.) in one secure place.

Money Dashboard has taken advantage of the introduction of the Open Banking Standards in January 2018 (after significant delays) to acquire new users and so enhance the efficacy of its data analytics. This has helped the company reach a number of important milestones in 2018, including surpassing one million bank accounts connected to its app, driven by its 450,000 users. At the 2018 British Bank Awards, it was also awarded Best Personal Finance App for the second year running.

Latest Results (group)	Unaudited 2018 £'000	Unaudited 2017 £'000
Year ended	**30 Apr**	**30 Apr**
Turnover	500	600
Pre-tax loss	1,100	700
Net assets	700	400
Valuation basis:		
Last price paid		

Investment Information	£'000
Total cost	277
Income recognised in year/period	-
Equity valuation	277
Loan stock valuation	-
Total valuation	277
Voting rights / % of equity share capital held	2.2%

Total equity held by funds managed by Calculus Capital Limited: 36.4 per cent.

Arcis Biotechnology Holdings Limited ("Arcis")

Arcis Biotechnology Holdings Limited (Arcis) has developed an innovative way of extracting DNA (and potentially RNA) which has significant advantages over other techniques.

Nucleic acid extraction is an essential preliminary step before all molecular diagnostic tests and genetic analysis and so is a large, growing market. Arcis' chemistry, unlike competitor products, also protects the DNA / RNA from degradation; this preservation is novel and highly beneficial. Commercialisation progress is slow, but positive. Teleflex, a US $ multi-billion diagnostics company, has signed an exclusive licence, including upfront payments, to develop a bedside sepsis test and discussions are at an advanced stage with Hygiena, the world's largest food testing company, which would lead to several million tests per annum.

Latest Results (group)	Audited 2018 £'000	Audited 2017 £'000
Year ended	**31 Jul**	**31 Jul**
Turnover	200	200
Pre-tax loss	1,200	1,400
Net assets	700	1,400
Valuation basis:		
DCF, Last price paid		

Investment Information	£'000
Total cost	275
Income recognised in year/period	-
Equity valuation	275
Loan stock valuation	-
Total valuation	275
Voting rights / % of equity share capital held	1.4%

Total equity held by funds managed by Calculus Capital Limited: 35.5 per cent.

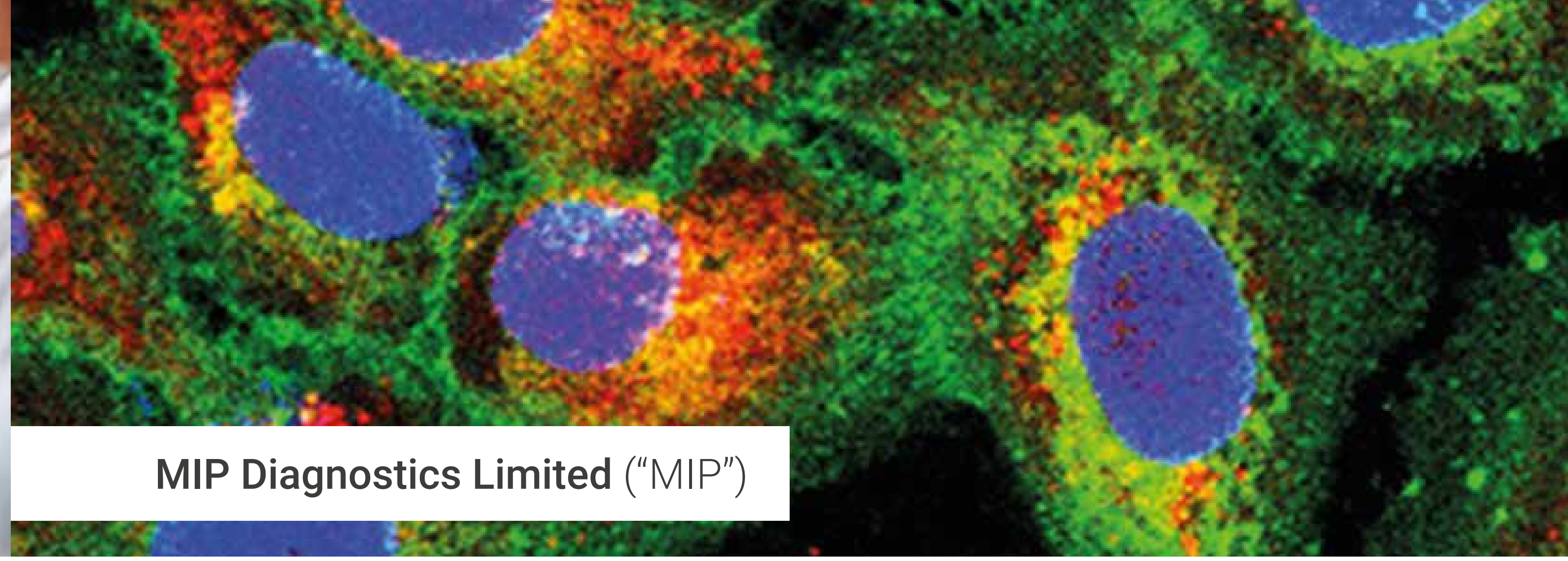
Mologic Limited (“Mologic”)

Information on Mologic is included under details of investments in the year on page 9.

Latest Results (group)	Unaudited 2018 £’000	Audited 2017 £’000
Year ended	**31 Dec**	**31 Dec**
Turnover	1,992	800
Pre-tax loss	1,999	1,723
Net assets	3,995	2,366
Valuation basis:		
Discounted Cash Flow		

Investment Information	£’000
Total cost	200
Income recognised in year/period	6
Equity valuation	166
Loan stock valuation	100
Total valuation	266
Voting rights / % of equity share capital held	0.9%

Total equity held by funds managed by Calculus Capital Limited: 30.0 per cent



MIP Diagnostics Limited (“MIP”)

Information on MIP Diagnostics is included under details of investments in the year on page 10.

Latest Results (group)	Unaudited 2018 £’000	Audited 2017 £’000
Year ended	**31 Dec**	**31 Dec**
Turnover	244	51
Pre-tax loss	366	210
Net assets	1,200	391
Valuation basis:		
Discounted Cash Flow		

Investment Information	£’000
Total cost	200
Income recognised in year/period	-
Equity valuation	240
Loan stock valuation	0
Total valuation	240
Voting rights / % of equity share capital held	4.9%

Total equity held by funds managed by Calculus Capital Limited: 4.9 per cent

Weeding Technologies Limited (“Weedingtech”)

Weeding Technologies is a cleantech company focused on replacing toxic herbicides, particularly in the municipal market.

Weedingtech’s technology treats weed and moss using environmentally friendly hot foam (which keeps the heat on long enough to kill the weed or moss) rather than herbicides such as Glyphosate. 2018 has seen increased legal and public focus on the use of herbicides, particularly in public areas. In August 2018, a California court awarded $289m against Monsanto, the manufacturer of Glyphosate based herbicide Round-Up, in respect of a single cancer sufferer (subsequently reduced to $78m) and a further case has been launched in January 2019. France’s agriculture minister indicated last week that France expects to have cut the use of Glyphosate by 80% by 2021. In 2018 Weedingtech continued to position itself as a global leader in alternative weed control. It has significantly strengthened its dealer network, particularly on the East and West coasts of the USA and has a strong pipeline for 2019 consequently.

Latest Results	Audited 2017 £’000	Audited 2016 £’000
Year ended	**31 Dec**	**31 Dec**
Turnover	2,625	1,260
Pre-tax loss	1,679	1,177
Net assets	1,095	2,086
Valuation basis:		
Last price paid		

Investment Information	£’000
Total cost	216
Income recognised in year/period	-
Equity valuation	233
Loan stock valuation	-
Total valuation	233
Voting rights / % of equity share capital held	2.15%

Total equity held by funds managed by Calculus Capital Limited: 45.9 per cent.

Cloud Trade Technologies Limited (“CloudTrade”)

Information on Cloud Trade is included under details of investments in the year on page 8.

Latest Results (group)	Audited 2018 £’000	Audited 2017 £’000
Year ended	**31 Mar**	**31 Mar**
Turnover	1,100	800
Pre-tax (loss) / profit	(42)	42
Net assets	200	200
Valuation basis:		
Discounted Cash Flow		

Investment Information	£’000
Total cost	200
Income recognised in year/period	-
Equity valuation	231
Loan stock valuation	-
Total valuation	231
Voting rights / % of equity share capital held	3.5%

Total equity held by funds managed by Calculus Capital Limited: 35.4 per cent.

Every1Mobile Limited ("Every1Mobile")

Every1Mobile provides digital communication solutions and online community management through a bespoke platform to multi-national corporates, international development agencies and non-profit organisations across Africa.

The company has delivered programmes across South Africa, Kenya, Nigeria, Ghana, Cote d'Ivoire, Uganda, Sierra Leone, Zambia, and Rwanda. These initiatives help to achieve key development goals in areas such as sexual health, digital and financial literacy, business skills, family planning, gender and nutrition.

Since Calculus' original investment in October 2017, Every1Mobile has grown 60% year on year, in line with its expansion plan and has won several major contracts for operations in Africa and in emerging markets outside Africa, including its first software-as-a-service contract for delivery of online education services.

Latest Results	Unaudited 2018 £'000	Unaudited 2017 £'000
Year ended	**31 Dec**	**31 Dec**
Turnover	1,521	915
Pre-tax loss	1,049	787
Net assets	139	1,029
Valuation basis:		
Comparable companies and DCF		

Investment Information	£'000
Total cost	200
Income recognised in year/period	
Equity valuation	230
Loan stock valuation	0
Total valuation	230
Voting rights / % of equity share capital held	3.5%

Total equity held by funds managed by Calculus Capital Limited: 38.2 per cent.

Open Energy Market Limited ("OEM")

Open Energy Market is an online trading platform for energy contracts for medium-large enterprises.

OEM has created an online platform on which corporate energy contracts are traded. These contracts require a bespoke price quote from the energy suppliers due to the large quantity of energy expected to be consumed. OEM's platform connects business customers directly to all 16 major energy providers of gas and electricity removing the need for a third-party broker. The energy providers bid for contracts on the platform via a live auction process which allows businesses to buy energy in a streamlined and more transparent way. In addition, OEM provides customers with live energy monitoring, usage analytics and energy trading services. The company has introduced digital innovation into the antiquated, manual energy brokerage process in order to improve transparency and decrease energy costs for its clients.

Calculus Capital invested £3 million in January 2018. OEM will use the funds to increase their direct sales force and software team, implement platform development including extensions into other commodities such as water.

Latest Results (group)	Audited 2018 £'000	Unaudited 2017 £'000
Year ended	**31 Jan**	**31 Jan**
Turnover	1,171	734
Pre-tax loss	405	51
Net liabilities	3,094	377
Valuation basis:		
Last price paid		

Investment Information	£'000
Total cost	200
Income recognised in year/period	-
Equity valuation	230
Loan stock valuation	-
Total valuation	230
Voting rights / % of equity share capital held	1.9%

Total equity held by funds managed by Calculus Capital Limited: 28.2 per cent.

Other Statutory Information

Company activities and status

The Company is registered as a public limited company and incorporated in England and Wales with registration number 07142153. Its shares have a premium listing and are traded on the London Stock Exchange.

On incorporation, the Company was an investment company under section 833 of the Companies Act 2006. On 18 May 2011, investment company status was revoked by the Company. This was done in order to allow the Company to pay dividends to shareholders using the special reserve (a distributable capital reserve), which had been created on the cancellation of the share premium account on 20 October 2010 and on 1 November 2017.

Company business model

The Company's business model is to conduct business as a VCT. Company affairs are conducted in a manner to satisfy the conditions to enable it to obtain approval as a VCT under sections 258-332 of the Income Tax Act 2007 ("ITA 2007").

Investment policy

It is intended that a minimum of 75 per cent of the monies raised by the Company will be invested in a variety of investments which will be selected to preserve capital value, whilst generating income, and may include:

- Bonds issued by the UK Government; and
- Fixed income securities issued by major companies and institutions, liquidity funds and fixed deposits with counterparty credit rating of not less than A minus (Standard & Poor's rate)/A3 (Moody's rated).

The Company's policy is to build a diverse portfolio of Qualifying Investments of primarily established unquoted companies across different industries and investments which may be by way of loan stock and/or fixed rate preference shares as well as Ordinary shares to generate income. The amount invested in any one sector and any one company will be no more than 20 per cent and 10 per cent respectively of the qualifying portfolio. These percentages are measured as at the time of investment. The Board and its Investment Manager, Calculus Capital Limited, will review the portfolio of investments on a regular basis to assess asset allocation and the need to realise investments to meet the Company's objectives or maintain VCT status.

Where investment opportunities arise in one asset class which conflict with assets held or opportunities in another asset class, the Board will make the investment decision. Under its Articles, the Company has the ability to borrow a maximum amount equal to 25 per cent of the aggregate amount paid on all shares issued by the Company (together with any share premium thereon). The Board will consider borrowing if it is in the shareholders' interests to do so. In particular, because the Board intends to minimise cash balances, the Company may borrow on a short-term to medium-term basis for cashflow purposes and to facilitate the payment of dividends and expenses in the early years.

Long term viability

In assessing the long-term viability of the Company, the Directors have had regard to the guidance issued by the Financial Reporting Council. The Directors have assessed the prospects of the Company for a period of five years, which was selected because this is the minimum holding period for VCT shares. The Board's strategic review considers the Company's income and expenses, dividend policy, liquid investments and ability to make realisations of qualifying investments. These projections are subject to sensitivity analysis which involves flexing a number of the main assumptions underlying the forecast both individually and in unison. Where appropriate, this analysis is carried out to evaluate the potential impact of the Company's principal risks actually occurring. Based on the results of this analysis, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the five-year period of their assessment. The principal assumptions used are as follows: i) Calculus Capital Limited pays any expenses in excess of 3.0 per cent of NAV as set out on page 35 of the Accounts; ii) the level of dividends paid are at the discretion of the Board; iii) the Company's liquid investments which include cash, money market instruments and quoted shares can be realised as permitted by the Company's investment policy; iv) the illiquid nature of the qualifying portfolio. Based on the results of this analysis, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due.

In making this statement the Board carried out a robust assessment of the principal risks facing the Company including those that might threaten its business model, future performance, solvency or liquidity.

Alternative investments funds directive (AIFMD)

The AIFMD regulates the management of alternative investment funds, including VCTs. The VCT is externally managed under the AIFMD by Calculus Capital Limited which is a small authorised Alternative Investment Fund Manager.

Risk diversification

The Board controls the overall risk of the Company. Calculus Capital Limited will ensure the Company has exposure to a diversified range of Qualifying Investments from different sectors.

Since November 2015, the types of non-qualifying investment include:

- Bonds issued by the UK Government; and
- Fixed income securities issued by major companies and institutions, liquidity funds and fixed deposits with counterparty credit rating of not less than A minus (Standard & Poor's rate)/A3 (Moody's rated).

VCT regulation

The Company's investment policy is designed to ensure that it will meet, and continue to meet, the requirements for approved VCT status from HM Revenue & Customs. Amongst other conditions, the Company may not invest more than 15 per cent (by value at the time of investment) of its investments in a single company and must have at least 70 per cent by value of its investments throughout the period in shares or securities in qualifying holdings, of which 30 per cent by value must be Ordinary shares which carry no preferential rights ("eligible shares"). For funds raised from 6 April 2011, the requirement for 30 per cent to be invested in eligible shares was increased to 70 per cent.

Changes to legislation were made in the Finance Bill 2018 such that from 1 March 2020 the percentage by value of the Company's investments in shares or securities which must be invested by and maintained in qualifying holdings will rise to 80 per cent. In addition, 30 per cent of any money raised after 6 April 2018 will need to be invested in qualifying holdings within 12 months after the end of the accounting period in which the money was raised and loan stock investments in investee companies must be unsecured and must not carry a coupon which exceeds 10% per annum on average over a five year period.

Key strategic issues considered during the year

Performance

The Board reviews performance by reference to a number of key performance indicators ("KPIs") and considers that the most relevant KPIs are those that communicate the financial performance and strength of the Company as a whole, being;

- total return per share
- net asset value per share

The financial highlights of the Company can be found after the contents page of the Report and Accounts.

Further KPIs are those which show the Company's position in relation to the VCT tests which it is required to meet in order to meet and maintain its VCT status. The Qualifying % is disclosed in the Investment Manager's review. The Company has received approval as a VCT from HM Revenue & Customs.

Principal risks and uncertainties facing the Company and management of risk

The Company is exposed to a variety of risks. The principal financial risks, the Company's policies for managing these risks and the policy and practice with regard to financial instruments are summarised in note 16 to the Accounts.

The Board has also identified the following additional risks and uncertainties:

Regulatory risk

The Company has received approval as a VCT under ITA 2007. Failure to meet and maintain the qualifying requirements for VCT status could result in the loss of tax reliefs previously obtained, resulting in adverse tax consequences for investors, including a requirement to repay the income tax relief obtained, and could also cause the Company to lose its exemption from corporation tax on chargeable gains.

The Board receives regular updates from the Investment Manager and financial information is produced on a monthly basis. The Investment Manager monitors VCT regulation and presents its findings to the Board on a quarterly basis. The Investment Manager builds in 'headroom' when making investments to allow for changes in valuation. This 'headroom' is reviewed prior to making and realising qualifying investments.

Independent advisers are used to monitor and advise on the Company's compliance with the VCT rules.

Qualifying investments

There are restrictions regarding the type of companies in which the Company may invest and there is no guarantee that suitable investment opportunities will be identified.

Investment in unquoted companies and AIM-traded companies involves a higher degree of risk than investment in companies traded on the main market of the London Stock Exchange. These companies may not be freely marketable and realisations of such investments can be difficult and can take a considerable amount of time. There may also be constraints imposed upon the Company with respect to realisations in order to maintain its VCT status which may restrict the Company's ability to obtain the maximum value from its investments.

Calculus Capital Limited has been appointed to manage the qualifying investments portfolio and has extensive experience of investing in this type of investment. Regular reports are provided to the Board and a representative of Calculus Capital Limited is on the Company's board. Risk is managed through the investment policy which limits the amount that can be invested in any one company and sector to 10 per cent and 20 per cent of the qualifying portfolio respectively at the time of investment.

Liquidity/ marketability risk.

Due to the holding period required to maintain up-front tax reliefs, there is a limited secondary market for VCT shares and investors may therefore find it difficult to realise their investments. As a result, the market price of the shares may not fully reflect, and will tend to be at a discount to, the underlying net asset value. The level of discount may also be exacerbated by the availability of income tax relief on the issue of new VCT shares. The Board recognises this difficulty, and has taken powers to buy back shares, which could be used to enable investors to realise investments.

Employees, environmental, human rights and community issues

The Company has no employees and the Board comprises entirely non-executive directors. Day-to-day management of the Company's business is delegated to the Investment Manager (details of the management agreement are set out in the Directors' Report) and the Company itself has no environmental, human rights, or community policies. In carrying out its activities and in its relationships with suppliers, the Company aims to conduct itself responsibly, ethically and fairly.

Gender Diversity

At the year end, the Board of directors comprised two male directors and two female Directors. On the 1st March 2019, Jan Ward was appointed, increasing the number of female board members to three.

Statement regarding annual report and accounts

The Directors consider that taken as a whole, the Annual Report and Accounts is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Michael O'Higgins
Chairman
9 May 2019

Dr Sarah Howell
CEO, Arecor

Board of Directors

Michael O'Higgins

(Chairman) *

Michael O'Higgins is an experienced private investor with significant EIS and VCT holdings. Michael is Chairman of the Local Pensions Partnership (with over £13bn of assets under pooled management), as well as a non-executive director of Network Rail and of the pensions company Hedgehog. He is also Chairman of the Channel Islands Competition and Regulatory Authorities.

Until August 2018 he was a non-executive director of Network Rail. He was Chairman of The Pensions Regulator from 2011 to 2014, Chairman of the Audit Commission from 2006 until 2012 and chairman of the NHS Confederation from 2012 until 2015. He was also a Non-Executive Director of HM Treasury and Chair of the Treasury Group Audit Committee from 2008 to 2014. Michael was also the Chair of the youth homelessness charity Centrepoint from 2004 to 2011.

Previously, Michael was a Managing Partner with PA Consulting, leading its Government and IT Consulting Groups, latterly as a Director on its International Board. Prior to that he was a partner at Price Waterhouse, worked at the Organisation for Economic Co-Operation and Development in Paris and held academic posts at the University of Bath, the London School of Economics, Harvard University and the Australian National University.

Michael O'Higgins has informed the Board of his intention to step down as Chairman at the conclusion of the Company's AGM to devote his time to his other business and charitable commitments. Michael has been Chairman since 10 February 2011 and the Board thanks him for his leadership and wise counsel throughout the period of his chairmanship. The Company's AGM is currently planned to take place on 4 July 2019.

Jan Ward

(appointed on 1 March 2019)*

Jan has been a mechanical engineer for over 30 years in metals, manufacturing, and distribution. She has worked at board level for specialty metals producers and distributors and has lived and worked in US, Europe and Middle East.

The Founder of Corrotherm International Ltd, a company specializing in high alloy metals for use in oil, gas, petrochemical power and desalination industries, she grew the company from a one-woman company to an entity now with offices in 10 countries.

An adviser and non-executive board member to a number of manufacturing companies and government departments, she is also the Director of the Saudi British Joint Business Council and UAE UK Business Council, Director of Energy Industries Council.

She is a NatWest everywoman award winner, as well as IoD London and South East Global Director of the year. Jan was awarded a CBE for services to Business and Honorary Doctorate of Engineering.

Jan will become Chairman on the retirement of Michael O'Higgins. Her experience and knowledge of growth companies will prove invaluable to the company.

Kate Cornish-Bowden

(Audit Committee Chairman) *

Kate Cornish-Bowden is a non-executive Director of Finsbury Growth & Income Trust plc, and a non-executive Director of CC Japan Income & Growth Trust plc and a non-executive Director of Schroder Oriental Income Fund Limited. Kate's past directorships include Scancell Holdings plc and Arcis Biotechnology Ltd.

Kate is an experienced equity portfolio manager having managed funds on behalf of both retail investors and pension clients. Kate worked for Morgan Stanley Investment Management for 12 years between 1992 and 2004, where she was Managing Director and head of Morgan Stanley Investment Management's Global Core Equity team.

Prior to joining Morgan Stanley, Kate spent two years as a research analyst at M&G Investment Management. She holds a Masters in Business Administration (MBA), has completed the Financial Times Non-Executive Director Diploma, has passed her IIMR exams and is an Associate of the Institute (now CFA)

John Glencross

John co-founded Calculus Capital Limited in 1999, creating one of the UK's most successful, independent private equity firms focused on investing in smaller, unquoted companies.

John has over 30 years' experience in private equity, corporate finance, and operational management. During that time, he has invested in, advised on or negotiated more than 100 transactions and served on publicly quoted and private corporate boards. He is a director of Terrain Energy Limited which is a company in which this Company has invested. He is also a board member of the Enterprise Investment Scheme Association and a member of its Tax and Technical and its Regulatory Committees. He was also a director of Neptune-Calculus Income and Growth plc until its assets and liabilities were acquired by the Company. Before co-founding Calculus Capital Limited, John served as an Executive Director of European Corporate Finance for UBS for nine years where he advised on M&A, IPOs, restructurings and recapitalisations, strategic alliances and private equity. Prior to this, John was headhunted to be Head of the Mergers & Acquisitions Group of Philips and Drew, a 100 year old London based financial institution.

At the start of his career, John qualified as a Chartered Accountant with Peat Marwick (subsequently KPMG), where he then went on to be recruited as a founder member of Deloitte's newly established Corporate Finance practice in London. John graduated from Oxford University with an MA (Hons) in Philosophy, Politics and Economics.

Claire Olsen

(appointed on 3 January 2019)*

Claire has a background in financial services marketing and research and is currently an independent consultant. Prior to this, she was Head of European Corporate & Research Marketing for equity research firm, AB Bernstein where she was responsible for directing the strategy, growth, development and execution of the EMEA corporate research marketing programme. During her eleven years at Bernstein, she developed their European Strategic Decisions Conference to become Europe's largest and most respected generalist conference, rated by institutional investors and corporate management teams. Claire was ranked yearly under "Specialist Sales" across multiple sectors in the European Extel Survey.

Before joining Bernstein, Claire consulted for a number of Corporate Finance Boutiques, Investment Management firms and High Net Worth Individuals. Claire began her career working JPMorgan Chase (previously Flemings Investment Bank) and is a qualified Paralegal and Legal Executive.

*independent of the Investment Manager

The Investment Manager

Calculus Capital Limited ("Calculus Capital") is appointed as investment manager to the Company and also provides secretarial, administration and custodian services to the Company. Calculus Capital is a generalist investor in the venture capital and EIS sector and has extensive experience investing across a multitude of sectors, including hosted software, life sciences, leisure and hospitality, manufacturing, energy and transportation. Calculus Capital's focus is to find and back capable management teams in established companies which are already successfully selling products and services.

Calculus Capital is recognised as a leading manager of Venture Capital Investments and has been awarded the EIS Association "Best EIS Fund Manager" Award five times, "Best EIS Investment Manager" at the 2018 and 2016 Growth Investor Awards and "Best Generalist EIS" at the 2018 Tax Efficiency Awards. Calculus Capital has also been named Finalist in the Best VCT category for both the 2019 EIS Association Awards and 2018 Growth Investor Awards. Calculus Capital's success is underpinned by a disciplined investment process, strong risk management and very close monitoring of and partnership with the portfolio companies. The Calculus team involved with Calculus VCT includes the following individuals:

John Glencross
Chief Executive of Calculus Capital Limited

Details for John Glencross can be found on page 29.

Susan McDonald,
Chairman of Calculus Capital Limited

Susan also chairs Calculus Capital's Investment Committee which approves all new investment and disposals Susan has over 29 years of financial services experience and has personally directed investment to over 80 companies in the last 18 years covering a diverse range of sectors. She has regularly served as board member of the firm's private equity- backed companies.

Before co-founding Calculus Capital, Susan was Director and Head of Asian Equity Sales at Banco Santander. Prior to this, she gained over 12 years' experience in company analysis, flotations and private placements with Jardine Fleming in Hong Kong, Robert Fleming (London) and Peregrine Securities (UK) Limited. Susan has an MBA from the University of Arizona and a BSc from the University of Florida. Before entering the financial services industry, Susan worked for Conoco National Gas Products Division and with Abbott Laboratories Diagnostics Division.

Robert Davis
Deputy Chief Executive and Head of Portfolio Management

Robert joined Calculus Capital in 2014 with responsibility for working with the portfolio companies in helping to build value and, importantly, guiding them towards a successful exit. Robert has over 25 years' advisory experience covering the full spectrum of corporate and capital raising transactions, but with a particular expertise in M&A. Most recently he was Head of the European business of Avendus Capital, an Indian investment bank, and previously was the Head of European M&A at Nomura International for eight years. He has also held positions at JP Morgan and Robert / Jardine Fleming. As well as London, he has also worked in Hong Kong, Sydney and Mumbai. Robert qualified as a Chartered Accountant with Price Waterhouse and, prior to his career in finance, served in the British army. He holds an MA from the University of Cambridge.

Natalie Evans
Finance Director and Company Secretary

Natalie joined Calculus in 2010 and is responsible for financial management and planning. Until recently Natalie was Head of Fund Administration and she still overseas all areas of VCT fund administration, operations and reporting. Natalie is a chartered management accountant and holds a first class Bachelor of Law degree. Prior to this Natalie graduated with a Masters of Modern Languages from the University of Manchester.

Richard Moore
Co-Head of Investments

Richard joined Calculus Capital in 2013. Prior to this he was a Director at Citigroup, and also previously worked at JPMorgan and Strata Technology Partners. Richard has over 14 years' corporate finance experience advising public and private corporations and financial sponsors on a range of M&A and capital raising transactions. Richard began his investment banking career in the UK mid-cap advisory team at Flemings (acquired by JPMorgan in 2000), working with companies across a broad a range of sectors. More recently Richard has specialized in advising companies in the technology industry. Richard has advised on a wide range of transactions including buy-side and sell-side M&A mandates, public equity and debt offerings, private equity investments and leveraged buy outs in the UK, Europe, US and Asia. Richard began his career at KPMG where he qualified as a Chartered Accountant. He has a BA (Hons) in Politics and Economics from Durham University.

Alexander Crawford

Co-Head of Investments

Alexander joined Calculus Capital in 2015, and has over 20 years' corporate finance experience, incorporating M&A, capital raising in both public and private markets, and other strategic advice. He spent ten years with Robert Fleming & Co, Evercore Partners and JP Morgan in London, New York and Johannesburg, where he advised the South Africa government on the hedge fund team of their incumbent telecoms operator. He was more recently a Managing Director at Pall Mall Capital. Alexander's role is to source and execute new deals, as well as managing some of the existing portfolio companies through to exit. Alexander has an MA in Mathematics from Cambridge University and qualified as a Chartered Accountant with KPMG.

Alexandra Lindsay

Investment Director

Alexandra joined Calculus Capital in 2008. She specializes in the valuation of investment opportunities, focusing on the energy, life sciences and services sectors. Her recent projects include oil and gas exploration and production and synthetic biology. Alexandra is responsible for project management from proposal through due diligence to completion. Prior to joining Calculus Capital, she worked on the hedge fund team at Apollo Management International where she conducted research into companies and markets. She graduated from University College London with a first class degree in History of Art having previously studied Engineering Science at Wadham College, Oxford. Alexandra is a CFA charter holder.

Directors' Report

The Directors present their Annual Report and Accounts for the year ended 28 February 2019.

Directors	
Michael O'Higgins (Chairman)	Appointed 22 February 2010
Jan Ward*	Appointed 1 March 2019
Kate Cornish-Bowden	Appointed 10 February 2011
John Glencross	Appointed 10 February 2010
Claire Olsen	Appointed 3 January 2019
Steve Meeks	Resigned 31 December 2018
Diane Seymour Williams	Resigned 28 February 2019

*Jan Ward was appointed on 1 March 2019 and did not serve during the year to 28 February 2019.

Biographical notes of the Directors are given on pages 28-29.

Both Steve Meeks and Diane Seymour-Williams resigned during the year. Steve Meeks was on the board since inception of the VCT and advised on the original structured products investment. Diane Seymour-Williams joined the board in August 2017 in order to help oversee the smooth merger of the Neptune Income & Growth VCT plc.

Under the Listing Rules, John Glencross is subject to annual re-election due to his connection to Calculus Capital Limited and will therefore be standing for re-election at the Annual General Meeting.

Claire Olsen and Jan Ward joined the board since the last AGM and will therefore be standing for election at the forthcoming Annual General Meeting.

Formal performance evaluation of the Directors and the Board has been carried out and the Board considers that all of the Directors contribute effectively and have the skills and experience relevant to the future leadership and direction of the Company.

The Board accordingly recommends that John Glencross, Claire Olsen and Jan Ward be re-elected as Directors at the Annual General Meeting.

John Glencross is Chief Executive and a director of Calculus Capital Limited and is deemed to have an interest in the Calculus Management Agreements and the Performance Incentive Agreement.

None of the other Directors or any persons connected with them had a material interest in the Company's transactions, arrangements nor agreements during the year.

The rules concerning the appointment and replacement of directors are contained in the Company's Articles of Association.

Corporate Governance

The Board is accountable to shareholders for the governance of the Company's affairs and is committed to maintaining high standards of corporate governance and to the principles of good governance as set out in the UK Corporate Governance Code (the "Code") issued by the Financial Reporting Council ("FRC") in April 2016, a copy of which can be found at www.frc.org.uk.

Pursuant to the Listing Rules of the Financial Conduct Authority, the Company is required to provide shareholders with a statement on how the main and supporting principles set out in the Code have been applied and whether the Company has complied with the provisions of the Code. The Board has established corporate governance arrangements that it believes are appropriate to the business of the Company as a venture capital trust. The Board has reviewed the Code, and considers that it has complied throughout the period, except as disclosed below:

- Directors are not appointed for a specified term as all directors are non-executive and the Articles of Association require that all directors retire by rotation at Annual General Meetings of the Company.
- In light of the responsibilities retained by the Board and its Committees and the responsibilities delegated to the Investment Manager, the Administrator, the Registrars and legal advisers, the Company has not appointed a chief executive officer, deputy chairman or senior independent director.
- Given the structure of the Company and the Board, the Board does not believe it necessary to appoint separate remuneration or nomination committees, and the roles and responsibilities normally reserved for these committees will be a matter for the full Board.
- The Company does not have an internal audit function as all of the Company's management functions are performed by third parties whose internal controls are reviewed by the Board. However, the need for an internal audit function will be reviewed annually.

A full statement on Corporate Governance and the Company's compliance with the UK Corporate Governance Code can be found at http://www.calculuscapital.com/calculus-vct

A report from the Audit Committee can be found on page 40-41.

Dividends

Details of the dividend recommended by the Board are set out in the Strategic Report on page 7 of the Accounts.

Directors' fees

A report on directors' remuneration is set out on pages 42-45 of the Accounts.

Directors' and officers' liability insurance

Directors' and officers' liability insurance cover is provided at the expense of the Company.

Share capital

The capital structure of the Company and movements during the year are set out in note 12 of the Accounts. At the year end, no shares were held in Treasury. During the year, the following changes to the Company's share capital have taken place:

Total shares in issue – 1 March 2018	**11,642,717**
Issue of new Ordinary shares – 4 April 2018	**1,750,548**
Issue of new Ordinary shares – 5 April 2018	**28,750**
Issue of new Ordinary shares – 1 August 2018	**1,176,844**
Share buyback – 21 August 2018	**(10,000)**
Share buyback – 5 November 2018	**(38,000)**
Issue of new Ordinary shares – 23 January 2019	**2,116,998**
Issue of new Ordinary shares – 28 February 2019	**1,754,516**
Total shares in issue – 28 February 2019	**18,422,373**

Since the year end a further 2,076,361 new Ordinary shares have been issued pursuant to an offer for subscription.

Substantial Shareholdings

As at 28 February 2019, Mr Alistair Watson held 645,499 Ordinary shares representing 3.5% of the share capital of the Company. There were no other notifiable interests in the voting rights of the Company.

Management

Calculus Capital Limited is the qualifying Investments' portfolio manager. Calculus Capital Limited was appointed as Investment Manager pursuant to an agreement dated 2 March 2010, a supplemental agreement was entered into on 7 January 2011 in relation to the management of the C Share fund, a further supplemental agreement entered into on 26 October 2015 in relation to the management of the D share fund and covers the addition of company secretarial duties and a further supplemental management agreement entered into on 12 September 2017 in relation to the merged share fund (together, the "Calculus Management Agreements"). From 12 September 2017, Calculus Capital Limited agreed to meet the annual expenses of the Company in excess of 3.0 per cent of the net asset value of the Ordinary shares.

Pursuant to the Calculus Management Agreements, Calculus Capital Limited will receive an annual management fee of 1.75 per cent of the net asset value of the Ordinary share fund, calculated and payable quarterly in arrears.

Calculus Capital Limited is also entitled to a fee of £15,000 per annum (plus VAT where applicable) for the provision of company secretarial services.

For the year to 28 February 2019, Calculus Capital Limited charged £197,314 in management fees, £18,000 in company secretarial fees, and did not contribute to the expenses (2018: charged £154,089 in management fees, £18,000 in company secretarial fees and contributed £26,435 to the expenses cap).

Pursuant to a performance incentive agreement dated 26 October 2015, Calculus Capital Limited is entitled to a performance incentive fee equal to 20 per cent of Ordinary shareholder (formerly D shareholder) dividends and distributions paid in excess of 105 pence.

Investec Structured Products was appointed as Investment Manager pursuant to an agreement dated 2 March 2010, and their appointment as Investment Manager terminated in February 2017. Certain performance incentive agreements were entered into with Calculus Capital Limited and Investec Structured Products.

Pursuant to a performance incentive agreement between the Company, Calculus Capital Limited and Investec Structured Products dated 2 March 2010, Investec Structured Products and Calculus Capital Limited will each receive a performance incentive fee payable in cash of an amount equal to 10 per cent of dividends and distributions paid to old ordinary shareholders following the payment of such dividends and distributions provided that such shareholders have received in aggregate distributions of at least 105p per ordinary share (including the relevant distribution being offered).

Pursuant to a performance incentive agreement between the Company, Calculus Capital Limited and Investec Structured Products dated 7 January 2011, Investec Structured Products and Calculus Capital Limited will be entitled to performance incentive fees as set out below:

- 10 per cent of C shareholder proceeds in excess of 105p up to and including proceeds of 115p per C share, such amount to be paid within ten business days of the date of payment of the relevant dividend or distribution pursuant to which a return of 115p per C share is satisfied; and
- 10 per cent of C shareholder proceeds in excess of 115p per C share, such amounts to be paid within ten business days of the date of payment of the relevant dividend or distribution,

provided that C shareholders received at least 70p per C share on or before 14 March 2017 and at least a further 45p per C share is received or offered for payment on or before the 14 March 2019.

Continuing Appointment of the Investment Manager

The Board keeps the performance of Calculus Capital Limited under continual review. A formal review of the Investment Manager's performance and the terms of their engagement has been carried out and the Board are of the opinion that the continuing appointment of Calculus Capital Limited as Investment Manager is in the interests of shareholders as a whole. The Board is satisfied with the performance of the Company to date. The Board is confident that the VCT qualifying tests will continue to be met.

Financial Risk Management

The principal financial risks and the Company's policies for managing these risks are set out in note 16 to the Accounts.

Going Concern

In assessing the going concern basis of accounting, the Directors have had regard to the guidance issued by the Financial Reporting Council. After making enquiries, and having reviewed the portfolio, balance sheet and projected income and expenditure for a period of twelve months from the date these financial statements were approved, the Directors have a reasonable expectation that the Company has adequate resources to continue in operation for at least the next twelve months. The Directors have therefore adopted the going concern basis in preparing the Accounts.

Global Greenhouse Gas Emissions

The Company has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emission-producing sources under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

Annual General Meeting

A formal Notice convening the Annual General Meeting of the Company to be held on 4 July 2019 can be found on pages 75-77.

The resolutions are as follows:

- To receive the Report and Accounts for the year ended 28 February 2019 (Resolution1).
- To approve the Directors' Remuneration Report (Resolution 2).
- To approve the payment of a final dividend of 3.4 pence per Ordinary Share (Resolution 3).
- To re-elect John Glencross as a director of the Company (Resolution 4).
- To elect Claire Olsen as a director of the Company (Resolution 5).
- To elect Jan Ward as a director of the Company (Resolution 6).
- To appoint BDO UK LLP as auditors (Resolution 7).
- To authorise the directors to fix the auditors' remuneration (Resolution 8).
- To grant the directors the power to allot Ordinary shares (Resolution 9).
- To disapply pre-emption rights (Resolution 10).
- To give the directors authority to purchase shares (Resolution 11).
- To authorise the Company to hold general meetings on 14 clear days' notice (Resolution 12)

Resolutions 1 to 9 will be proposed as ordinary resolutions and resolutions 10 to 12 will be proposed as special resolutions. Further explanation of the special resolutions is given below.

Resolution 10 will sanction in a limited manner the disapplication of pre-emption rights in respect of the allotment of equity securities for cash pursuant to the authority conferred by resolution 9. This authority will be effective until the conclusion of the next Annual General Meeting (expected to be in July 2020).

The Board believes that it is beneficial to the Company for it to continue to have the flexibility to purchase in the market its own shares.

Resolution 11 seeks authority from the Shareholders for the Company to be authorised to do so when considered appropriate by the directors.

It is proposed by Special Resolution 11 that the directors be given authority to make market purchases of the Company's own shares. Under this authority the directors may purchase shares with an aggregate nominal amount up to but not exceeding 10 per cent of the Company's issued Ordinary share capital. When buying shares, the directors cannot pay a price per share which is more than 105 per cent of the middle market prices shown in the quotations for an Ordinary share in the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which the Ordinary share is to be purchased. This authority will be effective until the conclusion of the next Annual General Meeting (expected to be in July 2020).

The board believe it is beneficial for the Company to have the flexibility to call general meetings, other than annual general meetings, at 14 clear days' notice. The minimum notice period for annual general meetings will remain at 21 clear days. The authority will be effective until the conclusion of the next Annual General Meeting (expected to be in July 2020).

Developments since the year end

Other than as mentioned above, there have been no developments since the year end.

Statement of disclosure to the auditor

The directors who held office at the date of approval of the Directors' Report confirm that, so far as they are aware,

(a) there is no relevant audit information of which the Company's Auditor is unaware; and

(b) each director has taken all the steps that he/she ought to have taken as a director to make himself/ herself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

By order of the Board,
Calculus Capital Limited Company Secretary
9 May 2019

Robert Davis
Deputy CEO, Calculus Capital
Calculus Investor Reception

Audit Committee Report

The main responsibilities of the Audit Committee ("the Committee") which are detailed in the Terms of Reference and available on the Company's website include monitoring the integrity of the accounts of the Company and reviewing the Company's internal control and risk management systems. The Committee also monitors the independence and objectivity of the external Auditor, reviews the scope and process of the audit undertaken by the external Auditor, and reviews the provision of non-audit services by the external Auditor.

The Committee consists of the four independent directors and is chaired by Kate Cornish-Bowden. The audit committee carried out an internal evaluation of its composition, performance and effectiveness during the year. All members are considered to have recent and relevant financial experience. The non-independent Director, John Glencross is also invited to attend the Audit Committee meetings as he is intimately involved in the Company's affairs and has specific knowledge of the investments made by Calculus Capital Limited on the Company's behalf.

The Company does not have an internal audit function as most of its day-to-day operations are delegated to third parties, all of whom have their own internal control procedures. The Committee discusses annually whether it would be appropriate to establish an internal audit function and has agreed that the existing system of monitoring and reporting by third parties remains appropriate and sufficient.

Activity during the year

The Committee met twice during the financial year to consider accounts, review the principal risks faced by the Company and the internal control systems and review the Audit Plan and fees of the external Auditor. The risks to which the Company is exposed are recorded in a risk register and include market, investment, operational and regulatory risks. The controls in place to mitigate these risks and the residual risk is assessed and the risk register updated as required at each meeting.

The Committee worked closely with the investment manager to ensure VCT qualifying status was maintained. At 28 February 2019, 73.1 per cent of the money required to be invested was invested in a diversified portfolio of Venture Capital Investments. Funds awaiting investment opportunities have been invested in liquid non-qualifying investments such as cash and money market funds.

Significant Issues

The significant issues considered by the Committee are set out below.

The Committee considered the valuation of the venture capital portfolio. As the venture capital portfolio is primarily invested in unlisted securities, accurate valuation requires the skill, knowledge and judgement of Calculus Capital Limited, who applies industry (International Private Equity and Venture Capital Valuation guidelines) recognised methods of valuation. Following extensive discussions which took into account the current operating performance and environment of the investee companies, the capital structure and the respective financial position of each company, the Committee is confident that either appropriate discounted cash flow valuations or valid comparative valuations have been applied to the unquoted holdings within the Company. The Investment Manager and the Board consider that the investment valuations are consistent and appropriate.

The Committee also considered the Corporate Governance requirement for a long-term viability statement. The length of time which the statement should cover was discussed and a period of five years was selected reflecting the Board's strategic time horizon. The assumptions underlying the forecasts including the expected cash requirements, and the level of investment realisations and investment income assumed during the period were considered. The Committee is confident that the Company will continue to operate and meet its liabilities over the period.

The findings of the annual audit by Grant Thornton UK LLP ("Grant Thornton") were discussed and the Committee is pleased to confirm that there was nothing material or unusual to report. The Committee also reviewed the Audit Plan and fees presented by Grant Thornton. Grant Thornton has charged £28,800 for the audit fee (2018: £27,600). Grant Thornton performed no non-audit services during the year.

Audit report and auditor evaluation

The Company is required to carry out an audit tender every ten years. Grant Thornton have conducted the audit each year since 2011 and the Company therefore had to carry out a tender process before 1 March 2020.

The Company has carried out the tender process in March 2019. In order to ensure auditor independence and objectivity is maintained, the Company has decided to appoint BDO LLP as its auditor. This will take effect from the audit for the year to 28 February 2020 making this the last audit Grant Thornton will carry out for the Company. The audit committee would like to thank Grant Thornton for its work over the last nine years which has always been carried out in a diligent manner and with a high degree of professionalism.

BDO LLP have much experience in the VCT sector and the Board are satisfied that they will understand the risks and challenges facing VCTs.

Kate Cornish-Bowden
Chairman of the Audit Committee
9 May 2019

Directors' Remuneration Report

The Board has prepared this report in accordance with the requirements of the Large and Medium Sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013. An Ordinary resolution for the approval of this report will be put to shareholders at the forthcoming Annual General Meeting.

The law requires the Company's Auditor, Grant Thornton UK LLP, to audit certain disclosures provided. Where disclosures have been audited, they are indicated as such. The Auditor's opinion is included in the "Independent Auditor's Report" on pages 48-54.

Statement from the Chairman

I am pleased to present the Directors' Remuneration Report for the year ended 28 February 2019.

The Board consists entirely of non-executive directors and the Company has no employees. We have not, therefore, reported on those aspects of remuneration that relate to executive directors. Due to the size and nature of the Board, it is not considered appropriate for the Company to establish a separate remuneration committee, and the remuneration of the Directors is therefore dealt with by the Board as a whole.

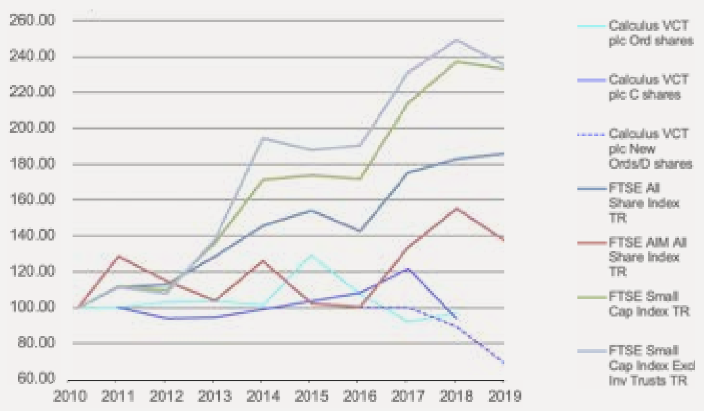
During the year ended 28 February 2019, the fees were set at the rate of £20,000 per annum for the Chairman and £15,000 per annum for other directors. Since the year end, this has been increased to £24,000 for Chairman, £20,000 for Chair of the Audit Committee and £18,000 per annum for other directors. This is the first increase to directors' fees since the launch of the Company in 2010.

Company Performance

The graph below compares the total return (assuming all dividends are reinvested) to original holders of (old) Ordinary shares since 8 April 2010 and to original holders of C shares since 5 April 2011 (when the Ordinary shares and C shares respectively were first admitted to the Official List of The UK Listing Authority) and to original holders of D shares since 9 March 2016 and to holders of new Ordinary shares since 1 August 2017 compared to the total shareholder return in the FTSE All Share Index, FTSE AIM All Share Index, FTSE Small Cap Index with and without Investment Trusts. The original Ordinary shares, C shares and D shares no longer exist. All share classes were merged on 1 August 2017 using conversion ratios of 1 Ordinary share = 0.1442 D shares and 1 C share = 0.235 D shares and then all the shares were renamed (new) Ordinary shares. The lines shown below for the original Ordinary and C classes from 1 August 2017 to 28 February 2018 use pro forma figures calculated by taking the proportion of a new Ordinary share as is represented by the conversion ratio X the price of an Ordinary share and adding cumulative dividends. As the D shares were renamed Ordinary shares, the pro forma return is the same as that of the Ordinary shares.

The total returns for the original Ordinary shares and C shares, being price plus cumulative dividends, are 94.5p and 90.9p respectively.

Shareholder Return Since Launch Compared to various FTSE Indices



Directors' Emoluments for the Year ended 28 February 2019 (audited)

The Directors who served in the year received the following emoluments in the form of fees:

Director	Year to 28 Feb 19 £'000	Year to 28 Feb 18 £'000
Michael O'Higgins	**20**	20
Kate Cornish-Bowden	**15**	15
John Glencross	**-**	-
Steve Meeks (resigned on 31 December 2018)	**12.5**	15
Diane Seymour-Williams (resigned on 28 February 2019)	**15**	7
Claire Olsen (appointed on 3 January 2019)	**2.5**	-
	65	57

John Glencross is not entitled to any remuneration from the Company due to his connection with Calculus Capital Limited.

Taxable benefits (audited)

The Directors who served during the year received no taxable benefits during the year.

Variable pay (audited)

The Directors who served during the year received no taxable benefits during the year.

Pensions benefits (audited)

The Directors who served during the year received no pension benefits during the year.

Directors' Interests (audited)

There is no requirement under the Company's Articles of Association for directors to hold shares in the Company. The interests of the Directors and any connected persons in shares of the Company are set out below:

Director	Number of Ordinary shares held at 28 February 2019	Number of Ordinary shares held at 28 February 2018
Michael O'Higgins	**79,383**	79,383
Kate Cornish-Bowden	**80,291**	67,330
John Glencross	**61,341**	48,180
Steve Meeks	**7,838**	2,963
Diane Seymour-Williams	**15,092**	15,092

Relative Importance of Spend on Pay

	2019 £'000	2018 £'000	Change
Total dividends paid in the year	**451**	601	(25.0%)
Total remuneration paid to Directors	**65**	57	14.0%

Voting

The Directors' Remuneration Report for the year ended 28 February 2018 was approved by shareholders at the Annual General Meeting held on 3 July 2018. The votes cast by proxy were as follows:

Directors' Remuneration Report	Number of Votes	% of Votes Cast
For	**1,161,495**	99.95
Against	**636**	0.05
At Chairman's discretion	**-**	-
Total votes cast	**1,161,131**	100
Number of votes withheld	**Nil**	Nil

Directors' Remuneration Policy

The Board's policy is that remuneration of non-executive directors should reflect the experience of the Board as a whole and is determined with reference to comparable organisations and appointments. The level of remuneration has been set in order to attract individuals of a calibre appropriate to the future development of the Company and to reflect the specific circumstances of the Company, the duties and responsibilities of the Directors and the value and amount of time committed to the Company's affairs. There are no performance conditions attaching to the remuneration of the Directors as the Board does not believe that this is appropriate for non-executive directors. The fees for the non-executive directors are determined by the Board within the limit (not to exceed £100,000 per year in aggregate) set out in the Company's Articles of Association, and they are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits. The approval of shareholders would be required to increase the limits set out in the Articles of Association.

	Expected Fees for Year to 28 February 2020 £	Fees for Year to 28 February 2019 £
Chairman basic fee	**24,000**	20,000
Audit Chair fee	**20,000**	15,000
Non-executive Director basic fee	**18,000**	15,000
Total aggregate annual fees that can be paid	**100,000**	100,000

Fees for any new director appointed would be in line with the Director's Remuneration Policy. Fees payable in respect of subsequent periods will be determined following an annual review. Any views expressed by shareholders on the fees being paid to directors would be taken into consideration by the Board.

In accordance with the regulations, an ordinary resolution to approve the Directors' remuneration policy will be put to shareholders at least once every three years and in any year if there is to be a change in the Directors' remuneration policy. The Director's remuneration policy was last approved by 99.9 per cent of votes cast at the Annual General Meeting in 2017.

Directors' Service Contracts

It is the Board's policy that directors do not have service contracts, but directors are provided with a letter of appointment as a non-executive director.

The terms of their appointment provide that directors shall retire and be subject to election at the first Annual General Meeting after their appointment. Directors are thereafter obliged to retire by rotation, and to stand for re-election by shareholders at least every three years after that. Directors who have served on the Board for more than nine years must offer themselves for re-election on an annual basis. The terms also provide that a director may be removed on not less than three months written notice. Compensation will not be made upon early termination of appointment.

Approval

The Directors' Remuneration Report was approved by the Board on 9 May 2019.

On behalf of the Board
Michael O'Higgins
Chairman
9 May 2019

Directors' Responsibilities Statement

Statement of Directors' Responsibilities in respect of the Annual Report and the Accounts

The directors are responsible for preparing the Annual Report and the Accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare Accounts for each financial year. Under that law they have elected to prepare the Accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws).

Under company law the Directors must not approve the Accounts unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company for that period.

In preparing these Accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Accounts; and
- prepare the Accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Accounts comply with the Companies Act 2006. 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.

Under applicable law and regulations, the directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that comply with that law and those regulations, and for ensuring that the Annual Report includes information required by the Listing Rules of the Financial Conduct Authority.

The Accounts are published on the www.calculuscapital.com website, which is a website maintained by the Company's investment manager, Calculus Capital Limited. The maintenance and integrity of the website maintained by Calculus Capital Limited is, so far as it relates to the Company, the responsibility of Calculus Capital Limited. The work carried out by the Auditor does not involve consideration of the maintenance and integrity of this website and accordingly, the Auditor accepts no responsibility for any changes that have occurred to the Accounts since they were initially presented on the website. Visitors to the website need to be aware that legislation in the United Kingdom covering the preparation and dissemination of the Accounts may differ from legislation in their jurisdiction.

We confirm that to the best of our knowledge:

- the Accounts, prepared in accordance with UK accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the Annual Report including the Strategic 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.

On behalf of the Board
Michael O'Higgins
Chairman
9 May 2019

Independent Auditor's Report to the members of Calculus VCT plc

Our opinion on the financial statements is unmodified

We have audited the financial statements of Calculus VCT Plc (the 'company') for the year ended 28 February 2019, which comprise the income statement, statement of changes in equity, statement of financial position, statement of cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to principal risks, going concern and viability statement

We have nothing to report in respect of the following information in the annual report, in relation to which the ISAs (UK) require us to report to you whether we have anything material to add or draw attention to:

- the disclosures in the annual report set out on page 25 that describe the principal risks and explain how they are being managed or mitigated;
- the directors' confirmation, set out on page 26 of the annual report, that they have carried out a robust assessment of the principal risks facing the company, including those that would threaten its business model, future performance, solvency or liquidity;
- the directors' statement, set out on page 36 of the financial statements, about whether the directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and the directors' identification of any material uncertainties to the company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- whether the directors' statement relating to going concern required under the Listing Rules in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit; or
- the directors' explanation, set out on pages 24 and 25 of the annual report, as to how they have assessed the prospects of the company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

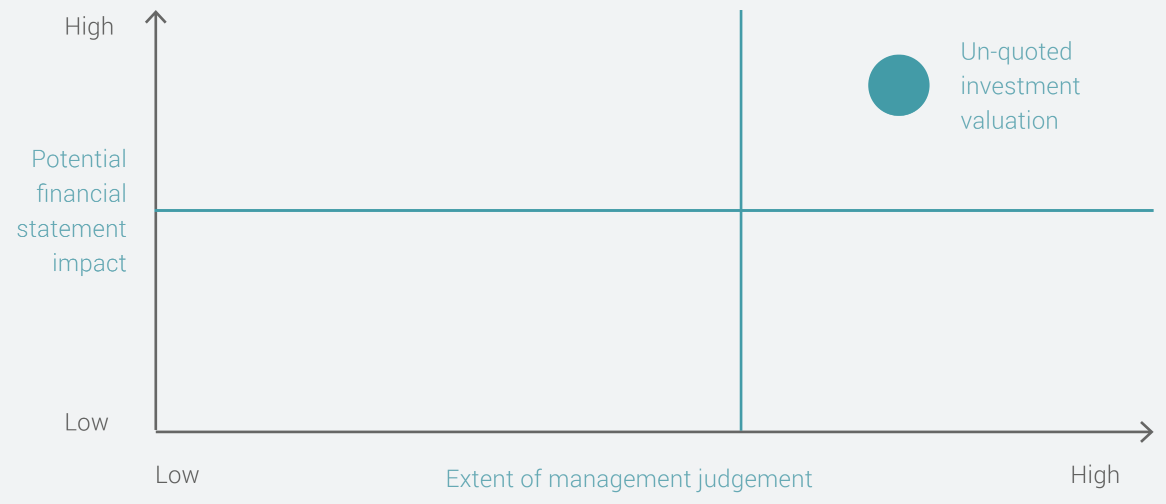
GrantThornton

Overview of our audit approach

- Overall materiality: £279,000, which represents 2% of the company's net assets;
- Key audit matters were identified as valuation of unquoted investments

Key audit matters

The graph below depicts the audit risks identified and their relative significance based on the extent of the financial statement impact and the extent of management judgement.



Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter

Valuation of qualifying unquoted investments

The company's business is investing in financial assets, with a view to achieving long term investment returns for private investors, including tax free dividends.

The company's investment policy is to invest approximately 75 per cent of their funds in a diversified portfolio of holdings in qualifying investments, whether unquoted or traded on the Alternative Investment Market (AIM). Accordingly, the unquoted investment portfolio is a significant, material item in the financial statements. All unquoted investments were qualifying investments at the year end.

The valuation of unquoted investments in the investment portfolio includes significant assumptions and judgements made by management, and we therefore identified valuation of qualifying unquoted investments as a significant risk, which was the most significant assessed risk of material misstatement.

How the matter was addressed in the audit

Our audit work included, but was not restricted to:

- Considering whether the unquoted investments were valued in accordance with the International Private Equity and Venture Capital (IPEVC) guidelines;
- Assessing whether the accounting policy for valuing the investment is in accordance with the financial reporting framework;
- Obtaining the valuation workbook prepared by the investment manager for each investment and evaluating the methodology used;
- Obtaining the latest investee companies' management accounts and board packs, and determining whether the information was consistent with the data used by the investment manager in estimating the fair value;
- Holding meetings with the investment manager to discuss each unquoted investment's performance and prospects and how this information had been reflected in the valuation workbook;
- For unquoted investments valued using comparable company models, we confirmed the consistency and relevance of the companies used and tested the data obtained to third party sources. We performed sensitivity analysis on the assumptions made;
- For unquoted investments valued using discounted cash flow analysis, we tested the mathematical accuracy of the calculations, reviewed the supporting information and performed sensitivity analysis on the growth and discount rate assumptions made;
- Where alternative assumptions could reasonably be applied we developed our own estimates and considered the overall impact of a change in these assumptions had on the valuation of the unquoted investment;
- For unquoted investments held at cost, we obtained documentation supporting the price paid and considered any assumptions made by the investment manager in using cost as a valuation method.

The company's accounting policy on the valuation of investments is shown in note 2 to the financial statements and related disclosures are included in note 9. The Audit Committee identified the valuation of the investments as a significant issue in its report on page 41, where the Audit Committee also described the action that it has taken to address this issue.

Key observations

Based on our audit work, we did not note any material misstatements arising from our testing of the valuation of unlisted investments.

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature, timing and extent of our work and in evaluating the results of that work.

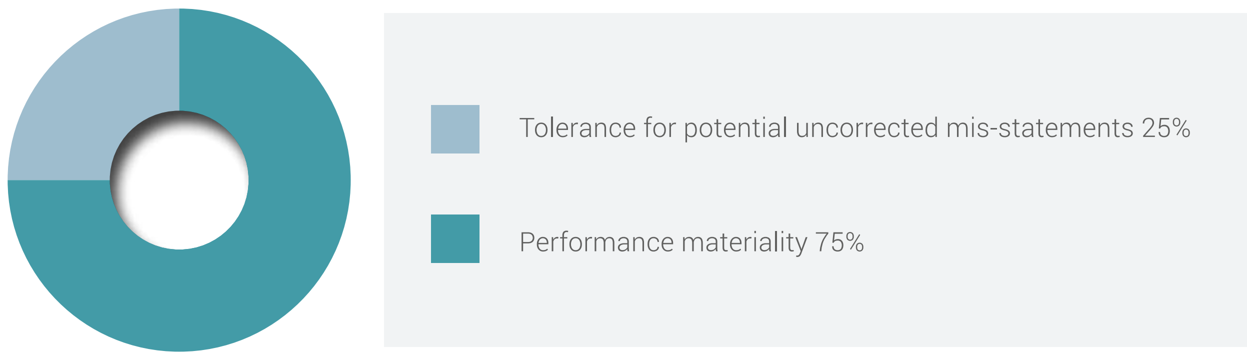
We determined materiality for the audit of the financial statements as a whole to be £279,000, which is 2% of net assets. This benchmark is considered the most appropriate because net assets are considered the key metric for management's and the users' understanding of the financial statements, and is used by management as a key performance indicator. The value of net assets is principally driven by the value of the investment portfolio.

Materiality for the current year is higher than the level that we determined for the year ended 28 February 2018 as we increased the percentage of the benchmark used from 1.5% to 2% in order to align our materiality with what those charged with governance and users of the financial statements would consider to be material to the financial statements.

We use a different level of materiality, performance materiality, to drive the extent of our testing and this was set at 75% of financial statement materiality.

The graph below illustrates how performance materiality interacts with our overall materiality and the tolerance for potential uncorrected misstatements.

Overall materiality



We also determine a lower level of specific materiality for certain areas such as operating expenses, related party transactions and director's remuneration.

We determined the threshold at which we will communicate misstatements to the audit committee to be £14,000. In addition we will communicate misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

An overview of the scope of our audit

Our audit approach was based on a thorough understanding of the company's business and is risk based. The day-to-day management of the company's investment portfolio, the custody of its investments and the maintenance of the company's accounting records is outsourced to third-party service providers. Accordingly, our audit work focused on:

- Obtaining an understanding of, and evaluating, internal controls at the company and relevant third-party service providers, including reviewing reports on the description, design and operating effectiveness of internal controls at relevant third-party service providers; and
- Undertaking substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment, the effectiveness of controls over individual systems and the management of specific risks.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report* other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

In this context, we also have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:

- Fair, balanced and understandable set out on page 26 by the directors that they consider the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or
- Audit committee reporting set out on page 40; or
- Directors' statement of compliance with the UK Corporate Governance Code set out on page 34 – the parts of the directors' statement required under the Listing Rules relating to the company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

Matters on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in:

- the strategic report or the directors' report; or
- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 of the FCA Rules.

*The term used to describe the annual report should be the same as that used by the directors.

Our opinions on other matters prescribed by the Companies Act 2006 is unmodified

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements and those reports have been prepared in accordance with applicable legal requirements;
- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Rules and Transparency Rules sourcebook made by the Financial Conduct Authority (the FCA Rules), is consistent with the financial statements and has been prepared in accordance with applicable legal requirements; and
- information about the company's corporate governance code and practices and about its administrative, management and supervisory bodies and their committees complies with rules 7.2.2, 7.2.3 and 7.2.7 of the FCA Rules.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- a corporate governance statement has not been prepared by the company.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 47 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

We are responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). Our audit approach is a risk-based approach and is explained more fully in the ‘An overview of the scope of our audit’ section of our audit report.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor’s report.

Other matters which we are required to address

We were appointed by the audit committee on 11 May 2011. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 9 years.

The non-audit services prohibited by the FRC’s Ethical Standard were not provided to the company and we remain independent of the company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the company’s members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor’s 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.

Paul Flatley
Senior Statutory Auditor for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London, 9 May 2019

Income Statement

for the year ended 28 February 2019

		Year Ended 28 February 2019			Year Ended 28 February 2018		
	Note	Revenue Return £’000	Capital Return £’000	Total £’000	Revenue Return £’000	Capital Return £’000	Total £’000
(Losses) /gains on investments at fair value	9	**–**	**(612)**	**(612)**	–	232	232
Losses on disposal of investments	9	**–**	**(88)**	**(88)**	–	(159)	(159)
Income	3	**91**	**–**	**91**	65	–	65
Investment management fee	4	**(49)**	**(148)**	**(197)**	(39)	(115)	(154)
Costs of acquiring Neptune		**–**	**–**	**–**			
Calculus assets and liabilities		**–**	**–**	**–**	(55)	–	(55)
Other expenses	5	**(221)**	**–**	**(221)**	(202)	–	(202)
Deficit before taxation		**(179)**	**(848)**	**(1,027)**	(231)	(42)	(273)
Taxation	6	**–**	**–**	**–**	–	–	–
Deficit attributable to shareholders		**(179)**	**(848)**	**(1,027)**	(231)	(42)	(273)
Deficit per Ordinary share	8	**(1.3)p**	**(6.0)p**	**(7.3)p**	(2.3)p	(0.4)p	(2.7)p

All items in the above statement derive from continuing operations. No operations were acquired or discontinued during the year.

There is no other comprehensive income as there were no other gains or losses other than those passing through the Income Statement.

The revenue and capital return columns are both prepared in accordance with the AIC SORP.

The notes on pages 60-74 form an integral part of these Accounts.

Statement of Changes in Equity

for the year ended 28 February 2019

	Share Capital £'000	Share Premium £'000	Special Reserve £'000	Capital redemption Reserve £'000	Capital Reserve Realised £'000	Capital Reserve Unrealised £'000	Revenue Reserve £'000	Total £'000
For the year ended 28 February 2019								
1 March 2018	**116**	**298**	**9,974**	**56**	**451**	**171**	**(936)**	**10,130**
Investment holding losses	–	–	–	–	–	**(612)**	–	**(612)**
Loss on disposal of investments	–	–	–	–	**(88)**	–	–	**(88)**
New share issue	**68**	**5,446**	–	–	–	–	–	**5,514**
Expenses of share issue	–	**(98)**	–	–	–	–	–	**(98)**
Share buybacks for cancellation	–	–	**(35)**	–	–	–	–	**(35)**
Management fee allocated to capital	–	–	–	–	**(148)**	–	–	**(148)**
Change in accrual in IFA commission	–	**(62)**	–	–	–	–	–	**(62)**
Revenue return after tax	–	–	–	–	–	–	**(179)**	**(179)**
Dividends paid	–	–	**(451)**	–	–	–	–	**(451)**
28 February 2019	**184**	**5,584**	**9,488**	**56**	**215**	**(441)**	**(1,115)**	**13,971**

Statement of Changes in Equity

for the year ended 28 February 2019 (Continued)

	Share Capital £'000	Share Premium £'000	Special Reserve £'000	Capital redemption Reserve £'000	Capital Reserve Realised £'000	Capital Reserve Unrealised £'000	Revenue Reserve £'000	Total £'000
For the year ended 28 February 2018								
1 March 2017	141	7,046	1,277	–	725	(61)	(705)	8,423
Investment holding gains	–	–	–	–	–	232	–	232
Loss on disposal of investments	–	–	–	–	(159)	–	–	(159)
New share issue	31	2,639	3	–	–	–	–	2,673
Expense of share issue	–	(20)	–	–	–	–	–	(20)
Management fee allocated to capital	–	–	–	–	(115)	–	–	(115)
Purchase of shares for cancellation with merger of classes	(55)	–	–	55	–	–	–	–
Cancellation of share premium account	–	(9,342)	9,342	–	–	–	–	–
Share buybacks for cancellation	(1)	–	(49)	1	–	–	–	(49)
Change in accrual in IFA commission	–	(25)	2	–	–	–	–	(23)
Revenue return after tax	–	–	–	–	–	–	(231)	(231)
Dividends paid	–	–	(601)	–	–	–	–	(601)
28 February 2018	116	298	9,974	56	451	171	(936)	10,130

The notes on pages 60-74 an integral part of these Accounts.

Statement of Financial Position

at 28 February 2019

	Note	28 February 2019 £'000	28 February 2018 £'000
Fixed assets			
Investments at fair value through profit or loss	9	**11,593**	7,982
Current assets			
Debtors	10	**1,417**	44
Cash at bank and on deposit		**1,176**	2,267
Creditors: amount falling due within one year			
Creditors	11	**(145)**	(142)
Net current assets		**2,448**	2,169
Non-current liabilities			
IFA trail commission		**(70)**	(21)
Net assets		**13,971**	10,130
Capital and reserves			
Called-up share capital	12	**184**	116
Share premium		**5,584**	298
Special reserve		**9,488**	9,974
Capital redemption reserve		**56**	56
Capital reserve – realised		**215**	451
Capital reserve – unrealised		**(441)**	171
Revenue reserve		**(1,115)**	(936)
Equity shareholders' funds		**13,971**	10,130
Net asset value per Ordinary share – basic	13	**75.8p**	87.0p

The notes on pages 60-74 form an integral part of these Accounts. The financial statements on pages 55-59 were approved by the Board of directors of Calculus VCT plc and were authorised for issue on 9 May 2019 and were signed on its behalf by:

Michael O'Higgins
Chairman
9 May 2019

Statement of Cashflows

for the year ended 28 February 2019

	Note	Year Ended 28 Feb 2019 £'000	Year Ended 28 Feb 2018 £'000
Cash flow from operating activities			
Investment income received		**47**	67
Deposit interest received		**3**	2
Investment management fees		**(190)**	(145)
Other cash payments		**(213)**	(264)
Net cash flow from operating activities	14	**(353)**	(340)
Cash flow from investing activities			
Purchase of investments		**(6,057)**	(1,070)
Sale of investments		**1,746**	73
Net cash flow from investing activities		**(4,311)**	(997)
Cash flow from financing activities			
Ordinary share issue/ D share issue		**4,157**	418
Expense of Ordinary/D share issue		**(94)**	(127)
IFA trail commission		**(4)**	(3)
Neptune-Calculus cash received		**-**	286
Expenses of Neptune-Calculus transaction		**-**	(102)
Share buybacks for cancellation		**(35)**	(49)
Equity dividend paid		**(451)**	(601)
Net cash flow from financing activities		**3,573**	(178)
(Decrease)/increase in cash and cash equivalents		**(1,091)**	(1,515)
Analysis of changes in cash and cash equivalents			
Cash and cash equivalents at the beginning of year		**2,267**	3,782
Net cash (decrease)/increase		**(1,091)**	(1,515)
Cash and cash equivalents at the year end		**1,176**	2,267

The notes on pages 60-74 form an integral part of these Accounts.

Notes to the Accounts

1. Company information

The Company is incorporated in England and Wales and operates under the Companies Act 2006 (the Act) and the regulations made under the Act as a public company limited by shares, with registered number 07142153. The registered office of the Company is 104 Park Street, London, W1K 6NF.

2. Accounting Policies Basis of accounting

The financial statements have been prepared on a basis compliant with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ('FRS102') and with the Act. The Directors have prepared the financial statements on a basis compliant with the recommendations of the Statement of Recommended Practice ("the SORP") for Investment Trust Companies and Venture Capital Trusts produced by the Association of Investment Companies ("AIC").

The financial statements are presented in Sterling (£).

Going concern

After reviewing the Company's forecasts and projections, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future (being a period 12 months from the date these financial statements were approved). The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Significant judgements and estimates

Preparations of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made are in the valuation of unquoted investments. The valuation methodologies used when valuing unquoted investments provide a range of possible values. Judgements are used to estimate where in the range the fair value lies. The sensitivity analysis in note 16 demonstrates the impact on the portfolio of applying alternative values in the upside and downside.

As at 28 February 2019 the value of unquoted investments included within the Company's investment portfolio was £5,532,937 (2018: £4,726,742).

Investments

The Company has adopted FRS 102, sections 11 and 12, for the recognition of financial instruments. The Company's business is investing in financial assets with a view to profiting from their total return in the form of increases in fair value. Fair value is the amount for which an asset can be exchanged between knowledgeable, willing parties in an arm's length transaction. The Company manages and evaluates the performance of these investments on a fair value basis in accordance with its investment strategy, and information about the investments is provided on this basis to the Board of directors.

Investments held at fair value through profit or loss are initially recognised at fair value, being the consideration given and excluding transaction or other dealing costs associated with the investment, which are expensed and included in the capital column of the Income Statement.

After initial recognition, investments, which are classified as at fair value through profit or loss, are measured at fair value. Gains or losses on investments classified as at fair value through profit or loss are recognised in the capital column of the Income Statement and allocated to the capital reserve – unrealised or realised as appropriate.

All purchases and sales of quoted investments are accounted for on the trade date basis. All purchases and sales of unquoted investments are accounted for on the date that the sale and purchase agreement becomes unconditional.

For quoted investments and money market instruments fair value is established by reference to bid, or last, market prices depending on the convention of the exchange on which the investment is quoted at the close of business on the balance sheet date.

Unquoted investments are valued using an appropriate valuation technique so as to establish what the transaction price would have been at the balance sheet date. Such investments are valued in accordance with the most recent International Private Equity and Venture Capital ("IPEV") guidelines. Primary indicators of fair value are derived from earnings or sales multiples, using discounted cash flows, recent arm's length market transactions by independent third parties, from net assets, or where appropriate, at price of recent investments.

Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents does not include liquidity fund investments as the Company does not consider the risk associated with changes in value to be insignificant.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Creditors

Short term trade creditors are measured at the transaction price.

Income

Dividends receivable on equity shares are recognised as revenue on the date on which the shares or units are marked as ex-dividend. Where no ex-dividend date is available, the revenue is recognised when the Company's right to receive it has been established.

Interest receivable from fixed income securities and premiums on loan stock investments and preference shares is recognised using the effective interest rate method. Interest receivable and redemption premiums are allocated to the revenue column of the Income Statement.

Interest receivable on bank deposits is included in the financial statements on an accruals basis. Provision is made against this income where recovery is doubtful.

Other income is credited to the revenue column of the Income Statement when the Company's right to receive the income is established.

Expenses

All expenses are accounted for on an accruals basis. Expenses are charged to the Income Statement as follows:

Expenses are charged through revenue in the Income Statement except as follows:

- costs which are incidental to the acquisition or disposal of an investment are taken to the capital column of the Income Statement.
- expenses are charged to the capital column in the Income Statement where a connection with the maintenance or enhancement of the value of the investments can be demonstrated. In this respect investment management fees have been allocated 75 per cent to the capital column and 25 per cent to the revenue column in the Income Statement, being in line with the Board's expected long-term split of returns, in the form of capital gains and revenue respectively, from the investment portfolio of the Company.
- expenses associated with the issue of shares are deducted from the share premium account. Annual IFA trail commission covering a five-year period since share allotment has been provided for in the Accounts as, due to the nature of the Company, it is probable that this will be payable. The commission is apportioned between current and non-current liabilities.

Expenses incurred by the Company in excess of the agreed cap, currently 3 per cent of NAV (excluding irrecoverable VAT, annual trail commission and performance incentive fees), could be clawed back from Calculus Capital Limited. Any clawback is treated as a credit against the expenses of the Company.

Capital reserve

The realised capital return component of the return for the year is taken to the distributable capital reserves and the unrealised capital component of the return for the year is taken to the non-distributable capital reserves within the Statement of Changes in Equity.

Share premium

The share premium is the excess paid by shareholders on share allotments above the nominal value of the share. There is currently a share premium account on the Ordinary shares issued since 1 November 2017. In order to allow the portfolios to pay dividends to shareholders using a distributable capital reserve, the special reserve was created on the cancellation of the share premium account on 20 October 2010 for original ordinary shares, 23 November 2011 for C shares and 1 November 2017 for the Ordinary share class.

Special reserve

The special reserve was created by the cancellation of the original ordinary share fund's share premium account on 20 October 2010. A further cancellation of the share premium account occurred on 23 November 2011 for both the original ordinary share fund and C share fund. A further cancellation of the share premium account occurred on 1 November 2017 for the Ordinary share fund. The special reserve is a distributable reserve created to be used by the Company inter alia to write off losses, fund market purchases of its own shares and make distributions and/or for other corporate purposes.

The Company was formerly an investment company under section 833 of the Companies Act 2006. On 18 May 2011, investment company status was revoked by the Company. This was done in order to allow the Company to pay dividends to shareholders using the special reserve.

Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the reporting date where transactions or events that result in an obligation to pay more tax in the future have occurred at the reporting date. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversals of the underlying timing differences can be deducted. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non- discounted basis.

No taxation liability arises on gains from sales of fixed asset investments by the Company by virtue of its venture capital trust status. However, the net revenue (excluding UK dividend income) accruing to the Company is liable to corporation tax at the prevailing rates.

Any tax relief obtained in respect of management fees allocated to capital is reflected in the capital reserve – realised and a corresponding amount is charged against revenue. The relief is the amount by which corporation tax payable is reduced as a result of capital expenses.

Dividends

Dividends payable to equity shareholders are recognised in the Statement of Changes in Equity in the period which they are paid or have been approved by shareholders in the case of a final dividend and become a liability of the Company.

Share buybacks

Where shares are purchased for cancellation, the consideration paid, including any directly attributable incremental costs, is deducted from distributable reserves. As required by the Companies Act 2006, the equivalent of the nominal value of shares cancelled is transferred to the capital redemption reserve.

3. Income

	Year Ended 28 Feb 2019 £'000	Year Ended 28 Feb 2018 £'000
UK dividends	**–**	-
UK unfranked loan stock interest	**73**	59
Liquidity Fund interest	**15**	4
Bank interest	**3**	2
	91	65
Total income comprises:		
Interest	**91**	65
Dividends	**–**	-
	91	65

All income arose in the United Kingdom.

The Board considered operating segments and considered there to be one, that of investing in financial assets.

4. Investment Management Fee

	Year Ended 28 February 2019			Year Ended 28 February 2018		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fee	**49**	**148**	**197**	39	115	154

No performance fee was paid during the year.

For the year ended 28 February 2019, Calculus Capital Limited contributed £nil (2018: £26,435 contributed) to the expenses of the Company such that its net management fee was £197,314 (2018: £127,654). At 28 February 2019, there was £49,945 due to Calculus Capital Limited for management fees (2018: £42,310 due to Calculus Capital Limited).

Details of the terms and conditions of the investment management agreement are set out in the Directors' Report.

5. Other expenses

	Year Ended 28 Feb 2019 £'000	Year Ended 28 Feb 2018 £'000
Directors' fees	65	57
Calculus secretarial fee	18	18
Link accounting fees	38	40
Fees payable to the Company's auditor for the audit of the Company's annual accounts.	29	28
Other	71	85
Clawback of expenses in excess of expense cap repayable from the Manager	–	(26)
	221	202

Further details of directors' fees can be found in the Directors' Remuneration Report on page 42-45 of the Accounts.

6. Taxation

	Year Ended 28 February 2019			Year Ended 28 February 2018		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Loss before tax	(179)	(848)	(1,027)	(231)	(42)	(273)
Theoretical tax at UK Corporation Tax rate of 19.0% (2018: 19.1%)	(34)	(161)	(195)	(44)	(8)	(52)
Timing differences: loss not recognised, carried forward	34	28	62	44	22	66
Effects of non-taxable (gains)/ losses	-	133	133	-	(14)	(14)
Tax charge	-	-	-	-	-	-

The Corporation Tax rate was at 19% for the whole of the reporting period.

At 28 February 2019, the Company had £1,514,379 (28 February 2018: £1,184,503) of excess management expenses to carry forward against future taxable profits.

The Company's deferred tax asset of £257,444 (28 February 2018: £201,365) has not been recognised due to the fact that it is unlikely the excess management expenses will be set off in the foreseeable future.

7. Dividends

	Year Ended 28 Feb 2019 £'000	Year Ended 28 Feb 2018 £'000
Original ordinary shares		
Declared and paid: 7.00p per Ordinary share in respect of the year ended 28 February 2018	-	332
C shares		
Declared and paid: 3.00p per C share in respect of the year ended 28 February 2018	-	58
D shares		
Declared and Paid: 4.25p per Eligible D share in respect of the year ended 28 February 2018	-	211
New ordinary shares		
Declared and paid: 4.00p per Ordinary share in respect of the year ended 28 February 2019 (2018: 0.00p)	451	-

The Board have proposed an Ordinary share dividend in respect of the year to 28 February 2019 of 3.4 pence per share which, if approved by shareholders, will be paid to all Ordinary shareholders on the register on 5 July 2019.

The proposed dividend is subject to approval by shareholders at the forthcoming Annual General Meeting and has not been included as a liability in these Accounts.

8. Return per Share

	Year Ended 28 February 2019			Year Ended 28 February 2018		
	Revenue pence	Capital pence	Total pence	Revenue pence	Capital pence	Total pence
Return per Ordinary share	(1.3)	(6.0)	(7.3)	(2.3)	(0.4)	(2.7)

Ordinary share return

For the period from 1 March 2017 to 31 July 2017 the number of Ordinary shares has been taken to be the aggregate equivalent number of Ordinary shares which each of the original ordinary and C share classes represented on the basis of the merger ratios. Throughout the period 1 March to 31 July 2017 the number of original ordinary shares was 4,738,463 equivalent to 683,243 Ordinary shares and the number of C shares was 1,931,095 equivalent to 470,197 Ordinary shares 7,511,697 D shares were in existence at 1 March 2017 and a further 160,810 D shares were issued on 7 April 2017. 2,511,180 new Ordinary shares were issued on 12 September 2017, 367,800 new Ordinary shares were allotted on 20 December 2017 and 62,210 new Ordinary shares were bought back between 3 and 11 January 2018. On this basis, the weighted average number of Ordinary Shares for the period 1 March 2017 to 28 February 2018 was 10,033,757 Ordinary shares.

Revenue return per Ordinary share is based on the net revenue loss after taxation of £179,402 (2018: £230,358) and on 14,129,738 Ordinary shares, (2018: 10,033,757 implied Ordinary shares) being the weighted average number of Ordinary shares in issue during the period.

Capital return per Ordinary share is based on the net capital loss for the period of £847,995 (2018: £42,305) and on 14,129,738 Ordinary shares (2018: 10,033,757 implied Ordinary shares) being the weighted average number of Ordinary shares in issue during the period.

Total return per Ordinary share is based on the net loss for the period of £1,027,397 (2018: £272,663) and on 14,129,738 Ordinary shares (2018: 10,033,757 implied Ordinary shares), being the weighted average number of Ordinary shares in issue during the period.

9. Investments

	Year Ended 28 February 2019		
	VCT Qualifying Investments £'000	Other Investments £'000	Total £'000
Opening book cost	5,163	2,648	7,811
Opening investment holding gains	169	2	171
Opening valuation	5,332	2,650	7,982
Movements in year:			
Purchases at cost	1,857	4,200	6,057
Sales proceeds	(546)	(1,200)	(1,746)
Realised losses on sales	(90)	2	(88)
Increase in investment holding (losses)/gains	(616)	4	(612)
Movements in year	605	3,006	3,611
Closing valuation	5,937	5,656	11,593
Closing book cost	6,384	5,650	12,034
Closing investment holding (losses)/gains	(447)	6	(441)
Closing valuation	5,937	5,656	11,593

In the year to 28 February 2019, Air Leisure Group Limited which cost £200,000 was written down in full. Also during the year, the Company sold its investment in Origin Broadband Limited. The investment cost £226,000 and was sold for £44,000.

There have not been any transaction costs in the year to 28 February 2019.

Note 16 to the financial statements provides a detailed analysis of investments held at fair value through profit or loss.

10. Debtors

	Year Ended 28 Feb 2019	Year Ended 28 Feb 2018
	£'000	£'000
Prepayments and accrued income	60	18
Share issue proceeds	1,357	–
Clawback of expenses in excess of 3% cap payable by the Manager	–	26
	1,417	44

11. Creditors

	Year Ended 28 Feb 2019 £'000	Year Ended 28 Feb 2018 £'000
Management fees	50	42
Audit fees	35	33
Directors' fees	11	11
Secretarial fees	5	5
Administration fees	3	3
Costs of acquiring Neptune-Calculus assets and liabilities	8	8
IFA trail commission	8	-
New issue costs	4	-
Other creditors	21	40
	145	142

12. Share Capital

Number of shares	Ordinary shares
Opening balance 01 March 2018	11,642,717
New issue of shares	6,827,656
Share buyback Ordinary shares	(48,000)
Closing balance 28 February 2019	**18,422,373**

Nominal value	Ordinary share £'000
Opening balance 01 March 2018	116
New issue of shares	68
Closing balance 28 February 2019	**184**

On 4 April 2018, 1,750,548 Ordinary shares were issued for total consideration of £1,493,918. On 5 April 2018, 28,750 Ordinary shares were issued for total consideration of £24,535. On 1 August 2018, 1,176,844 Ordinary shares were issued for total consideration of £985,254.

On 21 August 2018 and 5 November 2018, the Company bought back for cancellation 10,000 and 38,000 Ordinary shares respectively.

On 23 January 2019, 2,116,998 Ordinary shares were issued for total consideration of £1,652,317. On 28 February 2019, 1,754,516 Ordinary shares were issued for total consideration of £1,357,294.

All Ordinary shares are fully paid, rank pari passu and carry one vote per share.

Under the Articles of Association, a resolution for the continuation of the Company as a VCT will be proposed at the Annual General Meeting falling after the tenth anniversary of the last allotment (from time to time) of shares in the Company and thereafter at five-yearly intervals.

13. Net Asset Value per Share

	28 February 2019 £'000	28 February 2018 £'000
Net asset value per Ordinary share	**75.8p**	87.0p

The basic net asset value per Ordinary share is based on net assets of £13,971,482 (28 February 2018: £10,129,722) and on 18,422,373 Ordinary shares (28 February 2018: 11,642,717), being the number of Ordinary shares in issue at the end of the year

14. Reconciliation of Net Loss before Tax to Cash Flow from Operating Activities

	28 February 2019 £'000	28 February 2018 £'000
Loss for the year	**(1,027)**	(273)
(Gains)/losses on investments	**700**	(73)
(Increase)/decrease in debtors	**(16)**	(30)
(Decrease)/increase in creditors	**(10)**	(137)
Change in IFA commission accrual	-	21
D share issue costs included in finance activities	-	157
Neptune-Calculus costs included in finance activities	-	(8)
IFA commission costs included in finance activities	-	3
Cash flow from operating activities	**(353)**	(340)

15. Financial Commitments

At 28 February 2019, the Company did not have any financial commitments which had not been accrued for.

16. Financial Instruments

The Company's financial instruments comprise securities and cash and liquid resources that arise directly from the Company's operations. The principal risks the Company faces in its portfolio management activities are:

- Market price risk
- Liquidity risk

The Company does not have exposure to foreign currency risk.

a) Market price risk

Qualifying Investments

Market risk embodies the potential for losses and includes interest rate risk and price risk.

The management of market price risk is part of the investment management process. The portfolio is managed in accordance with policies in place as described in more detail in the Chairman's Statement and Investment Manager's Review (Qualifying Investments).

The Company's strategy on the management of investment risk is driven by the Company's investment objective as outlined above. Investments in unquoted companies and AIM-traded companies, by their nature, involve a higher degree of risk than investments in the main market. Some of that risk can be mitigated by diversifying the portfolio across business sectors and asset classes.

Interest is earned on cash balances and money market funds and is linked to the banks' variable deposit rates. The Board does not consider interest rate risk to be material. Interest rates arising on loan stock instruments is not considered significant as the main risk on these investments are credit risk and market price risk. The interest rate earned on the loan stock instruments is disclosed below:

	Effective interest rate on 28 February 2019 %
Solab Group Limited	12.0
Terrain Energy Limited	12.5
Mologic Limited	7.0
Duvas Technologies Limited	8.0
Wheelright Limited	10.0

At the year end, £33,975 loan stock interest was overdue.

An analysis of financial assets and liabilities, which identifies the risk of the Company's holding of such items, is provided. The Company's financial assets comprise equity, loan stock, cash and debtors. The interest rate profile of the Company's financial assets is given in the table below:

	As at 28 February 2019		As at 28 February 2018	
	Fair Value Interest Rate Risk £'000	Cash Flow Interest Rate Risk £'000	Fair Value Interest Rate Risk £'000	Cash Flow Interest Rate Risk £'000
Loan stock	775	–	545	–
Money market funds	–	5,652	–	2,645
Cash	–	1,176	–	2,267
	775	6,828	545	4,912

The variable rate is based on the banks' deposit rate and applies to cash balances held and the money market funds. The benchmark rate which determines the interest payments received on interest bearing cash balances is the Bank of England base rate, which was 0.75 per cent as at 28 February 2019.

Credit risk is considered to be part of market risk.

Where an investment is made in loan stock issued by an unquoted company, it is made as part of an overall equity and debt package. The recoverability of the debt is assessed as part of the overall investment process and is then monitored on an ongoing basis by the Investment Manager who reports to the Board on any recoverability issues.

Credit risk arising on transactions with brokers relates to transactions awaiting settlement. Risk relating to unsettled transactions is considered to be small due to the short settlement period involved and the high credit quality of the brokers used. The Board monitors the quality of service provided by the brokers used to further mitigate this risk.

All the assets of the Company which are traded on AIM are held by Investec Wealth & Investment, the Company's custodian. Bankruptcy or insolvency of the custodian may cause the Company's rights with respect to securities held by the custodian to be delayed or limited. The Board and the Investment Manager monitor the Company's risk by reviewing the custodian's internal control reports.

b) Liquidity risk

The Company's liquidity risk is managed on an ongoing basis by the Investment Manager. 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 as they fall due.

Qualifying Investments

The Company's financial instruments include investments in unlisted equity investments which are not traded in an organised public market and which may be illiquid. As a result, the Company may not be able to realise quickly some of its investments 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 Board seeks to ensure that an appropriate proportion of the Company's investment portfolio is invested in cash and readily realisable assets, which are sufficient to meet any funding commitments that may arise.

Under its Articles of Association, the Company has the ability to borrow a maximum amount equal to 25 per cent of its gross assets. As at 28 February 2019, the Company had no borrowings.

c) Capital management

The capital structure of the Company consists of cash held and shareholders' equity. Capital is managed to ensure the Company has adequate resources to continue as a going concern, and to maximise the income and capital return to its shareholders, while maintaining a capital base to allow the Company to operate effectively in the market place and sustain future development of the business. To this end the Company may use gearing to achieve its objectives. The Company's assets and borrowing levels are reviewed regularly by the Board.

d) Fair value hierarchy

Investments held at fair value through profit or loss are valued in accordance with IPEV guidelines.

The valuation method used will be the most appropriate valuation methodology for an investment within its market, with regard to the financial health of the investment and the IPEV guidelines.

As required by the Standard, an analysis of financial assets and liabilities, which identifies the risk of the Company's holding of such items, is provided. The Standard requires an analysis of investments carried at fair value based on the reliability and significance of the information used to measure their fair value. In order to provide further information on the valuation techniques used to measure assets carried at fair value, we have categorised the measurement basis into a "fair value hierarchy" as follows:

- Quoted market prices in active markets – "Level 1"

Inputs to Level 1 fair values are quoted prices in active markets for identical assets. Quoted in an active market in this context means quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted price is usually the current bid price. The Company's investments in AIM quoted equities and money market funds are classified within this category.

- Valued using models with significant observable market parameters – "Level 2"

Inputs to Level 2 fair values are inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.

- Valued using models with significant unobservable market parameters – "Level 3"

Inputs to Level 3 fair values are unobservable inputs for the asset. Unobservable inputs may have been used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset at the measurement date (or market information for the inputs to any valuation models). As such, unobservable inputs reflect the assumptions the Company considers that market participants would use in pricing the asset. The Company's unquoted equities and loan stock are classified within this category. As explained in note 1, unquoted investments are valued in accordance with the IPEV guidelines.

The table below shows assets measured at fair value categorised into the three levels referred to above. During the year there were no transfers between Levels 1, 2 or 3.

	Financial Assets at Fair Value through Profit or Loss At 28 February 2019			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Unquoted equity	**–**	**–**	**4,758**	**4,758**
Quoted equity	**408**	**–**	**–**	**408**
Money market funds	**5,652**	**–**	**–**	**5,652**
Loan stock	**–**	**–**	**775**	**775**
	6,060	**–**	**5,533**	**11,593**

	Financial Assets at Fair Value through Profit or Loss At 28 February 2018			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Unquoted equity	–	–	4,182	4,182
Quoted equity	610	–	–	610
Money market funds	2,645	–	–	2,645
Loan stock	–	–	545	545
	3,255	–	4,727	7,982

Where the effect of changing one or more inputs to reasonably possible alternative assumptions would result in a significant change to the fair value measurement, information on this sensitivity is provided below. The information used in determination of the fair value of Level 3 investments is chosen with reference to the specific underlying circumstances and position of the investee company. The portfolio has been reviewed and both downside and upside reasonable possible alternative assumptions have been identified and applied to the valuation of the unquoted investments.

The assumptions changed for the sensitivity analysis are set out below:

Assumption	Impact on Upside £	Impact on downside £
Discount rate	332,379	(496,996)
Forecast 2019 results	**203,407**	**(203,407)**
	535,787	(700,403)

Applying the downside alternatives, the Ordinary share portfolio would be £700,403 or 11.8 per cent lower (2018: £321,817 or 3.2 per cent lower). Using the upside alternatives, the Ordinary share portfolio would be £535,787 or 9.0 per cent higher (2018: £486,987 or 4.8 per cent higher).

17. Related Parties' Transactions

On 28 February 2019, both Kate Cornish Bowden and John Glencross, directors of the Company, subscribed for 12,961 Ordinary shares each. John Glencross, a director of the company, is a director of Calculus Capital Limited and owns 50 per cent of the shares of its holding Company. Calculus Capital Limited receives an investment manager's fee from the Company. As disclosed in Note 4, for the year ended 28 February 2019, Calculus Capital Limited earned £197,314 in relation to the Ordinary share portfolio (2018: £154,089). Calculus Capital Limited also earned a company secretarial fee of £18,000 (2018: £18,000).

Calculus Capital Limited took on the expenses cap on 15 December 2015. In the year to 28 February 2019, Calculus Capital Limited did not make a contribution towards the expenses of the Company (2018: contributed £26,435).

All related party transactions were carried out on an arm's length basis.

18. Transactions with the Investment Manager

John Glencross, a Director of the Company, is Chief Executive and a director of Calculus Capital Limited, the Company's Investment Manager. He does not receive any remuneration from the Company. He is a director of Terrain Energy Limited.

Calculus Capital Limited receives a fee from certain portfolio companies. In the year to 28 February 2019, Calculus Capital Limited charged a monitoring fee to Air Leisure Group Limited, AnTech Limited, Arcis Biotechnology Holdings Limited, Arecor Limited, Cloudtrade Technologies Limited, Cornerstone Brands Limited, Duvas Technologies Limited, Every1Mobile Limited, MicroEnergy Generation Services Limited, Mologic Limited, Open Energy Market Limited, Origin Broadband Limited, Oxford Biotherapeutics Limited, Park Street Shipping Limited, Quai Administration Services Limited, Solab Group Limited, Synpromics Limited, Terrain Energy Limited, The One Place Capital Limited, Tollan Energy Limited, Weeding Technologies Limited and Wheelright Limited.

Calculus Capital Limited charged a fee for the provision of a director to Air Leisure Group Limited, Cloudtrade Technologies Limited, Cornerstone Brands Limited, Every1Mobile Limited, Open Energy Market Limited, Origin Broadband Limited, Pico's Limited, Terrain Energy Limited, The One Place Capital Limited, Weeding Technologies Limited and Wheelright Limited.

In the year to 28 February 2019, Calculus Capital Limited charged an arrangement fee to Arecor Limited, Cloudtrade Technologies Limited, Duvas Technologies Limited, Essentia Analytics Limited, MIP Diagnostics Limited, Mologic Limited, Origin Broadband Limited, Oxford Biotherapeutics Limited, Pico's Limited, Quai Administration Services Limited, Weeding Technologies Limited and Blu Wireless Limited.

Calculus Capital Limited also charged Terrain Energy Limited for the provision of office support services.

The aggregate amounts received by Calculus Capital Limited for any monitoring, provision of a director, arrangement and office support services to the companies above in relation to the Company's investment was as follows:

Air Leisure Group Limited: £2,377 (2018: £1,578); AnTech Limited: £255 (2018: £972); Arecor Limited: £2,712 ; Arcis Biotechnology Holdings: £187 (2018:£87); Blu Wireless Technology Limited: £nil (2018: £5,172); Cloudtrade Technologies Limited: £7,717 ; Cornerstone Brands Limited: £3,120 (2018: £5,780); Duvas Technology Limited: £7,212 ; Essentia Analytics Limited: £4,875 ; Every1Mobile Limited: £2,727 (2018:£6,459); MicroEnergy Generation Services Limited: £1,964 (2018: £1,734); MIP Diagnostics Limited: £6000 (100% of this fee relates to the VCT) ; Mologic: £4,394 Open Energy Market Limited: £2,489 (2018:£5,999); Origin Broadband Limited: £678 (2018: £2,544); Oxford Biotherapeutics Limited: £8,402; Park Street Shipping Limited: £974 (2018: £836); Pico's Limited: £5,283 (2018: £318); Quai Administration Services Limited: £1,013 (2018: £3,122); Solab Group Limited: £4,050 (2018: £2,906); Synpromics Limited: £290 (2018:£131); Terrain Energy Limited: £3,708 (2018: £1,094); The One Place Capital Limited: £696 (2018: £786); Tollan Energy Limited: £1,669 (2018: £1,659); Weeding Technologies Limited £1,812 (2018: £1,960) and WheelRight Limited £658 (all excluding VAT).

19. Post balance sheet events

Since the year end, the Company has made three further qualifying investments: a further £100,000 has been invested in Wheelright Limited loan notes; a further £300,000 has been invested in Blu Wireless and £300,000 has been invested in Wazoku Limited. Since the year end the Company has also made a further allotment of Ordinary shares. On 5th April 2019, a further 2,076,361 Ordinary shares were allotted at an average price of 78.54p per share.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the eighth ANNUAL GENERAL MEETING of Calculus VCT plc (the "Company") will be held at the offices of Calculus Capital Limited, 104 Park Street, London, W1K 6NF at 11.30am on 4 July 2019 to consider and, if thought fit, pass the following resolutions:

Ordinary resolutions

1. To receive and adopt the Strategic Report, Directors' Report and Auditors' Report and the audited Accounts for the year ended 28 February 2019.
2. To receive and approve the Directors' Remuneration Report for the year ended 28 February 2019.
3. To declare a final dividend of 3.4p per Ordinary share of 1p each.
4. To re-elect Mr John Glencross as a Director.
5. To elect Ms Claire Olsen as a Director.
6. To elect Ms Jan Ward as a Director.
7. To appoint BDO LLP as Auditor to the Company to hold office until the conclusion of the next annual general meeting of the Company.
8. To authorise the Directors to determine the remuneration of the Auditor.
9. THAT, in addition to existing authorities, the Directors be and hereby are generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the "Act") to exercise all powers of the Company to allot shares in the Company and to grant rights to subscribe for, or convert any security into, shares in the Company; in respect of the Ordinary shares of 1p each in the capital of the Company ("Ordinary shares"), with an aggregate nominal value of up to but not exceeding £200,000 pursuant to one or more public offers for subscription and where the proceeds may be used in whole or part to purchase shares in the capital of the Company, such authority to expire on the conclusion of the annual general meeting to be held in 2020 save that the Company shall be entitled to make offers or agreements before the expiry of such authority which would or might require shares to be allotted and issued after such expiry and the Directors shall be entitled to allot shares pursuant to any such offer or agreement as if this authority had not expired.

Special resolutions

10. THAT, in addition to all other existing authorities, the directors be and are generally and unconditionally authorised in accordance with section 570 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority conferred by Resolution 10 above as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall expire on the conclusion of the annual general meeting of the Company to be held in 2020.
11. THAT, in substitution for existing authorities, the Company be and hereby is empowered to make one or more market purchases within the meaning of section 693(4) of the Act of its own shares (either for cancellation or for the retention as treasury shares for future re-issue or transfer) provided that:
    a) the aggregate number of Ordinary shares which may be purchased shall not exceed 3,000,000, or, if lower, such number of Ordinary shares as shall equal 15 per cent of the issued Ordinary share capital;
    b) the minimum price which may be paid per share is 1p, the nominal value thereof; the maximum price which may be paid per share is an amount equal to the higher of (a) 105 per cent of the average of the middle market quotation per share taken from the London Stock Exchange daily official list for the five business days immediately preceding the day on which such share is to be purchased; and (b) the amount stipulated by Article 5(1) of the Buy Back and Stabilisation Regulation 2003;
    c) the authority conferred by this resolution shall expire on the conclusion of the annual general meeting of the Company to be held in 2020, unless such authority is renewed prior to such time; and
    d) the Company may make a contract to purchase shares under the authority conferred by this resolution prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of such shares pursuant to such contract.
12. THAT the Company be and is hereby generally and unconditionally authorised to hold general meetings (other than annual general meetings) on 14 clear days' notice.

By order of the Board
Calculus Capital Limited Company Secretary
9 May 2019

Notes

1. To be entitled to attend and vote at the meeting (and for the purposes of the determination by the Company of the votes they may cast), members must be registered in the Register of Members of the Company at 6.00 pm on 2 July 2019 (or, in the event of any adjournment, 48 hours before the time of the adjourned meeting). Changes to the Register of Members of the Company after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend, speak and vote on his or her behalf. A proxy need not also be a member but must attend the meeting to represent you. Details of how to appoint the Chairman of the meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.

3. To appoint more than one proxy, you will need to complete a separate proxy form in relation to each appointment (you may photocopy the proxy form), stating clearly on each proxy form how many shares the proxy is appointed in relation to. A failure to specify the number of shares to which each proxy appointment relates or specifying an aggregate number of shares in excess of those held by the member will result in the proxy appointment being invalid. Please indicate if the proxy instruction is one of multiple instructions being given. All proxy forms must be signed and should be returned together in the same envelope.

4. A personalised form of proxy is enclosed with shareholders' copies of this document. To be valid, it should be lodged with the Company's registrars, The City Partnership (UK) Limited at the address printed on the proxy form so as to be received not later than 48 hours (excluding weekends and bank holidays) before the time appointed for the meeting or any adjourned meeting or, in the case of a poll taken subsequent to the date of the meeting or adjourned meeting, so as to be received no later than 24 hours before the time appointed for taking the poll. A member may return a proxy form in their own envelope with the address The City Partnership (UK) Limited, Suite 2 Park Valley House, Park Valley Mills, Meltham Road, Huddersfield, HD4 7BH.

5. Appointment of a proxy will not preclude a member from subsequently attending and voting at the meeting should the member subsequently decide to do so. A member can only appoint a proxy using the procedures set out in these notes and the notes to the proxy card. The termination of the authority of a person to act as a proxy must be notified to the Company in writing. Amended instructions must be received by the Company's registrars by the deadline for receipt of proxies.

6. Ordinary shares carry equal voting rights and a member present in person or by proxy shall have one vote on a show of hands and on a poll shall have one vote for every share of which he/ she is the holder.

7. A person authorised by a corporation is entitled to exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company. On a vote on a resolution on a show of hands, each authorised person has the same voting rights as the corporation would be entitled to. On a vote on a resolution on a poll, if more than one authorised person purports to exercise a power in respect of the same shares, if they purport to exercise the power in the same way, the power is treated as exercised; if they do not purport to exercise the power in the same way, the power is treated as not exercised.

8. Any person receiving a copy of this Notice as a person nominated by a member to enjoy information rights under section 146 of the Companies Act 2006 (a "Nominated Person") should note that the provisions in Notes 2 and 3 above concerning the appointment of a proxy or proxies to attend the meeting in place of a member, do not apply to a Nominated Person as only shareholders have the right to appoint a proxy. However, a Nominated Person may have a right under an agreement between the Nominated Person and the member by whom he or she was nominated to be appointed, or to have someone else appointed, as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right under such an agreement to give instructions to the member as to the exercise of voting rights at the meeting.

9. Nominated persons should also remember that their main point of contact in terms of their investment in the Company remains the member who nominated the Nominated Person to enjoy information rights (or, perhaps the custodian or broker who administers the investment on their behalf). Nominated Persons should continue to contact that member, custodian or broker (and not the Company) regarding any changes or queries relating to the Nominated Person's personal details and interest in the Company (including any administrative matter). The only exception to this is where the Company expressly requests a response from a Nominated Person.

10. As at the date of this notice, the Company's issued share capital and total voting rights amounted to 20,498,734 Ordinary shares carrying one vote each.

11. Section 319A of the Companies Act 2006 requires the Directors to answer any question raised at the meeting which relates to the business of the meeting, although no answer need be given

12.
   (a) if to do so would interfere unduly with the preparation of the meeting or involve disclosure of confidential information;
   (b) if the answer has already been given on the Company's website; or
   (c) if it is undesirable in the best interests of the Company or the good order of the meeting. You may alternatively submit your question in advance by letter addressed to the Company Secretary at the registered office.

13. Members satisfying the thresholds in section 527 of the Companies Act 2006 can require the Company to publish a statement on its website setting out any matter relating to
   (a) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or
   (b) any circumstances connected with an auditor of the Company ceasing to hold office since the last Annual General Meeting, that the members propose to raise at the meeting. The Company cannot require the members requesting the publication to pay its expenses. Any statement required to be placed on the website must also be sent to the Company's auditors no later than the time it makes its statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required to publish on its website.

14. By attending the meeting, members and their proxies and representatives are understood by the Company to have agreed to receive any communications relating to the Company's shares made at the meeting.

15. Members satisfying the thresholds in section 338 of the Companies Act 2006 may require the Company to give, to members of the Company entitled to receive notice of the meeting, notice of a resolution which those members intend to move (and which may properly be moved) at the meeting. A resolution may properly be moved at the meeting unless
   (i) it would, if passed, be ineffective (whether by reason of any inconsistency with any enactment or the Company's constitution or otherwise);
   (ii) it is defamatory of any person; or
   (iii) it is frivolous or vexatious. A request made pursuant to this right may be in hard copy or electronic form, must identify the resolution of which notice is to be given, must be authenticated by the person(s) making it and must be received by the Company not later than six weeks before the date of the meeting.

16. Members satisfying the thresholds in section 338A of the Companies Act 2006 may request the Company to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may properly be included in the business at the meeting. A matter may properly be included in the business at the Annual General Meeting unless
   (i) it is defamatory of any person or
   (ii) it is frivolous or vexatious. A request made pursuant to this right may be in hard copy or electronic form, must identify the matter to be included in the business, must be accompanied by a statement setting out the grounds for the request, must be authenticated by the person(s) making it and must be received by the Company not later than six weeks before the date of the meeting.

17. The Annual Report incorporating this notice of meeting and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the dates of this notice will be available on the website of Calculus Capital Limited, www.calculuscapital.com/calculus-vct.

18. None of the Directors has a contract of service with the Company. A copy of the letters of appointment of the Directors will be available for inspection at the registered office of the Company during usual business hours on any weekday (except weekends and public holidays) until the date of the meeting and at the place of the meeting for a period of fifteen minutes prior to and during the meeting.

Shareholder Information

Payment of Dividends

Cash dividends will be sent by cheque to the first-named shareholder on the share register at their registered address, together with a tax voucher. At shareholders' request, dividends may instead be paid direct into the shareholder's bank account through the Bankers' Automated Clearing System ("BACS"). This may be arranged by contacting the Company's Registrars on 01484 240 910 or by visiting the website at www.city.uk.com.

Price and Performance Information

The Company's Ordinary shares are listed on the London Exchange and share prices can be found on their website, www.londonstockexchange.com. The Company's net asset value is announced quarterly and can also be viewed on the London Stock Exchange website or the Calculus Capital Limited website, www.calculuscapital.com/calculus-vct.

Share Register Enquiries

The Company's Registrars, The City Partnership (UK) Limited, maintain the share register. In the event of queries regarding your shareholding, please contact the Registrars on 01484 240 910 or by visiting the website at www.city.uk.com.

General Data Protection Regulation

Calculus VCT plc may collect personal information about shareholders in order to verify their identity, comply with legal, tax and regulatory reporting obligations and to manage their shareholdings including the payment of dividends. This information may be shared with third parties including the Company's registrars, the Company's professional advisers, the Company's administrators and shareholders' financial advisers.

Full details of how shareholders' data is collected, used and stored and details of shareholders' rights in relation to their data is contained in the Company's privacy policy which will be displayed on the Company's website www.calculuscapital.com/calculus-vct/

Glossary of Terms

Accumulated Shareholder Value
The sum of the current NAV and cumulative dividends paid to date.

C share fund
The net assets of the Company attributable to the former C shares (including any income and/or revenue arising from or relating to such assets) prior to the merger of the share classes.

D share fund
The net assets of the Company attributable to the D shares (including any income and/or revenue arising from or relating to such assets) prior to the merger of the share classes.

IPEV Guidelines
The International Private Equity and Venture Capital Valuation Guidelines published in December 2018, used for the valuation of unquoted investments.

Net Asset Value or NAV per share
Shareholders' funds expressed as an amount per share. Shareholders' funds are the total value of a company's assets, at current market value, having deducted all prior charges at their par value (or at their market value).

Old ordinary share fund
The net assets of the Company attributable to the old Ordinary shares (including any income and/or revenue arising from or relating to such assets) prior to the merger of the share classes.

Ordinary share fund
The net assets of the Company attributable to the new Ordinary shares (including any income and/or revenue arising from or relating to such assets).

VCT Value
The value of an investment calculated in accordance with section 278 of the Income Tax Act 2007 (as amended).

Qualifying Investments
An unquoted (or AIM-traded) company which satisfies the requirements of Part 4, Chapter 6 of the Income Tax Act 2007 (as amended).

Company Information

Directors
Michael O'Higgins (Chairman)
Kate Cornish-Bowden
Arthur John Glencross
Claire Olsen
Jan Ward

Registered Office
104 Park Street
London W1K 6NF
Telephone: 020 7493 4940

Company Number
07142153

Qualifying Investments Manager
Calculus Capital Limited 104 Park Street
London W1K 6NF Telephone: 020 7493 4940
Website: www.calculuscapital.com

Fund Administrator
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Beaufort House
51 New North Road
Exeter EX4 4EP

Company Secretary
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London W1K 6NF

Auditor
Grant Thornton UK LLP
30 Finsbury Square
London EC2A 1AG

Sponsor and Broker
Nplus1 Singer Advisory LLP
One Hanover Street
London W1S 1YZ

Registrars
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Notes

Calculus
CAPITAL