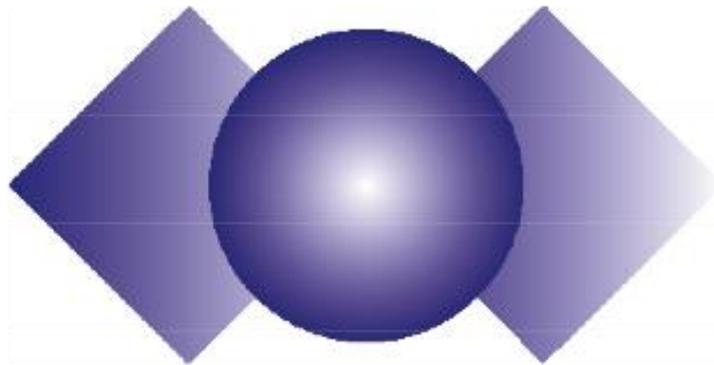


# **Oxford Technology Venture Capital Trust plc**



**Financial Statements**  
**For the year ended 28 February 2013**

## Contents

Financial highlights	2
Statement on behalf of the Board	3
Table of investments	4
Review of Investment Portfolio	4
Board of Directors	7
Report of the Directors	8
Directors' responsibilities for the financial statements	11
Directors' remuneration report	11
Report of the independent auditors	14
Principal accounting policies	16
Profit and loss account	18
Balance sheet	19
Cash flow statement	20
Notes to the financial statements	21
Notice of AGM	26
Form of proxy	27

## Financial highlights

	Year ended 28 February 2013	Year ended 29 February 2012
<b>Net assets at year end</b>	<b>£4.04m</b>	<b>£1.35m</b>
<b>Net asset value per share at year end after distributions</b>	<b>74p</b>	<b>25p</b>
<b>Cumulative dividend (gross) from incorporation</b>	<b>42.7p</b>	<b>42.7p</b>
<b>Share price at year end</b>	<b>64.5p</b>	<b>16.5p</b>
<b>Earnings/(Loss) per share (basic &amp; diluted)</b>	<b>49.5p</b>	<b>(1.1)p</b>

## Statement on behalf of the Board

The net asset value per share on 28 February 2013 was 74p compared to 25p on 29 February 2012. The earnings per share in the year to 28 February 2013 were 49.5p

The main contributor to the rise in the net asset value has been Scancell. Oxford Technology VCT (OT1) first invested in Scancell in 1999. The company is now quoted on AIM and has a vaccine for skin cancer in phase 2 clinical trials. The share price of the company increased from 5.25p on 29 Feb 2012, to 32.0p on 28 February 2013. During the period from November to 28 February OT1 has sold 1,450,000 shares in Scancell, realising £606,750. OT1 still owns 6,883,300 shares. On 3 April 2013 the Board of OT1 declared a dividend of 10p per share. This brings the cumulative dividends paid by Oxford Technology VCT (OT1) to 52.7p.

While there have been some disappointments over the years, several companies in the portfolio continue to have the potential to deliver good returns to investors, and these companies are described in the review of the investment portfolio.

### Investment Policy & Fundraising

The Company has built a balanced portfolio of investments with the following characteristics:

- unlisted, UK based, science, technology and engineering businesses
- investments typically in the range of £100,000 to £500,000
- generally located within approximately 60 miles of Oxford

### Results for the year

The profit for the year was £2,691,000 (2012: loss of £60,000) and earnings per share for the year were 49.5p (2012: loss of 1.1p), largely resulting from the increase in the share price of Scancell. Interest on bank deposits and investee loans produced gross income of £4,000 (2012: £4,000) in the year. The graph on page 13 shows the historical Net Current Assets and other investments per share. Together, these two figures make up the total Net Asset Value per share. The graph also shows cumulative dividends paid to date.

### AGM

Shareholders should note that the AGM for Oxford Technology VCT (OT1) will be held on Wednesday 3 July 2013, at the Magdalen Centre, Oxford Science Park, starting at 12.00 noon and will include presentations by some of the companies in which the Oxford Technology VCTs have invested. A formal Notice of AGM has been included at the back of these Accounts together with a Form of Proxy for those not attending.

**John Jackson - Chairman**  
**20 May 2013**

Oxford Technology Venture Capital Trust PLC

**Table of investments held by company at 28 February 2013**

<b>Company</b>	<b>Description</b>	<b>Date of initial investment</b>	<b>Net cost of investment £'000</b>	<b>Carrying value at 28/02/13 £'000</b>	<b>Change in value for the year £'000</b>	<b>% equity held by OTVCT</b>
Getmapping	Aerial photography	Mar 1999	518	112	62	3.4
Select Technology	Photocopier Interfaces	Sep 1999	488	570	153	30.0
Scancell	Antibody based cancer therapeutics	Aug 1999	354	2,267	1,829	3.6
Dataflow	Accountancy software	Mar 1998	156	91	7	9.0
IMPT	Industrial ceramic coatings	Mar 2000	150	36	0	4.2
DHA Ltd	Radiotherapy products	Sep 1999	150	10	-	26.9
Biocote	Bactericidal powder coating	Dec 1997	138	164	110	6.6
Totals			1,954	3,250	2,161	
Other Net Assets				791		
<b>NET ASSETS</b>				4,041		

Number of shares in issue: 5,431,656

Net Asset Value per share at 28 February 2013: 74p

Dividends paid to date: 42.7p

This table shows the current portfolio holdings. The investments in Avidex, Concept Broadcast, Coraltech, Eurogen, Im-Pak, Freehand Surgical, Nexus, OST, Rapier, Sirius and Synptica have been written off. The investments in Valid, MET and Equitalk have been sold.

**Review of Investment Portfolio**

OT1 owns a significant shareholding, currently 30%, in **Select Technology Ltd**. Select Technology specialises in software which makes modern photocopiers perform better for their users. Photocopiers are now known as MFDs - Multi Functional Devices - since as well as copying they are online and can scan, fax, and email documents as well as copy, and can also interface with complex paper management and cost-reduction systems.

## Oxford Technology Venture Capital Trust PLC

As with computers 30 years ago, what makes a company choose one MFD in preference to another is not the hardware, but the software. Select's software acts as a bridge between the internal operating system which controls the MFD and the many different software programs, usually written by external companies which companies wish to run on their MFDs. Select's software enables users to access this software with a single sign-on, provides a uniform 'look and feel' (making it much easier for office staff to use with minimal training) and also enables dealers to customize the screens to the users' particular requirements.

Select has also become the UK and now main European distributor for Papercut, a document management system used on MFDs whose sales and market share has been growing strongly in recent years.

It has taken an agonisingly long time, but Select's financial performance has been improving:

Year to 31 July	Sales £000	Gross Profit	Net Profit
2010	249	122	-124
2011	541	210	-63
2012	1,596	623	233

**Scancell Holdings Plc**, in which OT1 now has a shareholding of 3.6%, has been making good progress. The company's shares are listed on AIM. Scancell is a clinical stage immunotherapy company with a novel 'ImmunoBody' DNA vaccine platform for cancer and chronic infectious diseases. Its lead product (SCIB1 for melanoma) entered Phase 1 clinical trials in June 2010 and has since made steady progress. Phase 1 of the trials was completed successfully and Phase 2 is now in progress.

At 28 February 2013 the bid price for Scancell's shares was 32p per share which compared to 5.25p at 29 February 2012. During the period from November to 28 February 2013, OT1 sold shares at an average price of 42p. This represented 17% of OT1's shareholding. OT1 still currently holds 6,883,300 shares in Scancell.

Primarily as a result of these sales, OT1 has declared a dividend of 10p per share, paid on 3 May 2013.

**BioCote** has also been making good progress. The company licenses its technology for the creation of anti-bacterial surfaces to licensees in different geographical areas and in different market/application areas (eg for surfaces in hospitals and surfaces in food hygiene). Sales and profits have been as follows:

Year to 31 Oct	Sales £000	Net Profit
2008	1,016	(65)
2009	1,697	163
2010	3,157	909
2011	2,422	649
2012	2,318	672

**Dataflow** produces accounting software for medium sized companies with sales of up to £250m. Its software is multi currency and is very easy to use, and allows the user to integrate excel spreadsheets for doing particular calculations. Dataflow did not manage to achieve the large jump in sales that was hoped for following the original investment, but it has survived and has been making steady if undramatic progress. It has many customers who have used its software for more than 25 years, and who like it and do not wish to change. In recent years Dataflow has produced versions of its software which are tailored to certain market applications, such as haulage and waste disposal. In this case the software is integrated with a mobile application, so that the administrator may inform the drivers of their route/delivery schedules, and by the same action enter this data into the accounts software. Dataflow has also developed a sophisticated job costing package, suitable for companies who run projects amounting to several £m and which may take 18 months or longer to complete. Keeping accurate track of the costs of such projects over time is not trivial. Dataflow was commissioned to write this package (c £100,000) by a customer who could not find a suitable package from any other supplier.

OT1 was the original investor in **Getmapping** in 1999 and now owns 3.4%. The company made the first ever complete aerial photograph of the UK in 2000 at a time when Ordnance Survey was not in the imagery market and was signed up as a Getmapping reseller. Getmapping's plan was to expand internationally and become in effect a Google Earth (Google Earth was not launched until 2005). However Ordnance Survey, as a Trading Fund, has been allowed to compete outside the boundary of its monopoly Public Task (which is cartography, and specifically excludes aerial photography) and it was also allowed to offset the costs of its aerial photography against its monopoly Public Task funding. This has created an environment in which Getmapping cannot thrive in its original business, as explained in Getmapping's Annual Reports. The company has therefore been forced to change its business model, and the company has been developing business in areas beyond OS's reach. The key areas for new business are first, aerial surveying in Africa (where Getmapping acquired Geosense South Africa in 2011) and second, data hosting and web based geographical information applications using a mixture of Getmapping and third party data in Britain.

This policy is beginning to pay dividends:

Year to Dec	Sales £000	Gross Profit	Net Profit
2010	3,103	973	35
2011	3,134	2,180	(481)
Six months to 30 Jun			
2012	2,018	1,442	297

## **Board of Directors**

### **John Jackson, age 84, Chairman**

John worked full time for Philips Electrical Limited and Philips Electronic and Associated Industries Limited in the UK from 1952 to 1980, becoming a director of Philips Electronics in 1966, on whose board he served until early 1994. Since 1980, he has joined the boards of a number of other companies in a wide range of industries, including electronics, engineering, biotechnology, pharmaceuticals and fine chemicals. He is the Chairman of OTVCT as well as non-solicitor Chairman of Mishcon de Reya. He was the special adviser to the Korda Seed Capital Fund which was established as a £5m fund to invest primarily in technology-based companies, from March 1989 until its final distribution and cessation in 2003. He is particularly interested in high technology business start-ups. John Jackson is also an investor in Scancell and Select Technology from the OT1 portfolio.

### **Lucius Cary OBE, age 66, Director**

Lucius is the founder and managing director of Oxford Technology Management Ltd (OTM), which has specialised in making and managing investments in start-up technology-based businesses since 1983. He has a degree in engineering and economics from Oxford University, an MBA from Harvard Business School and was an engineering apprentice at the Atomic Energy Research Establishment, Harwell. After forming and raising finance for his first business in 1972, he founded “Venture Capital Report” in 1978 and was its managing director for 17 years. In March 1996, he sold all his shares and became chairman so reducing his day-to-day involvement in order to concentrate more fully on OTM’s investment activities. By 2005, OTM had managed or advised ten seed capital funds, including the Oxford Technology VCTs which, between them, have made some 100 investments in early stage and start-up technology companies. In 2003, he was awarded an OBE for services to business and in 2004 was awarded the Judges Award at Investors Allstars, for his contribution over many years to early stage investing. Lucius Cary is an investor in Select Technology and Getmapping from the OT1 portfolio. He is also a Director of Oxford Technology 2 VCT, Oxford Technology 3 VCT and Oxford Technology 4 VCT which have some shared investments with OT1. He is a Director of Getmapping Ltd.

### **Conflicts of Interest**

The Board has always considered carefully all cases of possible conflicts of interest, as and when they arise. For example, every time one of the OTVCTs makes an investment in which another OTVCT is an investor, there is a potential conflict of interest. The general policy is that there is complete transparency and all interests in every situation are declared and known to all, so that practical and sensible decisions can be taken.

## Report of the Directors

The directors present their report together with financial statements for the year ended 28 February 2013.

### Principal activity

The company commenced business in March 1997. The company invests in start-up and early stage technology companies in general located within 60 miles of Oxford.

### Business review

There was a net profit for the period after taxation amounting to £2,691,000 (2012: loss of £60,000). The profit and loss account comprises income of £4,000 (2012: £4,000) plus unrealised gains on fair value of investments of £2,254,000 (2012: loss of £18,000), plus £477,000 gain on disposal (2012: £nil loss) less management and other expenses of £44,000 (2012: £46,000).

### Directors

The present membership of the board, and their beneficial interests in the ordinary shares of the company at 28 February 2013 and at 29 February 2012, are set out below:

<b>Name</b>	<b>2013</b>	<b>2012</b>
J B H Jackson	52,000	52,000
J L A Cary	68,200	68,200

Except as disclosed in notes 2 & 3 and set out below, no director had, during the period or at the end of the period, a material interest in any contract which was significant in relation to the company's business.

### Corporate governance

The company has complied throughout the period with the provisions in Section 1 of the Combined Code on Corporate Governance (the "Code"), except that the Board as a whole performs the functions of both the Audit Committee (Code B.2.1) and the Nomination Committee (Code A.3.3). The Directors do not have formalised service contracts with the company, whereas the recommendation is for fixed term renewable contracts.

The Board confirms that procedures to implement the Turnbull guidance were in place throughout the year ended 28 February 2013. The Board acknowledges that it is responsible for the Company's system of internal control and for reviewing its effectiveness. Such a system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The Board will now consist of two non-executive directors. JLA Cary represents the Investment Manager and John Jackson is the independent Chairman. The Board has put in place corporate governance arrangements which it believes are appropriate to a Venture Capital Trust and which will enable the company to operate within the spirit of the Code.

## Oxford Technology Venture Capital Trust PLC

The Board meets regularly, at least four times a year and between these meetings maintains contact with the Investment Manager. The Investment Manager prepares a written report on the performance of the fund in advance of Board meetings and this is circulated to all members of the Board. In addition, the directors are free to seek any further information they consider necessary. All directors have access to the Company Secretary and independent professionals at the Company's expense. The Code states that the Board should have a formal schedule of matters specifically reserved to it for decision, to ensure that the direction and control of the company is firmly in its hands. This is achieved by a management agreement between the company and its Investment Manager which sets out the matters over which the Investment Manager has authority and the limits above which Board approval must be sought. All other matters are reserved for the approval of the Board. The Board ensures the independence and objectivity of the external auditors. This includes reviewing the nature and extent of non-audit services supplied by the external auditors to the company, seeking to balance objectivity and value for money. None of the directors has a service contract with the company. The Articles of Association require that one third of the directors (or the number nearest one third) on a rotation basis will be subject to re-election procedures at subsequent Annual General Meetings.

### **Key Performance Indicators**

The Board has a number of performance measures to assess the company's success in meeting its objectives. Performance, measured by the change in NAV and total return per share, is also measured against the FTSE All-Share index. This is shown in the graph on page 13 of the Directors' Remuneration Report. This index has been adopted as an informal benchmark. The review of the investment portfolio, on page 3 includes a review of the company's activities and future prospects.

### **Financial Risk Management Objectives and Policies**

**Investment risk** - The majority of investments are early stage unquoted companies which are VCT qualifying holdings. This inherently entails a higher level of risk and lower liquidity than investments in large quoted companies. The directors seek to reduce this risk by considered selection of new and continued monitoring of existing investee companies.

**Financial risk** - The company is exposed to market price risks, credit risk, liquidity risk, fair value and cash flow interest rate risks. All of the company's income and expenditure is denominated in sterling and hence the Company has no foreign currency risk. The company does not use derivative financial instruments.

**Regulatory risk** - The Company is required to comply with the Companies Act, the rules of the UK Listing Authority and United Kingdom Accounting Standards.

### **Internal control**

The directors are responsible for the company's system of internal control. The Board has adopted an internal operating and strategy document for the company. This includes procedures for the selection and approval of investments, the functions of the Investment Manager and exit and dividend strategies. Day to day operations are delegated under agreements with the Investment Manager who has established clearly defined policies and standards. These include procedures for the monitoring and safeguarding of the company's investments and regular reconciliation of investment holdings. This system of internal control,

which includes procedures such as physical controls, segregation of duties, authorisation limits and comprehensive financial reporting to the Board, is designed to provide reasonable, but not absolute, assurance against material misstatement or loss. The Board has considered the need for an internal audit function but has decided that the size of the company does not justify it at present. However, it will keep the decision under annual review. The Board has reviewed, with its Investment Manager, the operation and effectiveness of the company's system of internal control for the financial period and the period up to the date of approval of the financial statements. The Board has continued to prepare the financial statements in accordance with UK Financial Reporting Standards rather than International Financial Reporting Standards. This is permitted as the financial statements present the results of an individual company rather than a group.

#### **Statement as to Disclosure of Information to Auditors**

So far as the directors are aware, there is no relevant audit information (as described in Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### **Relations with shareholders**

The company values the views of its shareholders and recognises their interest in the company's strategy and performance, Board membership and quality of management. The company's website provides information on all of the company's investments, as well as other information of relevance to shareholders ([www.oxfordtechnology.com](http://www.oxfordtechnology.com)).

#### **Going concern**

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they have adopted the going concern basis in preparing the financial statements.

#### **Substantial shareholders**

At 28 February 2013, the company has been notified of three investors whose interest exceeds three percent of the company's issued share capital (C Laing, 3.7%; R Vessey, 4.1%; M R H J O'Regan 4.2%). The Directors shareholdings are listed above.

#### **Policy for Payment of Creditors**

The company's policy is to pay creditors within the normal terms of the invoice, which usually means immediately.

#### **Auditors**

James Cowper LLP offer themselves for reappointment in accordance with Section 489 of the Companies Act 2006.

**On behalf of the Board**

**JLA Cary - Director**

**20 May 2013**

## **Directors' responsibilities for the financial statements**

Company law in the UK requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the entity and to enable them to ensure that the financial statements 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.

The directors are responsible for ensuring that the directors' report and other information included in the annual report is prepared in accordance with company law in the United Kingdom Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

They are also responsible for ensuring that the annual report includes information required by the Listing Rules of the Financial Services Authority.

The maintenance and integrity of the web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the information contained in the financial statements since they were initially presented on the web site.

## **Directors' remuneration report**

The Board has prepared this report in accordance with the requirements of Schedule 7A to the Companies Act 2006. An ordinary resolution for the approval of this report will be put to the members at the forthcoming Annual General Meeting. The law requires the company's auditors to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such.

**Directors' fees and the company's policy on such fees**

The Board consists of two directors, John Jackson being the independent non-executive Chairman and JLA Cary. JLA Cary represents the Investment Manager. Since the company is a Venture Capital Trust with no executive directors, there are certain relaxations of the Code permitted to the company under the Listing Rules of the Financial Services Authority. Accordingly, there is no separate remuneration committee and the Board performs collectively the duties of the committee. The Board's policy is that the remuneration of non-executive Directors should be sufficient to reflect the duties and responsibilities of the Directors and the amount of time committed to the company's affairs. The Articles of Association of the company state that no Director can be paid more than £50,000 without an ordinary resolution of the shareholders.

The company's investment manager is Oxford Technology Management Ltd, a company of which JLA Cary is a director and the controlling shareholder. The Investment Management fee is laid out in the prospectus dated 10 March 1997 and the fee payments for the years ended 28 February 2013 and 29 February 2012 are laid out in note 2 to the financial statements.

As detailed in the company prospectuses dated 10 March 1997 and 3 March 1998 and in the more recent Investment Memorandums, once investors have received a return of 125% of the gross sums invested by way of dividends and capital distributions, a performance incentive fee (expressed as a percentage of all distributions thereafter) will be payable as to 13 per cent of such distributions to the Investment Manager collectively and 6 per cent of such distributions to the directors collectively and 1 per cent of such distributions to John Siddall & Son Ltd, the sponsor to the initial offer in 1997.

**Directors' rights of tenure**

No director has a service contract with the company. At each AGM one of the directors is obliged to retire and offer themselves for re-election by shareholders. At the AGM for the current year, John Jackson will retire and offer himself for re-election. There is no notice period and no provision for compensation upon early termination of the appointment of any director.

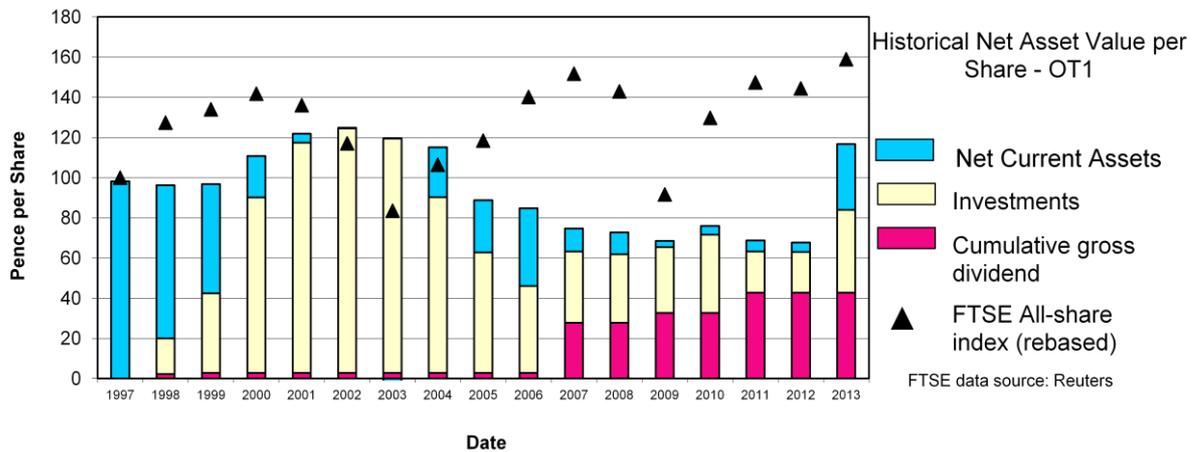
**Company's performance compared to a suitable index**

The Board is responsible for the company's investment strategy and performance, although the creation, management and monitoring of the investment portfolio is delegated to the Investment Manager, as described in the prospectus dated 10 March 1997.

The graph below compares the performance of the company with the performance of the FTSE All-Share index over the period from 28 February 1997 to 28 February 2013. It shows the change over the period in the total return to ordinary shareholders (assuming all dividends are reinvested) compared to the change over the period in total shareholder return on a notional investment of the same composition as the FTSE All-Share Index.

## Oxford Technology Venture Capital Trust PLC

This index was chosen as it represents a comparable broad equity market index. The net asset value per share (NAV) of the company has been selected as the most appropriate performance measure, as this best reflects progress of the investments made by the company; shareholders will ultimately realise value on disposal of these investments. All measures are rebased to 100 at the start date of the period.



### Directors' emoluments for the year

The information in this part of the report has been audited by the company's auditors.

The Directors' fees for the year were £10,000 (2012: £10,000):

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
JBH Jackson (Chairman)	7.5	7.5
JLA Cary	2.5	2.5
	-----	-----
	10.0	10.0
	-----	-----

The directors' are not eligible for pension benefits, share options or other benefits.

**On behalf of the Board**

**John Jackson**

**Chairman**

**20 May 2013**

## **Report of the independent auditors**

We have audited the financial statements of Oxford Technology Venture Capital Trust Plc for the year ended 28 February 2013 which comprise the profit and loss account, balance sheet, cash flow statement, accounting policies and related notes. We have also audited the information set out in the Directors' Remuneration Report that is described as having been audited. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### **Respective responsibilities of Directors and auditors**

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/UKP](http://www.frc.org.uk/apb/scope/UKP).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 28 February 2013 and of its profit 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.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006;

- the information given in the Statement on behalf of the Board, Review of the Investment Portfolio and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the information given in the Corporate Governance statement with respect to internal control and risk management systems and about share capital structures is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the listing rules we are required to review:

- the information given in the Report of the Directors in relation to going concern; and
- the part of the Corporate Governance statement relating to the Company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review.

Mr Alan Poole BA(Hons) FCA  
Senior Statutory Auditor  
For and on behalf of  
**James Cowper LLP**  
Chartered Accountants and Statutory Auditors  
Oxford  
**20 May 2013**

## **Principal accounting policies**

### **Basis of Preparation**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investments. The financial statements have been prepared in accordance with applicable accounting standards and with the Statement of Recommended Practice 'Financial statements of investment trust companies' issued in 2009. The principal accounting policies of the company are set out below.

### **Investments**

The company invests in financial assets with a view to profiting from their total return through income and capital growth. These investments are managed and their performance is evaluated on a fair value basis. Accordingly as permitted by Financial Reporting Standard 26 (FRS 26) the investments are designated as fair value through profit and loss. Unrealised gains or losses on valuation are recognised through the profit and loss account.

### **Valuation of Investments**

Quoted investments are stated at the bid price. Unquoted investments are stated at fair value, where fair value is estimated after following the guidelines laid down by the International Private Equity and Venture Capital Guidelines. The Directors' policy is to initially state investments at cost and then to review the valuation every three months. The Directors' may then apply an appropriate methodology which, as far as possible, draws on external, objective market data such as where fair value is indicated by:

- a material arms length transaction by a third party in the shares of the company, with discounting for more junior asset classes, and reviewed for impairment; or
- a suitable revenue or earnings multiple where the company is well established and generating maintainable profits. The multiple will be based on comparable listed companies but may be discounted to reflect a lack of marketability; or
- the net assets of the business.

Where such objective data is not available the Directors' may choose to maintain the value of the company as previously stated or to discount this where indicated by underperformance against plan.

The directors consider that this basis of valuation of unquoted investments is consistent with the International Private Equity and Venture Capital Guidelines.

### **Income**

Income represents realised gains on the disposal of investments along with interest receivable on cash deposits. Dividends receivable on unquoted equity shares are brought into account

## Oxford Technology Venture Capital Trust PLC

when the company's right to receive payment is established and there is no reasonable doubt

that payment will be received. Dividends receivable on quoted equity shares are brought into account on the ex-dividend date.

Fixed returns on debt securities and non-equity shares are recognised on a time apportionment basis so as to reflect the effective yield on the debt securities and shares, provided there is no reasonable doubt that payment will be received in due course. Interest receivable from cash and short term deposits are accrued to the end of the year.

### **Expenses**

All expenses are accounted for on an accruals basis. All expenses are charged through the profit and loss account except as follows:

- those expenses which are incidental to the acquisition of an investment are included within the cost of the investment
- expenses which are incidental to the disposal of an investment are deducted from the disposal proceeds of the investment.

### **Deferred Tax**

Deferred tax is not provided on capital gains and losses arising on the revaluation or disposal of investments because the company meets (and intends to continue for the foreseeable future to meet) the conditions for approval as a Venture Capital Trust. The HMRC has approved the company as a Venture Capital Trust for the purpose of Section 247 of the Income and Corporation Taxes Act 2007. The approval was given in the financial period ended 28 February 1998 and the company has subsequently directed its affairs so as to enable it to continue to be so approved.

### **Earnings per Share**

The calculation of earnings per share for the period is based on the profit attributable to shareholders divided by the weighted average number of shares in issue during the period.



**Historic cost profits and losses note**

	<b>2013</b>	<b>2012</b>
Profit/(loss) for the year	2,691	(60)
Unrealised (gain)/loss on fair value of investments	(2,254)	18
(Profit)/loss on disposal of investments held at fair value	(477)	-
Profit/(loss) on disposal of investments held at historical value	16	(112)
Historical cost (loss)/profit before tax	(24)	(154)
Historical cost (loss)/profit after tax	(24)	(154)

**Balance sheet at 28 February 2013**

		<b>28 February 2013</b>		<b>29 February 2012</b>	
	<b>Note</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Fixed assets</b>					
Investments at fair value					
	7		3,250		1,097
<b>Current assets</b>					
Other debtors & prepayments	8	19		16	
Cash at bank		778		243	
		—————		—————	
		797		259	
<b>Creditors: amounts falling due within one year</b>	9				
		(6)		(6)	
		—————		—————	
Net current assets		791			253
<b>Net assets</b>			—————		—————
			4,041		1,350
			=====		=====

Oxford Technology Venture Capital Trust PLC

**Capital and reserves**

Called up share capital	10	543	543
Share premium	11	176	176
Profit and loss account	11	532	556
Unrealised capital reserve	11	2,790	75
		—————	—————
<b>Shareholders' funds</b>	12	4,041	1,350
		=====	=====
<b>Net asset value per share</b>		74p	25p
		=====	=====

These financial statements were approved by the directors on 28 May 2013.

**JLA Cary - Director**

**20 May 2013**

## Cash flow statement

### for the period ended 28 February 2013

		2013	2012
	Note	£000	£000
<b>Net cash (outflow) from operating activities</b>	13	(42)	(49)
<b>Capital expenditure and financial investment</b>			
Purchase of investments		(18)	-
Disposal of investments		595	-
		-----	-----
<b>Net cash inflow from capital expenditure and financial investment</b>		577	-
<b>Net cash outflow before financing</b>		(535)	(49)
		-----	-----
<b>Increase/(Decrease) in cash</b>		535	(49)
		=====	=====

The accompanying accounting policies and notes form an integral part of these financial statements.

## Notes to the financial statements

### for the year ended 28 February 2013

		2013	2012
		£000	£000
<b>1 Income</b>			
Interest receivable		4	4
Gain on disposal of investments		477	-
		-----	-----
		481	4
		=====	=====

## Oxford Technology Venture Capital Trust PLC

### 2 Investment Management Fees

	<b>£000</b>	<b>£000</b>
Investment management fee (see below)	20	21
	20	21
	20	21

Related Party disclosure - JLA Cary is a director of Oxford Technology Management Ltd and of Oxford Technology Venture Capital Trust Plc. OTM is the Investment Manager to the company. During the year OTM charged management fees of £20,000 (2012: £21,000). There were no employees during the year except for the directors.

### 3 Other Expenses

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Directors' remuneration (see report on page 11)	10	10
Auditors' remuneration: audit services	5	5
Other expenses	26	25
Cost cap refund from OTM	(17)	(15)
	24	25
	24	25

### 4 Operating Profit

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
The operating profit is stated after charging:		
Auditors' remuneration - audit services	5	5
Directors' remuneration	10	10
	15	15
	15	15

## Oxford Technology Venture Capital Trust PLC

### 5 Tax

No liability to UK corporation tax arose during the year.

	<b>£000</b>	<b>£000</b>
UK Corporation tax	-	-
	=====	=====

The tax charge for the year is different to the small profits rate of corporation taxation in the UK of 20.0% (2012: 20.0%). The differences are explained below:

	<b>£000</b>	<b>£000</b>
(Loss)/profit on ordinary activities before taxation	2,691	(60)
	=====	=====
At standard rate of taxation	538	(12)
Income/costs not chargeable to corporation tax	(538)	12
	-----	-----
Current tax credit for year	-	-
	=====	=====

Unrelieved management expenses of £916,506 (2012: £876,450) remain available for offset against future taxable profits.

### 6 Earnings Per Share

The calculation of earnings per share (basic and diluted) is based on the net profit for the financial year of £2,691,000 (2012: loss of £60,000) divided by the weighted average number of shares of 5,431,656 (2012: 5,431,656) in issue during the year. There are no potentially dilutive capital instruments in issue and therefore no diluted return per share figures are relevant. The basic and diluted earnings per share are therefore identical.

### 7 Investments

	<b>2013</b>	<b>2012</b>
<b>Cost</b>	<b>£000</b>	<b>£000</b>
As at 1 March 2012	2,516	2,628
Purchases at cost	18	-
Redeemed / disposed during the year	(580)	(112)
	-----	-----
As at 28 February 2013	1,954	2,516
	=====	=====

## Oxford Technology Venture Capital Trust PLC

### Revaluation

As at 1 March 2012	(1,419)	(1,513)
Revaluation movement	2,715	94
	—————	—————
As at 28 February 2013	1,296	(1,419)
	=====	=====

### Net book value

As at 1 March 2012	1,097	1,115
	—————	—————
As at 28 February 2013	3,250	1,097
	=====	=====

Details of unlisted investments in which OT1 owns more than 20% are set out below with reference to their most recent published accounts. All companies are incorporated and operate in the UK. Certain of the company's unlisted investments entitle the company to more than 20% of the voting rights in the investee company. The Board does not consider that these investments fall within the definition of associated undertakings since the company does not exercise significant influence over the operating and financial policies of the investee companies.

Name of undertaking	Class of shares held	Percentage of voting rights held by company	Percentage of voting rights held by other OT Funds	Capital and reserves	Retained profit/(loss) for year
	%	%	£000	£000	£000
Select Technology <sup>1</sup>	Ordinary	30.0	28.6	(301)	61
DHA Ltd <sup>2</sup>	Ordinary	26.9	1.2	5	15

#### Most recent published accounts:

1. For the year ended 31 July 2011
2. For the year ended 31 December 2011

Oxford Technology Venture Capital Trust PLC

<b>8 Debtors</b>	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Prepayments and accrued income	19	16
	=====	=====
<b>9 Creditors: amounts falling due within one year</b>		
	<b>£000</b>	<b>£000</b>
Other creditors	6	6
	=====	=====
<b>10 Share Capital</b>	<b>£000</b>	<b>£000</b>
<b>Authorised</b>		
10,000,000 ordinary shares of 10p each	1,000	1,000
500,000 redeemable preference shares of 10p each	50	50
	-----	-----
	1,050	1,050
	=====	=====
<b>Allotted, called up and fully paid</b>		
5,431,656 (2012: 5,431,656) ordinary shares of 10p each	543	543
	=====	=====

**11 Reserves**

	<b>Share Premium</b>	<b>Unrealised</b>	<b>Profit and</b>
	<b>Account</b>	<b>Capital Reserve</b>	<b>Loss Account</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 March 2012	176	75	556
Profit for the year			2,691
Unrealised (losses)/gains		2,254	(2,254)
Transfer between reserves		461	(461)
	-----	-----	-----
As at 28 February 2013	176	2,790	532
	=====	=====	=====

## Oxford Technology Venture Capital Trust PLC

### 12 Reconciliation of movements in shareholders' funds

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Result for the year	2,691	(60)
	-----	-----
Net increase/(decrease) in shareholders' funds	2,691	(60)
Shareholders' funds at beginning of year	1,350	1,410
	-----	-----
Shareholders' funds at end of year	4,041	1,350
	=====	=====

### 13 Reconciliation of net profit/(loss) before taxation to net cash outflow from operating activities

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Operating profit/(loss)	2,691	(60)
Increase in creditors	1	1
(Increase) in debtors	(3)	(8)
Unrealised (gain)/loss on investments	(2,254)	18
Realised (gain) on investments	(477)	-
	-----	-----
Net cash outflow from operating activities for the year	(42)	(49)
	=====	=====

### 14 Financial Instruments

Other than its investments in unquoted companies, the company has cash and a small amount of debtors and creditors through which it finances its activities. The risk faced by these instruments, such as interest rate risk or liquidity risk is considered to be minimal due to their nature. All of these are carried in the accounts at face value. There is no difference between these values and the fair values of the financial instruments.

**15 Capital Commitments**

The company had no commitments at 28 February 2013 or 29 February 2012.

**16 Contingent Liabilities**

The company had no contingent liabilities at 28 February 2013 or 29 February 2012.

**17 Post Balance Sheet Events**

There have been no post balance sheet events.

## Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Oxford Technology Venture Capital Trust plc will be held at the Magdalen Centre, Oxford Science Park, Oxford OX4 4GA at 12.00 noon on Wednesday 3rd July 2013 for the following purposes:

To consider and, if thought fit, pass the following Resolutions:

- (1) That the report and accounts for the period to 28 February 2013 be approved.
- (2) That Mr John Jackson, age 84, who retires at the Annual General Meeting by rotation in accordance with Article 139 of the Company's Articles of Association, be re-appointed as a Director.
- (3) That James Cowper LLP, Chartered Accountants, be re-appointed as Auditors and that the Directors be authorised to determine their remuneration.
- (4) That the Directors' remuneration report be approved.
- (5) That the Company is generally and unconditionally authorised (pursuant to Article 23 of the Company's Articles of Association) to make market purchases (within the meaning of s693(4) of the Companies Act 2006 ("the Act")) of ordinary shares of 10 pence each in the share capital of the Company ("Shares") provided that:
  - (a) the maximum number of Shares hereby authorised to be purchased is 500,000 (representing approximately 9.6 per cent of the issued number of Shares),
  - (b) the minimum price which may be paid for a Share is 10 pence (which amount shall be exclusive of expenses); and
  - (c) the maximum price which may be paid for a Share is 110% of the latest published NAV per share (exclusive of expenses).

This authority shall expire at the Company's annual general meeting in 2014. Pursuant to s701(6) of the Act, the Company may make contracts for the purchase of Shares which would or might be executed wholly or partly after the expiry of the time limit referred to above.

- (6) That the Company continue in being as a Venture Capital Trust.
- (7) In accordance with section 551 of the Companies Act 2006 (the "2006 Act"), to authorise the Directors generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("Rights") up to an aggregate nominal amount of £1,000,000 provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the fifth anniversary of the date of this resolution save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the Directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

This authority is in substitution for all previous authorities conferred on the Directors in accordance with section 80 of the Companies Act 1985 or section 551 of the 2006 Act.
- (8) Subject to the passing of the resolution 7 and in accordance with section 570 of the 2006 Act, the Directors be generally empowered to allot equity securities (as defined in section 560 of the 2006 Act) pursuant to the authority conferred by resolution 7, as if section 561(1) of the 2006 Act did not apply to any such allotment.

**By Order of the Board**  
**James Gordon**

Notes:

- (1) A member who is entitled to vote at this meeting is entitled to appoint one or more proxies to attend and, on a poll, vote on his/her behalf. Such a proxy need not also be a member of the Company. To be valid, a proxy card must be lodged with the Company's Registrar, Capita Registrars plc, c/o Oxford Technology VCT plc, Magdalen Centre, Oxford Science Park, Oxford OX4 4GA at least 48 hours before the meeting. A proxy card for use by members is attached. Completion of this proxy card will not prevent a member from attending the meeting and voting in person.
- (2) No director has a contract of service with the Company.
- (3) Resolutions 1,2,3,4,6 & 7 will be proposed as ordinary resolutions. Resolutions 5 & 8 will be proposed as special resolutions.

**Form of Proxy  
for the Annual General Meeting convened  
for 12.00 noon on Wednesday 3 July 2013**

I/We .....(BLOCK LETTERS)  
of .....

being a member of Oxford Technology Venture Capital Trust plc (“the Company”) hereby appoint the Chairman of the meeting or (note 2) ..... as my proxy to vote for me/us on my/our behalf at the annual general meeting of the Company to be held on Wednesday 3 July 2013 and at any adjournment thereof.

I/We direct my/our proxy to vote as follows in respect of the ordinary resolutions set out in notice of meeting (note 1):

	Resolution No.	For	Against	Withheld
1.	Approval of accounts.			
2.	Re-appointment of Mr John Jackson as a Director.			
3.	Approval of the appointment of James Cowper LLP and authorisation of Directors to fix remuneration.			
4.	Approval of the Directors’ remuneration report.			
5.	Approval of authority to make purchases of own shares.			
6.	Company to continue as a Venture Capital Trust.			
7.	Approval of Directors authority to allot shares			
8.	Approval of issues of shares on non-rights issue basis			

Date this .....day of....., 2013

Signature.....

Notes

1. Please indicate how you wish your vote to be cast. If you do not indicate how you wish your proxy to use your vote on any particular matter, the proxy will exercise his discretion both as to how he votes and as to whether or not he abstains from voting. The proxy will act as he thinks fit in relation to any other business arising from the meeting (including any resolution to adjourn the meeting).
2. If you prefer to appoint some other person or persons as your proxy, strike out the words “the Chairman of the Meeting or ”, and insert in the blank space the name or names preferred and initial the alteration. A proxy need not be a member of the Company.
3. The ‘Vote Withheld’ option is to enable you to abstain on any particular resolution. Such a vote is not a vote in law and will not be counted in the votes ‘For’ and ‘Against’ a resolution.
4. If the member is a corporation, this Form of Proxy must be executed either under its common seal or under the hand of an officer or attorney duly authorised in writing.
5. To be effective, this Form of Proxy must be completed, signed and must be lodged (together with any power of attorney or duly certified copy thereof under which this Form of Proxy is signed) with the Company’s registrars, **Capita Registrars plc, c/o Oxford Technology Venture Capital Trust plc, Magdalen Centre, Oxford Science Park, Oxford OX4 4GA, not less than 48 hours before the time appointed for the meeting.**

## **Company Information**

### **Directors**

John Jackson (Chairman)

Lucius Cary

### **Investment Manager and Registered Office**

Oxford Technology Management Ltd

Magdalen Centre

Oxford Science Park

Oxford OX4 4GA

### **Secretary**

James Gordon

### **Solicitors**

Gordons Partnership LLP

22 Great James Street

London WC1N 3ES

### **Registrars**

Capita Registrars

Northern House

Woodsome Park

Fenay Bridge

Huddersfield

West Yorkshire HD8 0LA

### **Auditors & VCT**

#### **Compliance Advisers**

James Cowper LLP

Willow Court

7 West Way

Botley

Oxford OX2 0JB

### **Brokers**

JP Morgan Cazenove

10 Aldermanbury

London EC2V 7RF

**Company Registration Number: 3276063**