

Calculus VCT plc Half Yearly Report for the six months ended 31 August 2018

INVESTMENT OBJECTIVE

The Company's principal objectives for investors are to:

- invest in a portfolio of Venture Capital Investments that will provide investment returns that are sufficient to allow the Company to maximise dividends and capital growth over the medium to long term;
- generate sufficient returns from a portfolio of Venture Capital Investments that will provide attractive long-term returns within a tax efficient vehicle;
- review the appropriate level of dividends annually to take account of investment returns achieved and future prospects; and
- maintain VCT status to enable qualifying investors to retain their income tax relief of up to 30 per cent. on the initial investment and receive tax-free dividends and capital growth.

FINANCIAL REVIEW

Ordinary share fund

Financial Highlights	6 months to 31 August 2018	6 Months to 31 August 2017	12 Months to 28 February 2018
Total return per new Ordinary share	(1.63p)	(2.46p)	(2.72p)
Net asset value per new Ordinary share	81.10p	87.54p	87.00p

To date, 8.25 pence of dividends have been paid to eligible Ordinary shareholders. In addition, 84.05 pence has been paid to original ordinary shareholders and 73.1 pence to original C shareholders prior to the share class merger that took place on 1 August 2017.

CHAIRMAN'S UPDATE

I am pleased to present your Company's results for the 6 months to 31 August 2018.

Performance summary

During the period, five investments were made on behalf of the qualifying portfolio. In April 2018, £200,000 comprising equity and loan notes was invested in Mologic Ltd, a contract research developer in the field of Point of Care diagnostic devices. In July 2018, three qualifying investments were made: £150,000 follow-on investment in Benito's Hat, a chain of Mexican restaurants; £200,000 in CloudTrade Technologies which provides cloud based e-invoicing services; and £200,000 in Oxford Biotherapeutics Limited, a clinical stage oncology company with a strong pipeline of Immuno-oncology based therapies. In August

2018, £208,000 comprising equity and loan notes was invested in Duvas Technologies Limited, developer of a portable gas monitoring device which can measure certain gases to parts per billion. Further details on these investments can be found in the Investment Manager's Report below.

During the period the Company redeemed the £150,000 loan notes from AnTech Limited.

For the non-qualifying portfolio, the Company invested a further £800,000 in each of the Goldman Sachs Sterling Liquidity Fund, Fidelity Sterling Liquidity Fund and Aberdeen Sterling Liquidity Fund in August 2018.

Buybacks

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

Dividends

A dividend was paid on 26 July 2018 of 4.0 pence per eligible Ordinary share.

Board composition

Steve Meeks has indicated that he would like to step down from the board on 31 December 2018. Steve has been with the Company since inception and the board would like to thank him for the significant contribution he has made to the VCT.

New D share/Ordinary share issue

The offer for subscription for Ordinary Shares that opened on 4 August 2017 and closed on 1 August 2018 received aggregate subscriptions from the issue of Ordinary shares of £2.8 million.

At the general meeting on 9 October 2018 shareholders also 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.

Developments since the period end

There have been no material developments since the period end.

INTERIM MANAGEMENT REPORT

Venture Capital Investments

Portfolio developments

Calculus Capital Limited manages the Company's portfolio of venture capital investments. In general, we prefer investments to be of a sufficient size to enable us to play an influential role in helping the investee companies develop. Investments by the Company may be by way of equity, and also by way of loan stock and/or preference shares which provide income to assist in paying dividends and provide a measure of risk mitigation.

As at 31 August 2018, the portfolio had twenty seven Qualifying Investments. An update on some of the portfolio companies has been provided below.

AnTech Limited

AnTech, a specialist engineering company in the oil and gas market, repaid its loan note as part of a wider refinancing in preparation for drilling operations in Saudi Arabia and the US.

C4X Discovery Holdings plc

C4X Discovery plc (C4XD) is an innovative company focusing on the discovery, design and development of small molecule drugs. Its drug research is a combination of advanced computer modelling and 'wet' science. Its proprietary patented platforms allow it to analyse the dynamic 3D shape of potential drug candidates on the basis of experimental data and to select the candidates that are most likely to bind to the required target and least likely to bind to alternative targets that typically cause unwanted side effects. C4XD is building a significant portfolio of candidates in various therapeutic areas and, in March 2018, announced its first major licensing agreement with Indivior, receiving \$10 million upfront, potential milestones totalling \$284 million and the potential of further royalties. C4X closed a £10m funding round in October 2018, of which funds managed by Calculus Capital invested £1.5m.

CloudTrade Limited

CloudTrade is a software company providing technology that allows businesses to automatically process invoices, orders, and other business documents regardless of the form in which they are received. The core IP of the product is its patent protected process which interprets the contents of human readable documents (PDF, word, CSV, HTML, etc.), and then converts the information into a data file (EDI/XML). The Company has an impressive list of reseller partners including IBM, DXC Technology, BT and Cegecim and impressive end users including Arco, Qantus, the Scottish Government and the NHS. In July 2018, funds managed by Calculus Capital invested £2.0m in the company which will be used to invest in sales, marketing, delivery and finance, with the goal to capitalise on the global market opportunity and significantly increase sales.

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.

Every1Mobile Limited

Every1Mobile has developed a modular mobile web platform through which it offers community management services across sub-Saharan Africa to multi-national corporates such as Unilever, international development agencies and non-profit organisations including the Gates' Foundation, seeking to access the fast developing SME and consumer markets. Whilst work for corporate customers focuses on developing business skills and financial literacy, work for NGOs and not for profits focuses on matters such as sexual health, family planning and nutrition. Since Calculus has invested, Every1Mobile is performing in line with its growth plan and has won several major new contracts (for operations in Africa and in emerging markets outside Africa) and is, with Unilever, developing its U Join community of store operators in Kenya and Naijacare community of medicine vendors in Nigeria.

Mologic Limited

Mologic is developing a new generation of diagnostic devices to improve accuracy or target diseases for which Point of Care diagnosis is underdeveloped with its 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. Calculus funds first invested in 2015; to support its development efforts the company raised a further £3.5 million in April 2018 with funds managed by Calculus investing £500,000.

Open Energy Market Limited

Open Energy Market Limited (OEM) has created an online marketplace on which corporate energy contracts are traded, introducing digital innovation into the antiquated, manual energy brokerage process in order to improve transparency and decrease energy costs for large energy users. Significant energy 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. OEM customers include Dairy Crest, Easyjet, Southampton Football Club and Suffolk County Council (for public infrastructure such as street lighting).

Origin Broadband Limited

The Company sold its holding in Origin in September 2018. Origin Broadband, provider of internet and phone services, needed additional funding to support its rapid growth since the Company invested in December 2016. Funds managed by Calculus supported further funding rounds, which included taking on a co investor in May 2018 which relieved the stress of the balance sheet albeit at what constituted a down round. That co investor subsequently made an offer to acquire all Calculus' shares at a premium to the price of the round in May 2018, which Calculus accepted. This resulted in a loss to the Company of £154,254 compared to the original cost of the investment.

Oxford BioTherapeutics Limited

Oxford BioTherapeutics (OBT) is 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. OBT has agreed multiple development deals with large pharmaceutical companies, including German company Boehringer Ingelheim and Italy's largest pharmaceutical company, The Menarini Group, which is fully funding the development of two clinical programmes through to completion of Phase II. In July 2018, funds managed by Calculus Capital invested £2.0m in the company which will be used to prepare the IO pre-clinical pipeline for clinical development as well as funding the development of further therapeutic leads.

Park Street Shipping Limited

The Company purchased a 2010 South Korean built Handysize dry bulk vessel, the Nordic London, in February 2017 for \$8.3m. MV Nordic London is currently on a 9-11 month charter with Danish shipping company Clipper. The company continues to trade profitably, benefiting from a recovering dry bulk market. A valuation by Clarksons in September 2018 valued the vessel at \$12.9m, which equates to an uplift on cost of £71,000 for the Company. The increase in share price reflects improving market conditions drawing up vessel values, and the strengthening of the US dollar relative to the pound.

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

Benito's Hat is a Mexican-themed fast casual restaurant business with eight sites. In 2017, under a new management team, Benito's undertook an extensive programme to position its operating model to reflect a changing trading and employment environment. These changes to the supply chain and site operating model enabled the Company to open a new site in the Highcross Shopping Centre in Leicester. This brings the estate to eight sites. During the year the Company closed a funding round of £1m from existing shareholders including Calculus Capital. This investment will provide funding for new site openings in a retail property market where lease costs have 'cooled' and where there are opportunities to acquire additional sites on attractive terms. The operational changes and the impressive new management team, including newly appointed Managing Director Michael Pearson (who brings experience from Ping Pong Dim Sum, Intercontinental Hotels Group and SSP Group Travel), will enable Benito's to grow to a size and level of profitability attractive to trade and private equity buyers.

Solab Group Limited

Solab Group, the long established manufacturer of fragrances and skincare products for third party brand owners, has yet to see any improvement in difficult trading conditions. However, several new initiatives have reduced its losses and it has secured two significant new customers for 2019.

Synpromics Limited

Synpromics is a leader in gene control, enabling safer and more effectively targeted medicines through proprietary genomics, bioinformatics and intelligent data-driven design. The company has developed PromPT®, its multi-dimensional bioinformatics database that enables the development of specific "promoters" for the next generation of cell and gene-based medicines and bioprocessing applications. The company continues to add to its collaborations with key players in the cell and gene therapy sector including Biomarin, Homology, Lonza, Uniqure and Solid Biosciences. Synpromics has recently announced the grants from Scottish Enterprise and Innovate UK which contribute over £2.1 million to its R&D programme to further develop its platform and create novel inducible promoter systems that can be applied across the biotechnology sector.

Terrain Energy Limited

Terrain has interests in four production licences and seven exploration licences with approximately 150 barrels of oil per day being produced from wells on these licences (gross). A planning issue has been resolved at Brockham and the new well will be put on test in December. On the exploration side, Terrain owns 100% of the Egmatung licence in Germany. A geothermal well was drilled there in 2016 which encountered strong evidence of significant gas reserves. The Directors are examining the prospect of an exit event in the next 12 months, depending on market conditions.

Tollan Energy Limited

Tollan owns a portfolio of 325 solar photovoltaic ("PV") systems on rooftops in Northern Ireland. The solar PV generating capacity, which is installed on residential and some commercial roofs in the Belfast area, benefits from Northern Ireland Renewable Obligation Certificates (NIROCs). The systems have demonstrated stable generation levels following the downsizing of c. 19% of the systems in the portfolio to comply with legislation. Tollan is currently in a period of exclusivity with a company seeking to acquire its trade and assets with the deal likely to complete in November 2018.

Weeding Technologies Limited

Weedingtech 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). In August, Monsanto was ordered to pay \$289 million in damages to a cancer patient who had been regularly exposed to glyphosate (Roundup). Whilst this verdict may be overturned on appeal, it has increased the focus of both the media and local and national governments on the use of glyphosate, particularly in public places, and is resulting in increasing interest in alternative weed control solutions, such as Weedingtech's.

Developments since the period end

In October 2018, the Company invested £200,000 in MIP Diagnostics Limited. MIP Diagnostics is a novel affinity reagent company which uses its proprietary technology to make nanoMIPs which are versatile, robust and highly stable alternatives to antibodies.

Also in October 2018, the Company invested £50,000 in drug discovery company, C4X.

Other than as disclosed above, there have been no developments since the period end.

Calculus Capital Limited
23 October 2018

INVESTMENT PORTFOLIO AS AT 31 AUGUST 2018
- TOTAL FUND

% of Net Assets

Unquoted - loan stock	6%
Quoted and unquoted - ordinary and preference shares	44%
Unquoted - liquidity funds	43%
Net current assets	7%
	100%

Asset class - % of Portfolio

Quoted and unquoted - Qualifying Investments	54%
Unquoted - other non-Qualifying Investments	46%
	100%

Company	Nature of Business	Book Cost £'000	Valuation £'000	% of Portfolio
Qualifying Investments				
Air Leisure Group Limited	Leisure	200	200	2
AnTech Limited	Oil services	120	142	1
Arcis Biotechnology Holdings Limited	Med Tech	275	275	2
Blu Wireless Technology Limited	Technology Hardware	150	150	1
C4X Discovery Holdings plc	Pharma Services	149	154	1
CloudTrade Technologies Limited	Software	200	200	2
Cornerstone Brands Limited	E-commerce	150	150	1
Duvas Technologies Limited	Oil & Gas Services	208	208	2
Every1Mobile Limited	Technology Services	200	230	2
Genedrive plc	Biotech	144	74	1
Infrastrata plc	Gas Utilities	2	2	-
MicroEnergy Generation Services Limited	Energy	148	108	1
Mologic Limited	Med Tech	200	200	2
Open Energy Market Limited	Technology Services	200	230	2
Origin Broadband Ltd	Telecommunications	226	72	1
Oxford Biotherapeutics Limited	Biotech	200	200	2
Park Street Shipping Limited	Shipping	150	221	2
Pico's Limited	Leisure	199	181	2
Quai Administration Services Limited	Technology	220	220	2
Scancell Holdings plc	Biotech	378	301	3
Solab Group Limited	Cosmetics	479	475	4
Synpromics Limited	BioTech	134	277	3
Terrain Energy Limited	Oil & gas production	967	1,032	9
The One Place Capital Limited	Personal Finance	277	277	3
Tollan Energy Limited	Energy	123	135	1
Venn Life Sciences Holdings plc	Clinical research	55	16	-
Weeding Technologies Limited	Technology Hardware	216	233	2
Total Qualifying Investments		5,970	5,963	54
Other non-Qualifying Investments				
Aberdeen Sterling Liquidity Fund	Liquidity fund	1,682	1,682	15

Fidelity Sterling Liquidity Fund	Liquidity fund	1,681	1,685	16
Goldman Sachs Sterling Liquidity Fund	Liquidity fund	1,680	1,680	15
Terrain Energy Limited	Oil and gas production	5	5	-
Total Other non-Qualifying Investments		5,048	5,052	46
Total Investments		11,018	11,015	100
Net Current Assets less Creditors due after one year			816	
Net Assets			11,831	

PRINCIPAL RISKS

The principal risks facing the Company remain the same as those detailed on page 24 of the Annual Report and Accounts for the year ended 28 February 2018.

The main risks faced by the Company include, but are not limited to, loss of approval as a venture capital trust and other regulatory breaches, risks of making and realising qualifying investments, liquidity/marketability risk, changes in legislation/taxation, engagement of third party advisers, market price risk and credit risk.

GOING CONCERN

After making enquiries, and having reviewed the portfolio, balance sheet and projected income and expenditure for the next twelve months, the Directors have a reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future. The Directors have therefore adopted the going concern basis in preparing these condensed financial statements.

DIRECTORS' RESPONSIBILITY STATEMENT

The half-yearly financial report, which has not been audited or reviewed by the Company's auditors is the responsibility of, and has been approved by, the Directors. The Directors confirm that to the best of their knowledge the half-yearly financial report, which has been prepared in accordance with the UK Listing Authority Disclosure and Transparency Rules ("DTR") and in accordance with the Financial Reporting Council's Financial Reporting Standard 104: 'Interim Financial Reporting' gives a true and fair view of the assets, liabilities, financial position and the net return of the Company as at 31 August 2018.

The Directors confirm that the Chairman's Update, the Investment Management report, the disclosures above and notes 10 and 11, include a fair review of the information required by DTR 4.2.7R, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements and a description of the principal risks and uncertainties for the remaining six months of the financial year, and DTR 4.2.8R.

The Directors of Calculus VCT plc are:

Michael O'Higgins
Kate Cornish-Bowden
Steve Meeks
Diane Seymour-Williams
John Glencross

By order of the Board

Michael O'Higgins
Chairman
23 October 2018

**CONDENSED INCOME STATEMENT
FOR THE PERIOD FROM 1 MARCH 2018 TO 31 AUGUST 2018 (UNAUDITED)**

	Note	6 Months Ended 31 August 2018			6 Months Ended 31 August 2017			12 Months Ended 28 February 2018		
		Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
		Return £'000	Return £'000	Return £'000	Return £'000	Return £'000	Return £'000	Return £'000	Return £'000	Return £'000
Investment holding (losses)/gains	8	-	(174)	(174)	-	165	165	-	232	232
Gain/(loss) on disposal of investments	8	-	104	104	-	(181)	(181)	-	(159)	(159)
Income		42	-	42	27	-	27	65	-	65
Investment management fee		(24)	(72)	(96)	(18)	(52)	(70)	(39)	(115)	(154)
Costs of acquiring Neptune		-	-	-	-	-	-	(55)	-	(55)
Calculus assets and liabilities		-	-	-	-	-	-	(202)	-	(202)
Other operating expenses		(93)	-	(93)	(157)	-	(157)	(202)	-	(202)
Loss on ordinary activities before taxation		(75)	(142)	(217)	(148)	(68)	(216)	(231)	(42)	(273)
Taxation on ordinary activities	3	-	-	-	-	-	-	-	-	-
Loss for the period		(75)	(142)	(217)	(148)	(68)	(216)	(231)	(42)	(273)
Basic and diluted deficit per new Ordinary share	2	(0.56)p	(1.07)p	(1.63)p	(1.68)p	(0.78)p	(2.46)p	(2.30)p	(0.42)p	(2.72)p

The supplementary revenue return and capital return columns are both prepared in accordance with the Association of Investment Companies ("AIC") Statement of Recommended Practice ("SORP"). No operations were acquired or discontinued during the period. All items in the above statements derive from continuing operations. There were no recognised gains or losses other than those passing through the Income Statement. The notes form an integral part of these condensed financial statements.

**CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM 1 MARCH 2018 TO 31 AUGUST 2018 (UNAUDITED)**

	Share Capital £'000	Share Premium Account £'000	Non-distributable reserves			Distributable reserves		Total £'000
			Special Reserve £'000	Capital Redemption Reserve £'000	Capital Reserve Realised £'000	Capital Reserve Unrealised £'000	Revenue Reserve £'000	
For the 6 month period to 31 August 2018								
1 March 2018	116	298	9,974	56	451	171	(936)	10,130
Investment holding losses	-	-	-	-	-	(174)	-	(174)
Gain on disposal of investments	-	-	-	-	104	-	-	104
New share issue	30	2,474	-	-	-	-	-	2,504
Expense of share issue	-	(90)	-	-	-	-	-	(90)
Share buybacks for cancellation	-	-	(7)	-	-	-	-	(7)
Management fee allocated to capital	-	-	-	-	(72)	-	-	(72)
Change in accrual in IFA Commission	-	(38)	-	-	-	-	-	(38)
Revenue return after tax	-	-	-	-	-	-	(75)	(75)
Dividends paid (note 9)	-	-	(451)	-	-	-	-	(451)
31 August 2018	146	2,644	9,516	56	483	(3)	(1,011)	11,831
For the 6 month period to 31 August 2017								
1 March 2017	141	7,046	1,277	-	725	(61)	(705)	8,423
Investment holding gains	-	-	-	-	-	165	-	165
Loss on disposal of investments	-	-	-	-	(181)	-	-	(181)
New D share issue	2	153	-	-	-	-	-	155
Expenses of D share issue	-	(9)	-	-	-	-	-	(9)
Purchase of shares for cancellation	(55)	-	-	55	-	-	-	-
Management fee allocated to capital	-	-	-	-	(52)	-	-	(52)
Change in accrual in IFA Commission	-	(26)	-	-	-	-	-	(26)
Revenue return on ordinary activities after tax	-	-	-	-	-	-	(148)	(148)
Dividend paid	-	-	(601)	-	-	-	-	(601)
31 August 2017	88	7,164	676	55	492	104	(853)	7,726

**CONDENSED STATEMENT OF
CHANGES IN EQUITY
(CONTINUED)**

			Non- distributable reserves	Distributable reserves				
	Share Capital	Share Premium Account	Special Reserve	Capital Redemption Reserve	Capital Reserve Realised	Capital Reserve Unrealised	Revenue Reserve	Total
For the 12 months to 28 February 2018*	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
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 (D shares)	2	153	-	-	-	-	-	155
Expense of share issue (D shares)	-	(9)	-	-	-	-	-	(9)
Purchase of shares for cancellation in connection with the merger of classes	(55)	-	-	55	-	-	-	-
New share issue (Ordinary shares re Neptune-Calculus assets and liabilities acquisition)	25	2,176	3	-	-	-	-	2,204
Cancellation of share premium account	-	(9,342)	9,342	-	-	-	-	-
New share issue (Ordinary shares)	4	310	-	-	-	-	-	314
Expenses of share issue (Ordinary shares)	-	(11)	-	-	-	-	-	(11)
Share buybacks for cancellation	(1)	-	(49)	1	-	-	-	(49)
Management fee allocated to capital	-	-	-	-	(115)	-	-	(115)
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

* These figures are audited.

**CONDENSED BALANCE SHEET
AS AT 31 AUGUST 2018
(UNAUDITED)**

	Note	31 August 2018 £'000	31 August 2017 £'000	28 February 2018* £'000
Fixed assets				
Investments	8	11,015	5,260	7,982
Current assets				
Debtors		47	22	44
Cash at bank and on deposit		950	2,652	2,267
		997	2,674	2,311
Creditors: amounts falling due within one year				
Creditors		(130)	(185)	(142)
Bank overdraft		-	-	-
		(130)	(185)	(142)
Net current assets		867	2,489	2,169
Non-current liabilities				
IFA trail commission		(51)	(23)	(21)
Total net assets		11,831	7,726	10,130
Capital and reserves				
Called-up share capital	6	146	88	116
Share premium account		2,644	7,164	298
Special reserve		9,516	676	9,974
Capital redemption reserve		56	55	56
Capital reserve – realised		483	492	451
Capital reserve – unrealised		(3)	104	171
Revenue reserve		(1,011)	(853)	(936)
Total shareholders' funds		11,831	7,726	10,130
Net asset value per new Ordinary share – basic	4	81.10p	87.54p	87.00p

* These figures are audited. The notes form an integral part of these condensed financial statements.

**CONDENSED STATEMENT OF CASH FLOW
FOR TO THE PERIOD FROM 1 MARCH 2018 TO 31 AUGUST 2018
(UNAUDITED)**

	Note	6 Months Ended 31 August 2018 £'000	6 Months Ended 31 August 2017 £'000	12 Months Ended 28 February 2018* £'000
Cash flow from operating activities				
Investment income received		33	25	67
Deposit interest received		2	1	2
Investment management fees paid		(87)	(33)	(145)
Other cash payments		(114)	(138)	(264)
Net cash flow from operating activities	5	(166)	(145)	(340)
Cash flow from investing activities				
Purchase of investments		(3,357)	(370)	(1,070)
Sale of investments		254	-	73
Net cash flow from investing activities		(3,103)	(370)	(997)
Cash flow from financing activities				
Shares issued		2,504	105	418
Expenses of share issues		(90)	(119)	(127)
IFA trail commission		(4)	-	(3)
Neptune-Calculus cash received		-	-	286
Expenses of Neptune-Calculus cash transaction		-	-	(102)
Share buybacks for cancellation		(7)	-	(49)
Equity dividend paid	9	(451)	(601)	(601)
Net cash flow from financing activities		1,952	(615)	(178)
Decrease in cash and cash equivalents		(1,317)	(1,130)	(1,515)
Opening cash and cash equivalents		2,267	3,782	3,782
Net cash decrease		(1,317)	(1,130)	(1,515)
Closing cash and cash equivalents		950	2,652	2,267

* These figures are audited. The notes form an integral part of these Accounts.

CONDENSED NOTES TO THE ACCOUNTS

1. Nature of Financial Information

The unaudited half-yearly financial information does not constitute statutory financial statements as defined in Section 434 of the Companies Act 2006 and has not been reviewed nor audited by the auditors. This information has been prepared on the basis of the accounting policies used in the statutory financial statements of the Company for the year ended 28 February 2018, and in accordance with FRS 104. The statutory financial statements for the year ended 28 February 2018, which contained an unqualified auditors' report, have been lodged with the Registrar of Companies, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying the report and did not contain statements under Section 498(2) or (3) of the Companies Act 2006.

2. Return per Share

	6 Months Ended 31 August 2018			6 Months Ended 31 August 2017			12 Months Ended 28 February 2018		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
	pence	pence	pence	pence	pence	pence	pence	pence	pence
Return per Ordinary share	(0.6)	(1.1)	(1.7)	(1.7)	(0.8)	(2.5)	(2.3)	(0.4)	(2.7)

New Ordinary shares

Revenue return per Ordinary share is based on the net revenue loss on ordinary activities after taxation of £75,126 and on 13,278,121 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 £141,757 and on 13,278,121 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 on ordinary activities for the period of £216,883 and on 13,278,121 Ordinary shares, being the weighted average number of Ordinary shares in issue during the period.

3. Taxation on Ordinary Activities

The estimated effective tax rate at the period end is 0 per cent. This remains unchanged from the prior year end.

4. Net Asset Value per Share

	31 August 2018 pence	31 August 2017 Pence	28 February 2018 Pence
Net asset value per new Ordinary share	81.1	87.5	87.0

The basic net asset value per new Ordinary share is based on net assets (including current period revenue) of £11,831,000 and on 14,588,859 Ordinary shares, being the number of new Ordinary shares in issue at the period end.

5. Reconciliation of Net Profit before Tax to Cash Flow from Operating Activities

	31 August 2018 £'000	31 August 2017 £'000	28 February 2018 £'000
Ordinary Share Fund			
Loss on ordinary activities before tax	(217)	(216)	(273)
Loss/(gain) on investments	70	16	(73)
Increase in debtors	(3)	(8)	(30)
Decrease/increase in creditors	(16)	63	20
Increase in non current IFA trail commission accruals	-	-	21
Neptune-Calculus costs included in finance activities	-	-	(8)
IFA commission costs included in finance activities	-	-	3
Cash flow from operating activities	(166)	(145)	(340)

6. Called up share capital

		31 August 2018 £'000
	Number	
Ordinary shares of 1p each	14,588,859	146

In April 2018 the Company issued 1,779,298 Ordinary shares for a total consideration of £1,518,453. In August 2018, 1,176,844 shares were issued for total consideration of £985,254.

In August 2018, the Company bought back and cancelled 10,000 shares.

The D shares that were issued prior to 1 August 2017 ranked for the dividend of 4.0 pence per share that was paid on 26 July 2018. The D shares were renamed Ordinary shares on 1 August 2017. The Ordinary shares subscribed for after 1 August 2017 were not eligible for any dividends declared in respect of the Company's year ended 28 February 2018.

Following the issues and cancellation noted above there were 14,588,859 Ordinary shares in issue as at 31 August 2018.

7. Contingent assets and contingent liabilities

There were no contingent assets or contingent liabilities in existence at 31 August 2018 (31 August 2017: £nil, 28 February 2018: £nil).

8. 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 for identical asset in an active market. 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 inputs - "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 inputs - "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. Unquoted investments are valued in accordance with the IPEVCA guidelines.

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Ordinary Share Fund				
Opening book cost	3,370	-	4,441	7,811
Opening unrealised appreciation/(depreciation)	(115)	-	286	171
Opening valuation	<u>3,255</u>	-	<u>4,727</u>	<u>7,982</u>
Movements in the period:				
Purchase at cost	2,400	-	957	3,357
Sales – proceeds	-	-	(254)	(254)
Sales – realised losses on sales	-	-	104	104
Unrealised losses realised during the period	-	-	-	-
Decrease in unrealised appreciation/(depreciation)	(61)	-	(113)	(174)
Closing valuation	<u>5,594</u>	-	<u>5,421</u>	<u>11,015</u>
Closing book cost	5,770	-	5,248	11,018
Closing unrealised (depreciation)/appreciation	(176)	-	173	(3)
Closing valuation	<u>5,594</u>	-	<u>5,421</u>	<u>11,015</u>

During the period there were no transfers between Levels 1, 2 or 3.

9. Dividends

For the year to 28 February 2018, the Ordinary Share Fund declared a final dividend of 4.0p per share on 11,274,917 eligible shares amounting to £450,997. The dividend was paid on 26 July 2018.

10. Transactions with Related Parties

John Glencross, a Director of the Company, is considered to be a related party due to his position as Chief Executive and a director of Calculus Capital Limited, one of the Company's Investment Managers.

Calculus Capital Limited receives an investment manager's fee from the Company. For the 6 months to 31 August 2018, Calculus Capital Limited earned £95,748 (31 August 2017: £69,732; 28 February 2018: £154,089). Calculus Capital Limited also earned a company secretarial fee of £7,500 (31 August 2017: £9,000; 28 February 2018: £18,000).

Calculus Capital Limited has taken on the expenses cap from 15 December 2015. For the 6 months to 31 August 2018, Calculus Capital Limited contributed £15,204 (31 August 2017: £nil; 28 February 2018: £26,435).

At 31 August 2018, there was £55,566 owed to Calculus Capital Limited (31 August 2017: £78,732; 28 February 2018: £46,810).

11. Transactions with Investment Managers

John Glencross, a Director of the Company, is considered to be a related party due to his position as 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 the 31 August 2018, Calculus Capital charged a monitoring fee to Air Leisure Group Limited, Antech Limited, Arcis Biotechnology Holdings Limited, Cornerstone Brands Limited, Dugas Technologies Limited, Every1Mobile Limited, Microenergy Generation Services Limited, Mologic Limited, Open Energy Market Limited, Origin Broadband Limited, Park Street Shipping Limited, Quai Administration Services, Solab Group Limited, Synpromics Limited, Terrain Energy Limited, The One Place Capital Limited, Tollan Energy Limited and Weeding Technologies Limited.

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

Calculus Capital Limited charged an arrangement fee for certain portfolio companies. In the year 31 August 2018 Calculus Capital Limited charged a fee to CloudTrade Technologies Limited, Dugas Technologies Limited, Oxford Biotherapeutics, Mologic Limited and Pico's Limited.

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

The amount received by Calculus Capital which relates to the Company's investment was £1,189 (28 February 2018: £1,578; 31 August 2017: £667) from Air Leisure Group Limited, £507 (28 February 2018: £972; 31 August 2017: £486) from AnTech Limited, £94 (28 February 2018: £87; 31 August 2017: £nil) from Arcis Biotechnology Holdings, £nil (28 February 2018: £5,172; 31 August 2017: £5,172) from Blu Wireless Technology Limited, £6,000 (28 February 2018: £nil; 31 August 2017: £nil) from CloudTrade Technologies Limited, £1,560 (28 February 2018: £5,780; 31 August 2017: £4,500) from Cornerstone Brands Limited, £6,249 (28 February 2018: £nil; 31 August 2017: £nil) from Dugas Technologies Limited, £1,364 (28 February 2018: £6,459; 31 August 2017: £nil) from Every1Mobile Limited, £967 (28 February 2018: £1,734; 31 August 2017: £788) from MicroEnergy Generation Services Limited, £6,177 (28 February 2018: £nil; 31 August 2017: £nil) from Mologic Limited, £1,155 (28 February 2018: £5,999; 31 August 2017: £nil) from Open Energy Market Limited, £663 (28 February 2018: £2,544; 31 August 2017: £2,259) from Origin Broadband Limited, £5,999 (28 February 2018: £nil; 31 August 2017: £nil) from Oxford Biotherapeutics Limited, £475 (28 February 2018: £836; 31 August 2017: £357) from Park Street Shipping Limited, £4,638 (28 February 2018: £318; 31 August

2017: £159) from Pico's Limited, £559 (28 February 2018: £3,122; 31 August 2017: £2,671) from Quai Administration Services Limited, £2,093 (28 February 2018: £2,906; 31 August 2017: £887) from Solab Group Limited, £1,659 (28 February 2018: £1,094; 31 August 2017: £415) from Terrain Energy Limited, £348 (28 February 2018: £786; 31 August 2017: £568) from The One Place Capital Limited, £837 (28 February 2018: £1,659; 31 August 2017: £822) from Tollan Energy Limited, £145 (28 February 2018: £131; 31 August 2017: £nil) from Synpromics Limited and £1,177 (28 February 2018: £1,960; 31 August 2017: £667) from Weeding Technologies Limited.

12. Post balance sheet events

Other than the sale of the Company's holding in Origin Broadband Limited and investments in MIP Diagnostics Limited and C4X Discovery Holdings plc, there have been no post balance sheet events.

COMPANY INFORMATION

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Kate Cornish-Bowden
John Glencross
Steven Meeks
Diane Seymour-Williams

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Printed copies of the Calculus VCT plc Half Yearly Report for the six months ended 31 August 2018 have not been posted to shareholders. However, a copy can be found on the following website:
<http://www.calculuscapital.com/calculus-vct/>

For further information, please contact:

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Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on this announcement (or any other website) are incorporated into, or form part of, this announcement.

END