Calculus
CAPITAL

CELEBRATING CALCULUS CAPITAL 20 YEARS LAUNCHED FIRST APPROVED EIS FUND

Calculus VCT plc

Annual Report and Accounts

For the year ended 29 February 2020

(Company number 07142153)

About Calculus VCT plc

Our aim

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

Investment objective

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

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

Dividend objective

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

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

Contents

John Glencross, Chief Executive
Calculus Capital

Key Dates 2020

Annual General Meeting:
3 July 2020

Dividend reinvestment scheme application deadline:
17 July 2020

Final dividend payment date:
31 July 2020

Company's half year end:
31 August 2020

Half yearly results:
Announced October 2020

Annual results for year to 28 February 2021:
Announced May 2021

Portfolio Review

	2020 £'000	2019 £'000
Opening Portfolio Value	**11,593**	7,982
New and follow on investments made	**3,511**	6,057
Disposal Proceeds	**(588)**	(1,746)
Realised Net gains or losses	**122**	(88)
Unrealised Valuation movements	**(329)**	(612)
Closing Portfolio value	**14,309**	11,593

Financial Highlights

	Year to 29 February 2020	Year to 28 February 2019
Net Asset Value Per Share	**70.20p**	75.84p
Final Dividend Proposed	**3.20p**	3.40p
Annual Yield*	**4.56%**	4.50%
Total return per share*	**(2.58)p**	(7.27)p
Share price	**50.00p**	65.00p
Share price discount*	**28.77%**	14.29%

Investment Portfolio Yield

	2020 £'000	2019 £'000
Loan interest	**121**	73
Total portfolio income in the year	**155**	91
Portfolio value at year end	**14,309**	11,593
Portfolio Income Yield	**1.08%**	0.79%

* These are Alternative Performance Measures (APM's) which have been defined in the glossary on page 91 of the Annual Report.

Strategic Report

The Strategic Report has been prepared in accordance with the requirements of Section 414A of the Companies Act 2006 (the "Act").

Its purpose is to inform members of the Company and help them assess how the Directors have performed their legal duty under Section 172 of the Act, to promote the success of the Company for the benefit of the members as a whole and in doing so, have a regard for the wider stakeholder interests.

Chairman's Statement

As I write this statement with the portfolio results for the year ended 29 February 2020, the global economy is being affected by unprecedented conditions due to the COVID-19 pandemic, which is expected to persist for the foreseeable future. However as is detailed in the outlook section, the Company has a low level exposure to the affected sectors and significant liquid assets.

It has been an active year for the Company with twelve new investments made on behalf of the qualifying portfolio and over £4.9 million new Ordinary shares allotted during the year.

Results for the year

The net asset value per Ordinary share at 29 February 2020 was 70.2 pence, compared to 75.8 pence as at 28 February 2019, this is after paying a dividend of 3.4 pence per share.

As announced in the interim report, during the year the Company's holding in Synpromics Limited was sold, achieving an undisclosed, but significant return for investors. Synpromics is a market leader in control technologies for gene therapy. The Company has been acquired by AskBio, a leading US pioneer in gene therapeutics. Synpromics helps clinicians to target genetic cures for conditions such as haemophilia, liver disease and heart disease. The deal is further enhanced by the potential to benefit from future licensing fees on Synpromics existing portfolio of licences.

The most significant movement in the qualifying portfolio on the upside was WheelRight which, increased its valuation by 65 per cent compared to 28 February 2019, as it focused on the rapid commercialisation of its drive over tyre pressure and tread depth measuring equipment with encouraging results. The company also successfully closed an investment round with US based company Snider, who invested USD 2 million. Blu Wireless Technology, Money Dashboard (formerly The One Place Capital), Wazoku and Weeding Technologies, four of the larger holdings in the portfolio each saw their valuation increase over the year to 29 February 2020. Further details can be found on pages 16 to 26 of the Annual Report. Antech, Arecor, Essentia Analytics, Cloudtrade and Mologic also increased during the year. Altogether these valuation improvements added a further 1 pence to the Company's NAV per share. The top 10 unquoted investments by value are discussed further from page 14 to 26.

During the year, two of the Company's holdings; Terrain Energy and MircroEnergy, were combined into one new company, Evoterra Limited. The valuation of Evoterra has fallen by £290,000, as a result of operating challenges and global issues affecting the oil and gas market. Evoterra has divested several of its non-core assets to assist with cash flow management, but this has also had an impact on the value attributable to the remaining oil and gas reserves. The new fully integrated energy company will focus on delivering value from the remaining operating assets of both MicroEnergy and Terrain Energy.

Unfortunately, Benito's Hat, the Mexican food chain, was written down to nil in the year due to the problems on the high street and in particular, the fast casual dining market. The company has been experiencing trading difficulties and appointed administrators in February 2020 with no return for equity holders being anticipated. As mentioned in the interim accounts, Solab, the Hampshire cosmetics business also had its equity written down to nil when it appointed administrators in June 2019. Of the £295,000 of outstanding loans held by the Company when Solab appointed administrators, 100% of it has been recovered. The Company has further recovered all outstanding interest owed on the loans.

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

Venture Capital Investments

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

The Company made a number of new and follow on investments in the year to 29 February 2020, with all new investments set out in the Investment Manager's report. As mentioned above, the Company recovered £200,000 of loan notes from Solab during the year to 29 February 2020 (with the balance recovered post year end). In December 2019, WheelRight also redeemed £100,000 of its loans.

Issue of new Ordinary shares

The offer for subscription for Ordinary Shares that opened on 13 September 2018 and closed on 31 August 2019 received aggregate subscriptions from the issue of Ordinary shares of £5.9 million.

On 24 September 2019, a new offer was launched. The Company has issued shares for £2 million of subscriptions under this offer by the end of the financial year. Of the £4,917,000 total new share issues in the year to 29 February 2020, £2,917,000 took place under the offer that closed on 31 August 2019.

On 3 April 2020 the Company issued a further 2,342,066 shares at an average issue price of 65.9 pence per share. The net asset value used for the allotment had been adjusted due to the anticipated impact of COVID-19 on the portfolio companies. This is further explained below.

Share buy backs

In July 2019, 78,279 shares were bought back for cancellation. In keeping with its policy for returning funds to shareholders, the Company will continue to consider opportunities for buybacks in the coming year.

Dividend

The Directors are pleased to announce a final dividend of 3.2 pence per Ordinary share to be paid to all Ordinary shareholders.

Subject to shareholder approval, the Ordinary share dividend will be paid on 31 July 2020 to shareholders on the register on 3 July 2020.

The deadline for the Scheme Administrator to receive any applications under the dividend reinvestment scheme is 17 July 2020.

Board

Kate Cornish-Bowden had planned to step down from the board at the next annual general meeting as she has served the Company for nine years. The Board had begun a successor recruitment process with an independent search consultant, but the COVID-19 outbreak and the difficulties this poses in carrying out interviews may lead to some delays. Kate has agreed to stay on the board until the situation stabilises and a replacement can be found. The Company is very grateful to Kate for her excellent contribution and diligence during this time.

Impact of COVID-19 and NAV movement

We have assessed that the true impact of COVID-19 was felt by our portfolio companies after the government initiated a nationwide lockdown on 23 March 2020 in order to contain the spread of infection. We have therefore treated the consequences of COVID-19 on our investee company valuations as a post balance sheet event in these accounts. On the 19 December, the Company released a NAV which was prior to any knowledge of COVID-19. The NAV was 71.8 pence per share as at 30 November 2019. The NAV at the 29 February 2020 year end was 70.2 pence per share.

To the extent that unquoted investments are valued with reference to revenue or earnings multiples derived from listed companies with similar characteristics, the unquoted valuations would have been impacted by the partial fall in equity markets which occurred prior to 29 February 2020. However, the overall portfolio performance had improved since 30 November 2019. On the 31 March 2020, the Company released an unaudited NAV of 65.1 pence per share, which had been adjusted to reflect the potential impact of COVID-19.

The unquoted portfolio was reviewed and factors which were deemed to affect valuations included: the impact of the lockdown on sales, investee companies' ability to fulfil orders and/or effect installations, supply chain disruption, the falling oil price and the likely detrimental impact of the general economic downturn on the availability of capital and, consequently, the valuations likely to be achieved in funding rounds. This NAV of 65.1 pence per share was released to the market, ahead of an allotment that took place on 3 April 2020. The most recent unaudited NAV available at the time of publishing these accounts is 66.5 pence per share as at 30 April 2020.

Developments since the year end

Given the impact of the COVID-19 epidemic on the global economy, the Manager has completed a review of the portfolio and estimated the impact of its holdings in its respective investee companies. The impact of these estimations would be to reduce the valuation of the investment portfolio by £552,402, which would result in an estimated fall in NAV (unaudited) by 3.7 pence to 66.5 pence per ordinary share. The movement reflects the Company's current best estimate of the operating impact, both positive and negative, on our portfolio companies. The reduction in NAV was limited to a 5% decrease, because the Company is shielded to a degree by holding a significant portion of its assets in cash. Furthermore, although some portfolio companies have been adversely affected by the impact of COVID-19 such as investments in the leisure and energy sectors, the Company has invested in several life sciences companies which are benefiting from creating products to aid the fight against COVID-19. It is a volatile situation, subject to rapid change; valuations of portfolio companies will be kept under regular review.

As mentioned above, since the year end the Company has made a further allotment of Ordinary shares. On 3 April 2020, a further 2,342,066 Ordinary shares were allotted at an average price of 65.9 pence per share.

On 3 April 2020 the Company invested £380,000 in Maze Theory Limited. Maze Theory develops games across multiple platforms including virtual reality (VR), PC console and mobile. Its first VR game, Dr Who, The Edge of Time was launched in November 2019.

On 4 May 2020, the Company invested £530,000 in Rotageek Limited. Rotageek uses cloud-based technology and automatic scheduling to help businesses manage and schedule staff to meet demand, drive efficiency and reduce costs. The company is providing free trials of its proprietary solutions to the NHS to assist in supporting medical teams which are facing exceptionally complex scheduling problems during the COVID-19 crisis.

In light of the COVID-19 pandemic and the regulations on social distancing, the Board is considering contingency plans for the 2020 AGM taking into account the evolving nature of the regulations and announcements from the Financial Reporting Council and the Financial Conduct Authority. Please refer to the Notice of Meeting from page 87 of this document.

Outlook

The election result in December 2019 provided some economic certainty and reduced some of the fears surrounding the UK's departure from the EU, Since the year end however, significant new uncertainties are being posed by the COVID-19 pandemic. The economic impact of this crisis has ramifications through large parts of the UK economy. The Company is fortunate in having a relatively low level of exposure to the leisure industry and other consumer related sectors. We were also fortunate to have a significant percentage of our assets held in cash when the crisis started. Calculus Capital is working closely with its portfolio companies to help them manage their cash through these uncertain times. Whilst the inevitable economic fallout will have an adverse effect on the valuation of some of the portfolio companies, others such as the investments in the life sciences sector in particular are seeing some appreciation. Portfolio companies in the technology sector are, by and large, also in a stronger position to weather the economic downturn than those companies more reliant on consumer expenditure.

Calculus Capital is a long term investor, actively identifying attractive investment opportunities. As such, the Manager will continue to deploy capital to proactively support companies through these challenging times and to invest in selective new opportunities which may arise.

Jan Ward
Chairman

27 May 2020

Clare Flynn Levy, Founder & CEO
Essentia Analytics

Investment Manager's Review
(Qualifying Investments)

The net assets of £17,453,046 broken down as follows:

Asset class	NAV (£000s)	% of NAV	Number of investee companies/funds
Unquoted company investments	8,118	47	26
AIM traded company investments	526	3	5
Liquidity Fund investments	5,665	32	3
Other Liquid assets (debtors and creditors)	3,144	18	-
Totals	17,453	100	

During the year, the Company made twelve qualifying investments, as we seek to build a diversified portfolio. These included five new investments and seven follow on investments in existing portfolio companies.

New Investments

Fiscaltec Group Limited

In November 2019, the Company invested £500,000 in Fiscaltec. Fiscaltec's patented risk management software uses advanced artificial intelligence to forensically analyse an organisation's financial data. This enables the software to detect fraud and mitigate payment and supplier risk thereby protecting an organisation's working capital requirements. More information on Fiscaltec can be found on page 19.

Raindog Films Limited

In February 2020, the Company invested £400,000 in Raindog. Raindog is a creator of filmed entertainment and was co-founded in 2012 by Oscar-winning actor Colin Firth and former Chairman and CEO of Sony Music UK and Chairman of the Brit Awards, Ged Doherty. More information on Raindog can be found on page 22.

IPV Limited

In May 2019 the Company invested £340,000 in IPV limited comprising £300,000 of loans and £40,000 equity. IPV's proprietary software enables companies to access, store, modify, tag and transfer video content quickly and efficiently, significantly improving internal processes and creating more routes to market. More information on IPV can be found on page 24.

Wazoku Limited

In March 2019 the Company invested £300,000 in Wazoku. Wazoku is an idea management company with an impressive client list including the United Kingdom Ministry of Defence (MoD), Waitrose, Microsoft and HSBC. The Wazoku collaborative idea management platform helps organisations transform raw ideas generated by the workforce into actionable innovation, with the aim of realising untapped business opportunities, identifying areas for improvement, making savings and boosting revenue. More information on Wazoku can be found on page 20.

Wonderhood Limited

In December 2019 the Company invested £275,000 in Wonderhood. Wonderhood is introducing a new hybrid model as a TV programme maker and advertising agency, supported by a third-party capability which provides data-led insights into audience behaviour. More information on Wonderhood can be found on page 26.

Follow on Investments

C4X Discovery plc

In November 2019, the Company invested £400,000 in C4X Discovery (C4XD). C4XD is a drug discovery and development company that uses cutting-edge technology to design and create drug candidates. C4XD has programmes across a number of therapeutic areas including inflammation, neurodegeneration, immune-oncology and diabetes.

Blu Wireless Technology Limited

In April 2019 the Company invested £300,000 in Blu Wireless Technology. Blu Wireless Technology develops semiconductor IP to allow wireless communication at speeds similar to fibre with immediate applications for fixed wireless broadband (where fibre, roll out may be prohibitively expensive), rail and road transport and, in due course, application for 5G roll-out. More information on Blu Wireless can be found on page 17.

WheelRight Limited

During the year the Company invested £300,000 in WheelRight. WheelRight uses patented flush mounted sensor plates which measure and record the tyre pressures and wear on all of the tyres on a car, bus or truck as the vehicle drives over the plate. Their technology provides both effective maintenance and monitoring, enabling cost savings and safety benefits to vehicle and fleet owners. More information on WheelRight can be found on page 18.

Every1Mobile Limited

In May 2019 the Company invested £200,000 in Every1Mobile. Every1Mobile, provides digital communication solutions and online community management through a bespoke platform. The customer focus is to large corporates, government and international development agencies in the emerging African market. More information on Every1Mobile can be found on page 21.

Quai Administration Services Limited

In July 2019 the Company invested £150,000 in Quai. Quai provides platform technology combined with back office administration services for the high-volume personal savings industry. Quai's platform allows it to administer many thousands of individual savings plans at a fraction of the cost incurred by established insurance companies and wealth managers. More information on Quai can be found on page 23.

Oxford Biotherapeutics Limited

In February 2020, the Company invested £150,000 in Oxford BioTherapeutics (OBT). 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.

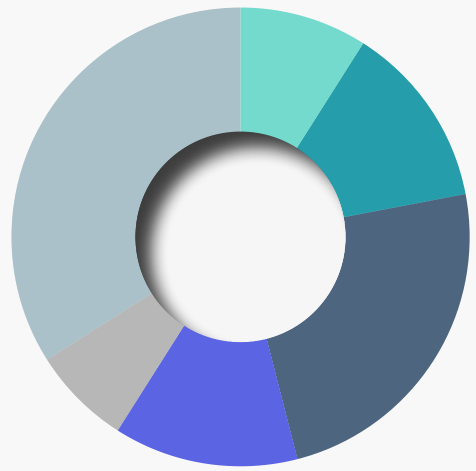
Evoterra Limited

An investment was made in Terrain Energy, an oil and gas exploration company, in the form of a £100,000 loan note as at the 30 October 2019. However, as of 3 February 2020, Evoterra purchased the entire share capital of Terrain Energy, hence becoming the borrower.

Evoterra also purchased all the share capital of MicroEnergy, which owns and operates a fleet of small onshore wind turbines. More information on Evoterra can be found on page 16.

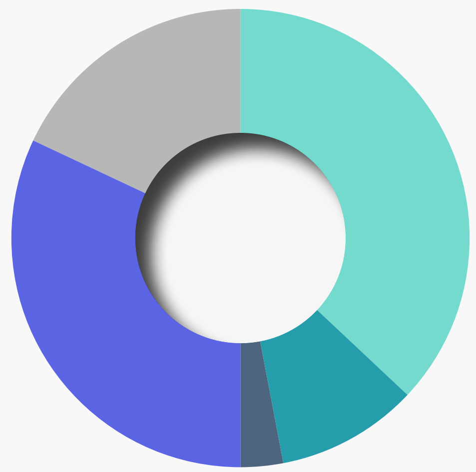
Colin Firth and Ged Doherty, Co-Founders
Raindog Films, now joined by Trish D Chetty

Investment Diversification at 29 February 2020



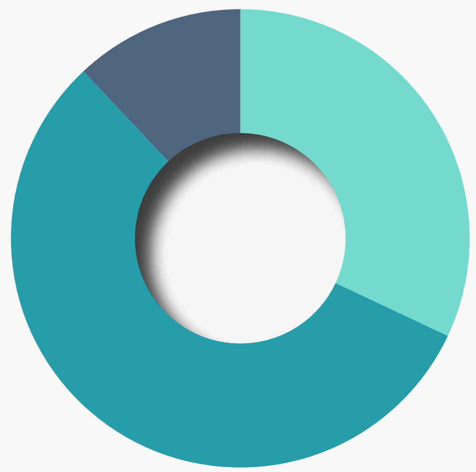
Sectors by investment cost

Consumer	9%
Energy	13%
Healthcare	24%
Industrials	13%
Creative Content	7%
Technology	34%



Total assets by value

Unquoted company equity	37%
Unquoted company loan stock	10%
AIM traded equity	3%
Liquidity fund investments	32%
Other liquid assets	18%



Holding period of qualifying investments by value

Less than 1 year	32%
Between 1 and 5 years	56%
Greater than 5 years	12%

Calculus Capital Limited
27 May 2020

Investment Portfolio

Largest holdings by value

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

Investment	Book Cost £'000	Valuation £'000	% of investment portfolio
Unquoted Equity Investments			
Evoterra Limited	1,220	764	5.3
Blu Wireless Technology Limited	450	745	5.2
WheelRight Limited	500	565	4.0
Fiscaltec Group Limited	500	500	3.5
Wazoku Limited	300	462	3.2
Every1Mobile Limited	400	400	2.8
Raindog Films Limited	396	396	2.8
Quai Administration Services Limited	370	370	2.6
IPV Limited	340	345	2.4
Money Dashboard Limited	277	332	2.3
Other unquoted equity investments	2,952	3,239	22.6
AIM Investments (quoted equity)			
AIM investments	1,178	526	3.7
Quoted Funds			
Fidelity Sterling Liquidity Fund	1,883	1,903	13.3
Aberdeen Sterling Liquidity Fund	1,882	1,882	13.2
Goldman Sachs Liquidity Funds	1,880	1,880	13.1
Total Investments	**14,528**	**14,309**	**100.0**

Calculus Capital Limited manages the portfolio of qualifying Investments made by the Company. To maintain its qualifying status as a Venture Capital Trust, the Company needed to be greater than 70 per cent invested in qualifying Investments by the end of the relevant third accounting period and to maintain it thereafter. At 29 February 2020, the qualifying percentage for the relevant funds was 87.3 per cent.

David Abraham, Founder & CEO
Wonderhood Studios

EVOTERRA

On the 3 February 2020, Evoterra purchased the entire share capital of Terrain Energy and MicroEnergy Generation Services. The creation of Evoterra brings traditional and renewable energy under one umbrella. During the cashless transaction, the original shareholders of Terrain Energy and MicroEnergy were hived up to Evoterra Limited. These shareholders now hold shares in Evoterra rather than directly in Terrain Energy and MicroEnergy but Terrain Energy and MicroEnergy still exist as wholly owned subsidiaries of Evoterra and carry out the same trade as previously.

MicroEnergy owns and operates a fleet of small onshore wind turbines in East Anglia. Full year generation to 31 March 2019 was £206,000 (no change from 2018 revenues). This reflects reasonable performance based on some operational improvements as the wind resource was on average 5 per cent below the 10 year mean.

Terrain Energy is an oil and gas exploration and production company with interests in eight onshore licences in the UK and Germany. Terrain Energy's main producing asset, Whisby-6, remains shut-in awaiting a workover. This lack of regular income has resulted in Terrain Energy divesting several of its non-core assets to maximise near term cash in order to support the development of its German gas assets in the medium term.

As a newly formed company, no financial information other than below is yet available for Evoterra.

Investment Information	Evoterra	Terrain		MicroEnergy	
	2020 £'000	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Total cost	1,220	1072	972	148	148
Income recognised in year/period	1	14	12	-	-
Equity valuation	564	519	781	77	72
Loan stock valuation	200	200	100	-	-
Total valuation	**764**	**719**	**881**	**77**	**72**
Voting rights / % of equity share capital held	7.1	7.4	7.4	6.1	6.1
Valuation basis:					
Cost calibrated with discounted cash flow					

Total equity held by funds managed by Calculus Capital Limited: 91.1 per cent

BLU WIRELESS TECHNOLOGY LIMITED

Blu Wireless provides the technology to allow data to be transmitted wirelessly at very high, fibre-like, speeds. Blu Wireless is addressing the challenge of building cost effective 5G networks, rolling out fibre-like broadband to businesses and homes, reliable connectivity on high-speed transport and low latency video streaming in the home. The company's key partnership with FirstGroup, expected to significantly boost the quality of, connectivity on trains, has advanced considerably during the year. Early roll-out is expected on both the South West and West Coast franchises' during 2020/21 and there is interest in the technology from other UK and overseas rail companies. In addition, Blu Wireless has made advances in the fixed wireless access ("FWA") market, as well as in other applications in the transport and military sectors. In February 2020, Blu Wireless appointed Alan Jones, former CEO of Virtuosys, as CEO to lead the company during the coming commercial growth phase. Alan has a strong technical background, having held engineering roles at both Hewlett Packard Labs and Motorola and has a track record of successful exits.

Latest Results (group)	Unaudited 2019 £'000	Audited 2018 £'000
Year ended	**31 Dec**	**31 Dec**
Turnover	2,239	1,307
Pre-tax loss	10,194	10,010
Net assets	2,883	820
Valuation basis:		
Price of recent investment calibrated with comparable companies and discounted cash flow		

Investment Information	2020 £'000	2019 £'000
Total cost	450	150
Income recognised in year/period	-	-
Equity valuation	745	145
Loan stock valuation	-	-
Total valuation	**745**	**145**
Voting rights / % of equity share capital held	1.4%	0.4%

Total equity held by funds managed by Calculus Capital Limited: 13.0 per cent.

WHEELRIGHT LIMITED (WHEELRIGHT)

WheelRight designs and manufactures unique drive-over tyre pressure and tread depth measuring equipment. WheelRight has developed a drive-over sensor plate to measure the pressure of all of a vehicle's tyres (as well as axle weight), together with a strobe-based camera array to measure each tyre's tread depth and identify external defects. The technology has been fully validated, by having sufficient installations at sites very varied in nature. Given this, WheelRight is focused on rapid commercialisation, with very encouraging initial results – installations and firm orders in the first half of the financial year to April 2020 exceed the total number of previous installations, including customers in Hong Kong, Singapore, South Africa and the US, and for the first time, orders for multiple units from the same customer.

Calculus VCT invested £0.3 million into WheelRight in December 2019 via a loan note, supplementing a previous follow on investment, to provide working capital for the new orders. The VCT investments follow equity investments from Calculus Capital EIS funds. Alongside the Calculus investment, in mid-December 2019, Snider concluded a three-tranche investment agreement totalling USD$2 million, with the first tranche of USD$1 million paid on completion and the second tranche of USD$750,000 and third tranche of USD$250,000 payable 6 months and 12 months after the date of the first tranche, respectively.

A distribution agreement was signed in tandem with the investment agreement, giving Snider exclusivity to WheelRight's products in the US market and committing it to making orders of 10 units in year 1, 20 units in year 2 and 30 units in year 3. This alone serves to be transformational for the company with the added upside that it is free to pursue sales opportunities in all non-US geographies completely unfettered, with a target of non-Snider sales units constituting 50% of total sales.

Latest Audited Results (group)	2019 £'000	2018 £'000
Year ended	**28 Apr**	**28 Apr**
Turnover	509	125
Pre-tax loss	1,201	1,580
Net assets	39	827
Valuation basis:		
Price of recent investment calibrated with discounted cash flow		

Investment Information	2020 £'000	2019 £'000
Total cost	500	200
Income recognised in year/period	26	1
Equity valuation	165	100
Loan stock valuation	400	100
Total valuation	**565**	**200**
Voting rights / % of equity share capital held	0.8%	1.00%

Total equity held by funds managed by Calculus Capital Limited: 41.4 per cent

FISCALTEC GROUP LIMITED (FISCALTEC)

Fiscaltec's proprietary solution analyses an organisation's financial transactions and supplier contacts, providing an independent overview of the effectiveness of the processes and controls encompassing spend. Its NXG Forensics® enterprise solution provides continuous protection through transactional risk analysis, supplier risk profiling, anti-fraud controls and ongoing reporting. The ongoing reporting element delivers detailed insight and flags unusual or high-risk payments before each payments run is released. These unusual outgoings include duplicates, fraudulent and erroneous payments. Fiscaltec targets companies and organisations who typically have more than £100 million in annual revenues, current customers including BAE Systems, Kent County Council, KFC and Mitchells & Butler. In November 2019, the Company invested £500,000, as part of a total fundraising of £3.6 million, which will be used to develop Fiscaltec's core UK market and increase expansion into the US, where it already has strong traction, as well as incremental product development. The investment round was led by Octopus VCT, which invested £3 million.

Latest Results (group)	2019 £'000 Unaudited	2018 £'000 Unaudited
Year ended	**30 Nov**	**30 Nov**
Turnover	4,848	4,167
Pre-tax loss	299	197
Net assets	(550)	(3,763)
Valuation basis:		
Cost calibrated using multiples and discounted cash flow		

Investment Information	2020 £'000
Total cost	500
Income recognised in year/period	-
Equity valuation	500
Loan stock valuation	-
Total valuation	**500**
Voting rights / % of equity share capital held	2.6%

Total equity held by funds managed by Calculus Capital Limited: 0 per cent

WAZOKU LIMITED

Wazoku's software allows very large companies and organisations to capture and develop the ideas and innovations latent within the workforce.

Calculus VCT invested £300,000 in Wazoku Ltd in April 2019 as part of £2.5 million investment round. Wazoku has developed a market leading platform and suite of support services to enable firms to innovate at scale. The core product, Idea Spotlight, is a Global Home for Ideas. It is a customisable off-the shelf solution offering collaborative idea management modules to meet the diverse set of innovation requirements that global businesses have. Successful innovation requires not only capturing ideas, but also collating, analysing and implementing them. The platform provides the process and structure to capture, evolve, evaluate, develop, measure, select and implement the best ideas from internal or external stakeholders. Wazoku has an impressive client list including Waitrose, HSBC and MoD. In February 2020, Wazoku announced a partnership with Innocentive, which has built a network of 400,000 subject matter experts to whom it reaches out to solve complex problems on behalf of corporate and governmental clients. Wazoku and Innocentive plan to create a new and improved product combining Wazoku's existing innovation platform with Innocentive's complementary network and methodology.

Latest Results (group)	2019 £'000 Unaudited	2018 £'000 Unaudited
Year ended	**31 Dec**	**31 Dec**
Turnover	2,011	1,541
Pre-tax loss	1,245	1,378
Net assets	(1,233)	(864)
Valuation basis:		
Price of recent investments using multiples and discounted cash flow		

Investment Information	2020 £'000
Total cost	300
Income recognised in year/period	-
Equity valuation	462
Loan stock valuation	-
Total valuation	**462**
Voting rights / % of equity share capital held	1.6%

Total equity held by funds managed by Calculus Capital Limited: 13.7 per cent

EVERY1MOBILE LIMITED

Every1Mobile provides digital communication solutions and online community management through a bespoke platform to multi-national corporates, international development agencies and non-profit organisations across Africa. The company has delivered programmes across South Africa, Kenya, Nigeria, Ghana, Cote d'Ivoire, Uganda, Sierra Leone, Zambia, and Rwanda. These initiatives help to achieve key development goals in areas such as sexual health, digital and financial literacy, business skills, family planning, gender and nutrition. During 2019, Every1Mobile doubled the size of its shopkeeper network, supporting informal vendors who service the bottom of the pyramid in Kenya and Nigeria. In 2019, Calculus VCT invested £0.2 million in loan notes as part of a larger fundraising. Currently this investment has not delivered the growth expected and the company, with Calculus support, is undertaking a strategic review to identify what is required to rectify this.

Latest Results	Unaudited 2019 £'000	Audited 2018 £'000
Year ended	**31 Dec**	**31 Dec**
Turnover	1,578	1,442
Pre-tax loss	1,049	987
Net assets	139	242
Valuation basis:		
Cost calibrated with multiples and discounted cash flow		

Investment Information	2020 £'000	2019 £'000
Total cost	400	200
Income recognised in year/period	16	-
Equity valuation	200	230
Loan stock valuation	200	-
Total valuation	**400**	**230**
Voting rights / % of equity share capital held	2.21%	3.5%

Total equity held by funds managed by Calculus Capital Limited: 38.7 per cent

RAINDOG FILMS LIMITED

Raindog Films was co-founded in 2012 by Oscar-winning actor Colin Firth and former Chairman and CEO of Sony Music UK and Chairman of the Brit Awards, Ged Doherty. Raindog Films has produced an award-winning slate of premium filmed entertainment and has established itself as a leading producer of important films. Recent projects include Official Secrets directed by Gavin Hood, starring Keira Knightley and Matt Smith, which opened to critical acclaim; Loving, directed by Jeff Nichols and starring Joel Edgerton and Ruth Negga for which she earned an Oscar nomination and Eye in the Sky, directed by Gavin Hood featuring Helen Mirren and Aaron Paul. Raindog has an extremely talented team with impeccable connections, providing the ability to attract the best talent to work on projects. The team has been bolstered by the addition of writer/producer and award-winning researcher Trish D Chetty who has joined Colin and Ged to implement the company's growth plans and commitment to identify new writing, directing and production talent.

In February 2020, Calculus invested £1.9 million (£396,000 from the Calculus VCT), which will be used to facilitate Raindog Films' ambitious plans to expand into TV drama, music content and documentaries.

Latest Results (group)	Audited 2019 £'000	Audited 2018 £'000
Year ended	**31 Dec**	**31 Dec**
Turnover	582	206
Pre-tax profit	880	18
Net assets	(505)	(1,385)
Valuation basis:		
Cost calibrated with discounted cash flow		

Investment Information	2020 £'000
Total cost	396
Income recognised in year/period	-
Equity valuation	396
Loan stock valuation	-
Total valuation	**396**
Voting rights / % of equity share capital held	4.6%

Total equity held by funds managed by Calculus Capital Limited: 22.0 per cent

QUAI ADMINISTRATION SERVICES

Quai provides platform technology combined with back office administration services for the high-volume personal savings industry. Quai's platform allows it to administer many thousands of individual savings plans at a fraction of the cost incurred by established insurance companies and wealth managers. Since initial investment, Quai's revenues have grown by nearly 300% (over 25% compound annual growth). Quai now has 11 customers live on its platform including PJ Milton, Punter Southall, Digital Moneybox and Tavistock Investments. Recurring revenues grew at 30% to £1.7 million. In Q1 2020 Quai applied to become FCA regulated. This will be an important milestone in the company's development, providing the opportunity to expand the range of services, increase margins and reduce reliance on third parties. The application process is expected to take a number of months. Together with the onboarding of new customers and the establishment of its own IT development team, this is expected to move the company towards a profitability in 2020.

Latest Results (group)	2019 £'000 Unaudited	2018 £'000 Audited
Year ended	**31 Oct**	**31 Oct**
Turnover	1,801	1,736
Pre-tax loss	848	1,010
Net assets	(722)	(533)
Valuation basis:		
Price of recent investment calibrated with multiples and discounted cash flow		

Investment Information	2020 £'000	2019 £'000
Total cost	370	220
Income recognised in year/period	-	-
Equity valuation	220	220
Loan stock valuation	150	-
Total valuation	**370**	**220**
Voting rights / % of equity share capital held	2.4%	2.4%

Total equity held by funds managed by Calculus Capital Limited: 50.8 per cent

IPV LIMITED

IPV's proprietary software enables companies to access, store, modify, tag and transfer video content quickly and efficiently, significantly improving internal processes and creating more routes to market. IPV's products are designed to create a "Content Factory" experience for the users, streamlining the creative editorial process and the delivery of content to multiple platforms. IPV has an established, blue chip customer base in the media and broadcast industry, including Turner, Sony Entertainment, the Oscars (AMPAS) and Sky. An increasing number of non-broadcast companies are having to manage large quantities of video material. From major brands' online marketing content to law court proceedings and large retailers' promotional materials; the need for content management is moving beyond traditional broadcasting companies. This is significantly increasing IPV's addressable market. In November 2019, IPV raised £4.2 million of new equity finance, including £1 million from the Calculus EIS funds. The valuation achieved (approximately £7 million pre-money) was a 13% uplift on the price at which the Calculus VCT previously invested.

Latest Results (group)	2019 £'000 Unaudited	2018 £'000 Audited
Year ended	**31 Dec**	**31 Dec**
Turnover	2,716	2,254
EBITDA	(847)	(1,285)
Net assets	1,601	91
Valuation basis:		
Cost calibrated with multiples and discounted cash flow		

Investment Information	2020 £'000
Total cost	340
Income recognised in year/period	23
Equity valuation	45
Loan stock valuation	300
Total valuation	**345**
Voting rights / % of equity share capital held	0.5%

Total equity held by funds managed by Calculus Capital Limited: 34.4 per cent

MONEY DASHBOARD LIMITED

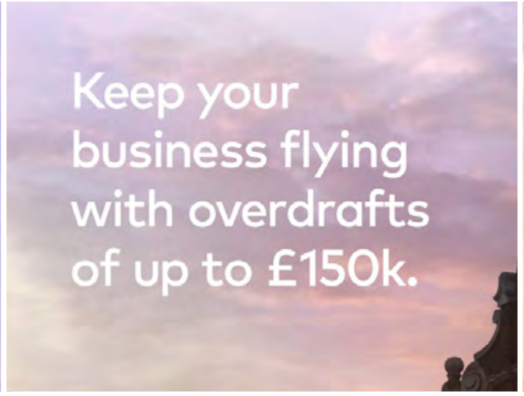
(FORMERLY THE ONE PLACE CAPITAL)

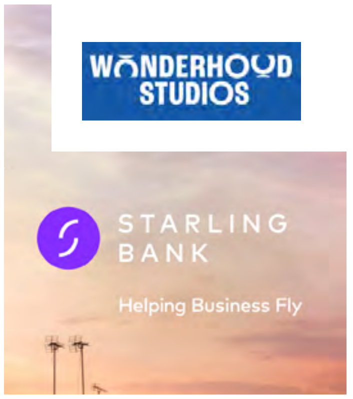
Money Dashboard offers its users a view of their finances (from bank accounts, credit cards, store cards, etc.) in one secure place. The company's proprietary transaction tagging technology analyses the user's spending into categories, providing an automatically updating, consolidated view of their financial lives. With Open Banking finally becoming a reality, it is an exciting time for pioneers such as Money Dashboard as they seek to take full advantage of the many opportunities offered. During 2019 Money Dashboard won a number of awards including FinTech of the Year and Best FinTech Collaboration at the Scottish Financial Technology Awards; and Best use of Data Science for Good and Best Innovation for Savings Journey at the DATA Open Banking Awards. In August 2019, the Company raised £4.6 million of new equity capital, primarily from new investors. The additional funds are being used to support additional recruitment, as well as to further develop the company's technological offering, helping cement the company's market leading position. This investment was made at a 20 per cent premium to previous rounds.

Latest Audited Results (group)	2019 £'000	2018 £'000
Year ended	**30 Apr**	**30 Apr**
Turnover	966	549
Pre-tax loss	981	1,168
Net assets	(180)	725
Valuation basis:		
Price of recent investment calibrated with discounted cash flow		

Investment Information	2020 £'000	2019 £'000
Total cost	277	277
Income recognised in year/period	-	-
Equity valuation	332	277
Loan stock valuation	-	-
Total valuation	**332**	**277**
Voting rights / % of equity share capital held	1.29%	2.2%

Total equity held by funds managed by Calculus Capital Limited: 24.9 per cent





WONDERHOOD LIMITED

Wonderhood is introducing a new hybrid model as a TV programme maker and advertising agency, supported by a third capability which provides data-led insights into audience behaviour. Wonderhood has an impressive team with a strong track record, assembled by former Channel 4 CEO David Abraham and senior partners from the advertising and television sectors. This year, Wonderhood's TV production studio has won multiple broadcast commissions: a BBC2 documentary featuring Heston Blumenthal, which was broadcast in December; a social media biography of Donald Trump for BBC3; a cutting-edge medical sciences series for Channel 4; and a documentary series with Jeremy Spake for BBC1. Meanwhile, the company's advertising studio has won a number of competitive pitches, including to produce a campaign for Starling, the mobile challenger bank and for Mizkan owner of the Branston, Sarsons and other former Crosse and Blackwell brands. Wonderhood is uniquely positioned to combine its skills to develop, produce and distribute high quality long-form content that can reach audiences in new ways at a time when audience habits are changing radically. In December 2019, Calculus invested £850,000 (£275,000 from the Calculus VCT), as part of a £1.2 million fundraise, which will enable the company to explore new genres such as drama and develop new productions.

Latest Unaudited Results (group)	**2019 £'000**
Year ended	**31 Mar**
Turnover	253
Pre-tax loss	1,661
Net assets	1,.349
Valuation basis:	
Cost calibrated with multiples and discounted cash flow	

Investment Information	**2020 £'000**
Total cost	275
Income recognised in year/ period	-
Equity valuation	275
Loan stock valuation	-
Total valuation	**275**
Voting rights / % of equity share capital held	1.4%

Total equity held by funds managed by Calculus Capital Limited: 4.20 per cent

Simon Hill, Founder & CEO
Wazoku

Business Review

Company activities and status

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

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

Company business model

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

Investment policy

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

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

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

Where investment opportunities arise in one asset class which conflict with assets held or opportunities in another asset class, the Board will make the investment decision. Under its Articles, the Company has the ability to borrow a maximum amount equal to 25 per cent of the aggregate amount paid on all shares issued by the Company (together with any share premium thereon). The Board will consider borrowing if it is in the shareholders' interests to do so.

Long term viability

Significant ramifications to the global economy are being posed by the COVID-19 pandemic. The Directors have assessed the Company's vulnerability to the initial impact and concluded that COVID-19 is not expected to have any significant long term impact on the viability of the Company. The board came to this conclusion because a significant portion of the Company's assets are held in cash thus diluting the impact of the valuation movements on the NAV. Furthermore, some portfolio companies in the life science sector are benefiting from creating products to aid the fight against COVID-19 thus providing some upside for the portfolio.

In assessing the long-term viability of the Company, the Directors have had regard to the guidance issued by the Financial Reporting Council. The Directors have assessed the prospects of the Company for a period of five years, which was selected because this is the minimum holding period for VCT shares. The Board's strategic review considers the Company's income and expenses, dividend policy, liquid investments and ability to make realisations of qualifying investments. These projections are subject to sensitivity analysis which involves flexing a number of the main assumptions underlying the forecast both individually and in unison. Where appropriate, this analysis is carried out to evaluate the potential impact of the Company's principal risks actually occurring. Based on the results of this analysis, the Directors have a reasonable expectation that the Company will be able to

continue in operation and meet its liabilities as they fall due over the five-year period of their assessment. The principal assumptions used are as follows: i) Calculus Capital Limited pays any expenses in excess of 3.0 per cent of NAV as set out on page 40 of the Accounts; ii) the level of dividends paid are at the discretion of the Board; iii) the Company's liquid investments which include cash, money market instruments and quoted shares can be realised as permitted by the Company's investment policy; iv) the illiquid nature of the qualifying portfolio. Based on the results of this analysis, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due.

In making this statement the Board carried out a robust assessment of the emerging and principal risks facing the Company including those that might threaten its business model, future performance, solvency or liquidity. The procedures in place to identify emerging risks and explain how they are being managed or mitigated are set out on page 30.

Alternative investments funds directive (AIFMD)

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

Risk diversification

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

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

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

VCT regulation

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

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

Key strategic issues considered during the year

Performance

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

- Total return per share
- Net asset value per share
- Dividends

The financial highlights of the Company can be found after the contents page 5 of the Report and Accounts.

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

There are no KPIs related to environmental and employee matters as these are not relevant to the Company which delegates operations to external providers.

Principal risks and uncertainties facing the Company and management of risk

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

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

Regulatory risk

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

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

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

Qualifying investments

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

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

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

Liquidity/ marketability risk

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

COVID-19

As mentioned earlier in the Chairman's Statement, the COVID-19 pandemic has led to significant ramifications on the global economy. The emerging risks which arise from the virus are the impact of the lockdown on sales, the investee companies' ability to fulfil orders and or/ effect installations, supply chain disruption, the falling oil price and the likely detrimental impact of the general economic downturn on the availability of capital and, consequently, the valuations likely to be achieved in funding rounds. These risks are mitigated through the Company's significant cash assets and in its substantial investments in the life sciences sector, which are benefiting in the current climate from creating products to aid the fight against COVID-19.

Employees, environmental, human rights and community issues

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

Diversity

At the year end, the Board of directors comprised one male director and three female Directors, so has a diverse board in relation to gender diversity. The board also considers other forms of diversity to be important and these factors will be considered as part of the recruitment process going forward. This is further set out in the Corporate Governance statement on pages 44 and 45 of the Report and Accounts.

Statement regarding annual report and accounts

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

Jan Ward
Chairman
27 May 2020

Section 172 Statement

Section 172 (1) of the Companies Act 2006 requires the Directors to explain how they have fulfilled their obligation to consider broader stakeholder interests when performing their duty to act in good faith for the benefit of all stakeholders. In doing this the Directors considered the following factors –

- Likely consequences of any decisions in the long term
- The interests of any employees
- The need to foster business relationships with suppliers, shareholders, and others
- The impact of the company's operations on the community and the environment
- Maintaining a reputation for high standards of business conduct
- Acting fairly as between all the members of the Company

Communication with Shareholders

The Board promotes and encourages communications with shareholders, primarily through interim and annual reports, and at annual general meetings ("AGMs"). The Board encourages shareholders to attend and vote at AGMs. Calculus Capital Limited as investment manager keeps shareholders up to date with investee company news stories and updates on any open offers are included on quarterly newsletters sent to investors. Investee company news stories and regulatory news is also available for shareholders to view on the Company's website. Calculus Capital also organises investor forums where shareholders have an opportunity to meet with management of portfolio companies.

Directors' decisions are intended to fulfil the Company's aims and objectives to achieve long-term returns for shareholders. In addition to providing the opportunity to benefit from investment in a diverse portfolio of unquoted growing companies, the Board aims to pay annual dividends equivalent to 4.5% of NAV. During the financial year, 3.4 pence dividends per share were paid to registered shareholders. As part of its policy to return funds to shareholders, the Company will continue to consider opportunities for buybacks. 78,279 shares were bought back for cancellation during the year.

Oversight of Professional Advisors

As is normal practice for VCTs, the Company delegates authority for the day to day management of the company to an experienced Investment Manager, The board ensures that it works very closely with Calculus Capital Limited to form strategy and objectives, and oversee execution of the business and related policies. The Board receives quarterly performance updates at board meetings from the Manager in addition to regular ad hoc updates and portfolio news. The Investment Manager is in attendance at every board meeting and the CEO of the Investment Manager is also a member of the Company's Board. The Board reviews other areas of operation over the course of the financial year including the Company's business strategy, key risks, internal controls, compliance and other governance matters. The Board reviews the Investment Manager's fee annually. The Board has also decided to initiate an annual strategy review event along with the Investment Manager going forward.

Oversight of Suppliers and Providers

The board reviews annually the agreements with service providers including the administrators, custodian and depositary of the Company, to ensure value for money, accuracy and compliance. In carrying out its activities and in its relationships with suppliers, the Company aims to conduct itself responsibly, ethically and fairly.

Working with Portfolio Companies

The board, through its investment policy and objectives, as detailed in page 28 of the Annual Report incorporates considerations for ensuring alignment with the objectives agreed with the Investment Manager and portfolio companies. Calculus Capital Limited as Investment Manager is the main point of contact for investee companies and the Board ensures it receives updates on the entire portfolio quarterly. There have been 12 additions in the financial year and 5 disposals. Further support was provided to some portfolio companies through follow on investments. The investment manager offers investee companies both financial support and practical help by offering specialist skills and contacts to help portfolio companies achieve their long term objectives.

Supporting the Environment and the Community

The purpose of the regulations related to VCTs is to generate support and investment for small growth companies. Government endorsement of the sector is aimed at creating economic growth through innovation, entrepreneurship and employment. This benefits the economy and wellbeing of the community. The Investment Manager incorporates consideration of social, environmental and governance issues in making investment decisions, Investments in life sciences companies such as

Genedrive, Mologic and Scancell, for example, all have core missions to help society overcome disease. Portfolio company Mologic is currently developing a fast diagnostic device for COVID-19, and Scancell has announced plans to use its technology to develop a vaccine. A further portfolio company Weedingtech offers an environmentally friendly approach to safely treating weed and moss in public areas. Every1Mobile, a digital communications platform is focussed on assisting with implementation of development programmes aimed at enhancing health and financial outcomes of communities in Africa.

The Board takes into consideration the potential long term effect of their decisions on all its associated stakeholders. The effects on members, the long term success of the company, compliance with regulations, adherence with the AIC code and the reputation of the Company are all taken into consideration.

Board of Directors

Jan Ward

(Chairman) *

Jan has been a mechanical engineer for over 30 years in metals, manufacturing, and distribution. She has worked at board level for specialty metals producers and distributors and has lived and worked in the US, Europe and the Middle East. Jan is the Founder of Corrotherm International Ltd, a company specializing in high alloy metals for use in oil, gas, petrochemical power and desalination industries, she grew the company from a one-woman company to an entity now with offices in 10 countries.

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

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

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

Kate Cornish-Bowden

(Audit Committee Chairman)*

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

Kate is an experienced equity portfolio manager having managed funds on behalf of both retail investors and pension clients. Kate worked for Morgan Stanley Investment Management for 12 years between 1992 and 2004, where she was Managing Director and head of Morgan Stanley Investment Management's Global Core Equity team. Prior to joining Morgan Stanley, Kate spent two years as a research analyst at M&G Investment Management.

She holds a Masters in Business Administration (MBA), has completed the Financial Times Non-Executive Director Diploma, has passed her IIMR exams and is an Associate of the Institute.

John Glencross

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

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

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

Claire Olsen *

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

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

*independent of the Investment Manager

The Investment Manager

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

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

John Glencross
Chief Executive of Calculus Capital Limited

Details for John Glencross can be found on page 35.

Susan McDonald,
Chairman of Calculus Capital Limited

Susan also chairs Calculus Capital's Investment Committee which approves all new investment and disposals Susan has over 29 years of financial services experience and has personally directed investment to over 80 companies in the last 18 years covering a diverse range of sectors. She has regularly served as board member of the firm's private equity- backed companies. Before co-founding Calculus Capital, Susan was Director and Head of Asian Equity Sales at Banco Santander. Prior to this, she gained over 12 years' experience in company analysis, flotations and private placements with Jardine Fleming in Hong Kong, Robert Fleming (London) and Peregrine Securities (UK) Limited. Susan has an MBA from the University of Arizona and a BSc from the University of Florida. Before entering the financial services industry, Susan worked for Conoco National Gas Products Division and with Abbott Laboratories Diagnostics Division.

Natalie Evans
Finance Director and Company Secretary

Natalie has over 10 years' experience working in private equity both in the fund operations and finance roles. Natalie is responsible for finance and operations at Calculus Capital. Until recently Natalie was Head of Fund Administration and she still overseas all areas of VCT fund administration, operations and reporting. Natalie also carries out the company secretarial work for the Company. Natalie is a chartered management accountant and holds a first class Bachelor of Law degree. Prior to this Natalie graduated with a Masters of Modern Languages from the University of Manchester.

Richard Moore
Co-Head of Investments

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

Alexander Crawford

Co-Head of Investments

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

Alexandra Lindsay

Investment Director

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

Dominic Harris

Portfolio Management Director

Dominic joined Calculus Capital in 2019. Prior to this he was an Investment Director at Valtegra, a mid-market, private equity firm. He has over 20 years investment experience, including as an investment banker in both M&A execution and coverage across the industrials, transport, shipping and services sectors. He previously worked at HSBC, Nomura, KPMG, Citigroup and BDO LLP. Dominic has a Masters in Finance from London Business School, an MBA from SDA Bocconi Business School, Milan and a BA(Hons) in economics from the University of Manchester. He is also a Chartered Accountant having qualified with BDO LLP.

Directors' Report

The Directors present their Annual Report and Accounts for the year ended 29 February 2020.

Directors	
Jan Ward	Appointed 1 March 2019
Kate Cornish-Bowden	Appointed 10 February 2011
John Glencross	Appointed 10 February 2010
Claire Olsen	Appointed 3 January 2019

The Board is responsible for efficient and effective leadership of the Company. There is a formal schedule of matters reserved for the decision of the Board which has been set out on page 44 of the Report and Accounts. The board meets at least four times a year and comprises four directors, three of which are independent to the investment manager.

The audit committee reports to the board on matters relating to the audit and the annual report of the company. Key areas for which the audit committee is responsible has been set out on page 50 of the Report and Accounts, The audit committee meets at least twice a year and comprises all three independent non-executive directors. In the year to 29 February 2020, all formal board and audit committee meetings were attended by all directors.

Biographical notes of the Directors are given on page 34.

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

Claire Olsen and Jan Ward were both elected at the last Annual General Meeting. All Directors will stand for re-election at the upcoming Annual General Meeting.

Although Kate Cornish-Bowden will also be standing for re-election at the upcoming Annual General Meeting. she will step down during the financial year as soon as her successor has been identified.

The board is implementing a policy in which the Company will employ an independent third party to lead the recruitment process. Formal performance evaluation of the Directors and the Board has been carried out and the Board considers that all of the Directors contribute effectively and have the skills and experience relevant to the future leadership and direction of the Company. Further details of this process can be found on page 45 of the Report and Accounts.

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

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

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

The Company has made no donations to any political parties.

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

Dividends

Details of the dividend recommended by the Board are set out in the Strategic Report on page 6 of the Accounts.

Directors' fees

A report on directors' remuneration is set out on pages 52 to 55 of the Accounts.

Directors' and officers' liability insurance

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

Share capital

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

Total shares in issue – 1 March 2019	**18,422,373**
Issue of new ordinary shares – 5 April 2019	**2,069,945**
Issue of new ordinary shares – 26 June 2019	**349,967**
Share buyback – 30 July 2019	**(78,279)**
Issue of new ordinary shares – 6 September 2019	**1,334,399**
Issue of new ordinary shares – 11 December 2019	**2,764,563**
Total shares in issue – 29 February 2020	**24,862,968**

Since the year end a further 2,342,066 new Ordinary shares have been issued pursuant to an offer for subscription.

Substantial Shareholdings

As at 29 February 2020, there were no notifiable interests in the voting rights of the Company.

Management

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

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

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

For the year to 29 February 2020, Calculus Capital Limited charged £264,358 in management fees, £18,000 in company secretarial fees, and did not contribute to the expenses (2019: charged £197,314 in management fees, £18,000 in company secretarial fees and did not contribute to the expenses cap).

Performance Fees

Pursuant to a performance incentive agreement dated 26 October 2015, Calculus Capital Limited is entitled to a performance incentive fee equal to 20 per cent of Ordinary shareholder (formerly D shareholder) dividends and distributions paid in excess of 105 pence. The board have assessed the likelihood of a performance fee being paid as remote and have thus not made a provision for it in these accounts. In making this assessment the board have taken into account the current performance of the Company, including dividends paid out and the current net asset value attributable to Ordinary shareholders.

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

Pursuant to a legacy performance incentive agreement between the Company, Calculus Capital Limited and Investec Structured Products dated 2 March 2010, Investec Structured Products and Calculus Capital Limited were each to receive a performance incentive fee payable of an amount equal to 10 per cent of dividends and distributions paid to old ordinary shareholders following the payment of such dividends and distributions provided that such shareholders have received in aggregate distributions of at least 105p per ordinary share (including the relevant distribution being offered). The board assess the likelihood of this hurdle ever being met in the long term as a remote probability, and consequently have not recognised a liability or contingent liability in these financial statements.

A legacy performance incentive agreement between the Company, Calculus Capital Limited and Investec Structured Products dated 7 January 2011 was entered into with reference to the C share class. As one of the performance hurdles has not been met, no incentive fee will ever be paid under this agreement, hence no performance fee has been accrued.

Continuing Appointment of the Investment Manager

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

Financial Risk Management

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

Going Concern

In assessing the going concern basis of accounting, the Directors have had regard to the guidance issued by the Financial Reporting Council and also the impact caused by COVID-19. As disclosed on page 28 under long term viability, it was concluded that COVID-19 is not expected to have a significant impact in the long term. After making enquiries, and having reviewed the portfolio, balance sheet and projected income and expenditure for a period of twelve months from the date these financial statements were approved, the Directors have a reasonable expectation that the Company has adequate resources to continue in operation for at least the next twelve months. The Directors have therefore adopted the going concern basis in preparing the Financial Statements.

Global Greenhouse Gas Emissions

The Company has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emission-producing sources under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013. Under the investment manager's ESG policy, the environmental impact of an investee company is considered at the point of investment.

Annual General Meeting

A formal Notice convening the Annual General Meeting of the Company to be held on 3 July 2020 can be found on pages 87 to 89. As mentioned earlier, in light of the COVID-19 pandemic and the regulations on social distancing the Board is considering contingency plans for the 2020 AGM taking into account the evolving nature of the regulations and announcements from the Financial Reporting Council and the Financial Conduct Authority.

The resolutions are as follows:

- To receive the Report and Accounts for the year ended 29 February 2020 (Resolution 1).
- To approve the Directors' Remuneration Report (Resolution 2).
- To approve the Directors' Remuneration Policy (Resolution 3).
- To approve the payment of a final dividend of 3.2 pence per Ordinary Share (Resolution 4).
- To re-elect John Glencross as a director of the Company (Resolution 5).
- To re-elect Kate Cornish-Bowden as a director of the Company (Resolution 6).
- To re-elect Jan Ward as a director of the Company (Resolution 7).
- To re-elect Claire Olsen as a director of the Company (Resolution 8).
- To re-appoint BDO LLP as auditors (Resolution 9).
- To authorise the directors to fix the auditors' remuneration (Resolution 10).
- To grant the directors the power to allot Ordinary shares (Resolution 11).
- To disapply pre-emption rights (Resolution 12).
- To give the directors authority to purchase shares (Resolution 13).
- To authorise the Company to hold general meetings on 14 clear days' notice (Resolution 14).
- To cancel the share premium account and the capital redemption reserve (Resolution 15).

Resolutions 1 to 11 will be proposed as ordinary resolutions and resolutions 12 to 15 will be proposed as special resolutions. Further explanation of the special resolutions is given below.

Resolution 12 will sanction in a limited manner the disapplication of pre-emption rights in respect of the allotment of equity securities for cash pursuant to the authority conferred by resolution 11. This authority will be effective until the conclusion of the next Annual General Meeting (expected to be in July 2021).

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

Resolution 13 seeks authority from the Shareholders for the Company to be authorised to do so when considered appropriate by the directors.

It is proposed by Special Resolution 13 that the directors be given authority to make market purchases of the Company's own shares. Under this authority the directors may purchase shares with an aggregate nominal amount up to but not exceeding 10 per cent of the Company's issued Ordinary share capital. When buying shares, the directors cannot pay a price per share which is more than 105 per cent of the middle market prices shown in the quotations for an Ordinary share in the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which the Ordinary share is to be purchased. This authority will be effective until the conclusion of the next Annual General Meeting (expected to be in July 2021).

The board believe it is beneficial for the Company to have the flexibility to call general meetings, other than annual general meetings, at 14 clear days' notice. The minimum notice period for annual general meetings will remain at 21 clear days. Resolution 14 will reduce the necessary notice period. The authority will be effective until the conclusion of the next Annual General Meeting (expected to be in July 2021).

Resolution 15 seeks to cancel the share premium account and capital redemption reserve. If passed, this resolution will then allow, subject to Court approval, the reserve created by the cancellation to be treated as a realised profit. Shareholders' approval for a reduction of share capital of the Company, including its share premium, is necessitated by section 641 of CA 2006.

Developments since the year end

Other than as mentioned above on page 6, there have been no other developments since the year end.

Statement of disclosure to the auditor

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

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

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

By order of the Board,
Calculus Capital Limited Company Secretary
27 May 2020

Corporate Governance

The Board is accountable to shareholders for the governance of the Company's affairs and is committed to maintaining high standards of corporate governance and to the principles of good governance as set out in the AIC Code of Corporate Governance (2019) (the "Code") issued by the AIC and endorsed by the Financial Reporting Council ("FRC"), a copy of which can be found at www.theaic.co.uk.

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

- The Company does not have a separate policy on the tenure of the chair. The re-election of all directors is sought annually at Annual General Meetings of the Company.
- In light of the responsibilities retained by the Board and its committees and the responsibilities delegated to the Investment Managers, the Administrator, the Registrars and legal advisers, the Company has not appointed a chief executive officer, deputy chairman or a senior independent director as recommended by the AIC code.
- Given the structure of the Company and the Board, the Board does not believe it necessary to appoint separate remuneration or nomination committees, and the roles and responsibilities normally reserved for these committees will be a matter for the full Board.
- The Company does not have an internal audit function as all of the Company's management functions are performed by third parties whose internal controls are reviewed by the Board. However, the need for an internal audit function will be reviewed annually.

The Board

The Board comprises four non-executive Directors, details of each can be found on page 34 of the Annual Report. The Board seeks to ensure that it has the appropriate balance of skills and experience, and considers that, collectively, it has substantial experience of investment management, venture capital investment and public company management. The Company has no employees. All Directors have sufficient time to commit to the business of the company.

None of the Directors has a service contract, but letters of appointment setting out the terms of their appointment are in place. Directors are not entitled to any compensation for loss of office. Copies of the letters of appointment are available on request from the Secretary.

Directors are appointed with the expectation that they will serve for a period of at least three years and all Directors will retire at the first Annual General Meeting after election and will be subject to annual re-election thereafter in line with recommendations in the AIC Code of Corporate Governance (2019). The Board will consider the Code's recommendation to re-evaluate independence when a Director has served for nine years, as has been the case with Kate Cornish-Bowden, as disclosed below. The Board considers succession planning in its annual evaluation.

A procedure for the induction of new Directors has been established, including the opportunity of meeting with the relevant executive members and other principal personnel of the investment management company, and other service providers.

The Directors may, in the furtherance of their duties as Directors, seek independent professional advice at the expense of the Company. The Company maintains Directors' and Officers' Liability Insurance.

The Board considers diversity when reviewing Board composition and has made a commitment to consider diversity when making future appointments.

Board Operation

Board meetings are held at least quarterly and additional ad hoc meetings are arranged as necessary.

The Board is responsible for efficient and effective leadership of the Company. There is a formal schedule of matters reserved for the decision of the Board, which include:

- approval of annual and half-yearly reports, circulars and other shareholder communications;
- the payment of dividends;
- the allotment of shares;
- appointment and removal of Board members and officers of the Company;
- the appointment of third party service providers, including the Investment Manager; and
- The Company's strategy and culture including changes to the Company's objectives, investment policy and accounting policies.

Having served nine years with the Company, Michael O'Higgins stepped down from the board at the Annual General Meeting on 4 July 2019. Jan Ward was appointed Chairman immediately following the conclusion of the AGM.

Directors' attendance at formal meetings during the year was as follows:

	Scheduled Board Meetings		Audit Committee Meetings	
Director	**Number entitled to attend**	**Number attended**	**Number entitled to attend**	**Number attended**
Michael O'Higgins	2	2	1	1
Kate Cornish-Bowden	4	4	2	2
John Glencross	4	4	n/a	n/a
Claire Olsen	4	4	2	2
Jan Ward	4	4	2	2

In accordance with the 2019 AIC Code, each year a formal performance evaluation is undertaken of the Board as a whole and its Committees. The Chairman evaluates the Directors individually more informally throughout the year. The Board considers the evaluation procedure to be robust and as such does not deem the use of an external Board evaluation to be necessary.

The appraisal process was conducted by the Chairman by way of an evaluation questionnaire encompassing both quantitative and qualitative measures of performance. A senior independent director has not been appointed but Kate Cornish-Bowden carries out the evaluation of the Chairman, also taking into account qualitative and quantitative measures. As a result of the evaluation, the Board considers that all the current Directors contribute effectively and have the skills and experience relevant to the leadership and direction of the Company. This process will be carried out annually.

Independence of Directors

The Board has reviewed the independence of each Director and considers that three Directors are fully independent of the Investment Manager.

John Glencross is Chief Executive and a director of Calculus Capital Limited and is accordingly not deemed to be independent.

Kate Cornish-Bowden has served the Company nine years and, in accordance with best practice has expressed her intention to step down from the board. An independent third party has been leading the recruitment process for a successor; however this has been delayed due to the difficulties COVID-19 poses on the interview process. The board remains confident of Kate's independent judgement and will propose her re-election at the forthcoming AGM until a successor can be identified.

Jan Ward is Chairman of Antech Limited, in which the Company is invested. This is not perceived to represent a conflict with Ms Ward's position as a Director of the Company. The Board accordingly determined that she is independent.

Claire Olsen was employed as a temporary maternity cover for Calculus Capital during 2018. As her employment with Calculus Capital terminated in 2018, prior to her appointment to the Board, the Board accordingly determined that she is independent.

Nomination and Remuneration Committees

The Board has not established a nomination committee, or a remuneration committee and these matters are dealt with by the Board as a whole. The Board keeps under review the composition and balance of skills, knowledge and experience of the Directors and will make recommendations to shareholders for the election or re-election of Directors at the Annual General Meeting. The Board also keeps the levels of remuneration of the Directors under review to ensure that they reflect time commitment and responsibilities of the role and are broadly in-line with industry standards. The Directors' salaries were reviewed and increased in the year to 29 February 2020, as disclosed on page 52 of the annual report. The resolution to approve the Directors' Remuneration Report was passed at the 2019 AGM by over 99 per cent of votes cast. Please refer to page 53 of the Annual Report for a comparison of total remuneration of Directors against dividends paid out in the year.

Recruitment

The Company does not have a specific diversity and inclusion policy; however it acknowledges that it is imperative for the Board to have the right balance of skills, knowledge and experience as well as gender, racial and other forms of diversity. As such, these factors are taken into account when making a new appointment, to ensure the diversity of the candidate pool is improved. Going forward, the Board has adopted a more formal and transparent recruitment process, with open advertising and utilising external search consultancies. It has also developed a standard framework ensuring both shortlists and interview panels are suitably diverse. Appointment of a new Director will be based on merit, skills, knowledge and relevant experience. The Board is fully supportive of the Hampton Alexander Report and strives to comply with the recommendations on diversity laid out in the AIC Code of Corporate Governance (2019).

Calculus VCT is an equal opportunity employer. We do not discriminate and take affirmative measures to ensure against discrimination in employment, recruitment, advertisements for employment, compensation, termination and other conditions of employment against any employee or candidate on the basis of race, colour, gender, national origin, age, religion, faith, disability, sexual orientation, gender identity or gender expression.

Conflicts of Interest

The Articles of Association permit the Board to consider and, if it sees fit, to authorise situations where a Director has an interest that conflicts, or may possibly conflict, with the interests of the Company. There is in place a formal system for the Board to consider authorising such conflicts, whereby the Directors who have no interest in the matter, decide whether to authorise the conflict and any conditions to be attached to such authorisations. Significant shareholdings are made public to allow the board to manage any conflicts so arising. As disclosed on page 40 of the Annual Report, on 29 February 2020 there were no significant shareholdings in the Company.

Audit Committee

An Audit Committee has been established and operates within clearly defined terms of reference, copies of which are available from the Secretary. The Committee comprises solely the independent Directors and is chaired by Kate Cornish-Bowden. The Audit Committee members are considered to have sufficient recent and relevant financial experience. The non-independent Director is also invited to attend the Audit Committee meetings as he is intimately involved in the Company's affairs and has specific knowledge of the investments made by Calculus Capital on the Company's behalf.

The Audit Committee meets at least twice a year, with representatives of Calculus Capital invited to attend. The Audit Committee provides a forum through which the external Auditor reports to the Board. The Auditor attends the Audit Committee at least once a year, for consideration of the annual report and accounts.

The principal responsibilities of the Audit Committee include monitoring the integrity of the accounts of the Company and reviewing the Company's internal control and risk management systems. The Audit Committee also monitors the independence and objectivity of the external Auditor, reviews the scope and process of the audit undertaken by the external Auditor, and reviews the provision of non-audit services by the external Auditor.

The Audit Committee reviews the need for non-audit services and authorises such on a case-by-case basis, having consideration to the cost-effectiveness of the services and the independence and objectivity of the Auditor.

The Audit Committee Report can be found on page 50 of the Annual Report.

Board Relationship with the Investment Manager

As disclosed above, there is a formal schedule of matters reserved for the decision of the Board. At each Board meeting the Directors follow a formal agenda with a comprehensive set of papers giving detailed information on the Company's transactions, financial position and performance. Representatives of Calculus Capital attend each Board meeting, and written reports about investments, performance and outlook are obtained from the Investment Manager for each meeting. In light of the information at its disposal, the Board gives direction to the Investment Manager with regard to investment objectives and guidelines. Within these guidelines, the Investment Manager takes decisions as to the purchase and sale of individual investments within their respective mandates. The Investment Manager also maintains ongoing communication with the Board between formal meetings.

In addition, as outlined in the AIC Code of Corporate Governance (2019), the Board continues to review the Company's culture and values to ensure they are fully aligned with the Company's strategy and the principles of our Directors, together with the objectives and guidelines that we set the Investment Manager. The 2019 AIC Code is available on the AIC website (www.theaic.co.uk), where it includes explanations of how the 2019 AIC Code adapts these Principles and Provisions set out in the UK Code to make them relevant for investment companies.

The Board has also decided to initiate an annual strategy review event along with the Investment Manager going forward.

As disclosed on page 47 of the Annual Report, the Board reviews the performance of the Investment Manager annually.

Stewardship Responsibilities and use of Voting Rights

The Board has reviewed and discussed the UK Stewardship Code with the Investment Manager. It has determined that the Stewardship Code does apply to the Company's Venture Capital Investments, which are managed by Calculus Capital. The Company has therefore delegated responsibility for exercising the Company's responsibilities under the Stewardship Code, including voting on its behalf at investee company meetings, to Calculus Capital.

Calculus Capital has published a Disclosure Statement setting out its compliance with the Stewardship Code, together with explanations for any areas of non-compliance, a copy of which can be found on its website. Calculus Capital has a policy of voting all shares held in an investee company at all meetings, and will normally be supportive of the management teams, but will vote against resolutions if it is believed that the proposals are not in the best interests of investors.

The Company Secretary

The Board has direct access to the advice and services of the Company Secretary, Calculus Capital Limited, which is responsible for ensuring that Board and Committee procedures are followed and that applicable regulations are complied with. The Secretary is also responsible to the Board for ensuring timely delivery of information and reports and that statutory obligations of the Company are met. The Board reviews the performance of the Secretary on an annual basis.

Risk and Internal Controls

The Directors are responsible for the internal control systems of the Company and the reliability of the financial reporting process and for reviewing their effectiveness. An ongoing process, in accordance with the guidance supplied by the FRC on internal controls, has been established for identifying, evaluating and managing the risks faced by the Company. The key risks which the board has identified have been set out in the Strategic Report in the Report and Accounts for the year to 29 February 2020.This process, together with key procedures established with a view to providing effective financial control, was in place throughout the year and up to the date of the signing of this report. The internal control systems are designed to ensure that proper accounting records are maintained, that the financial information on which business decisions are made and which are issued for publication is reliable and that the assets of the Company are safeguarded. The risk management process and systems of internal control are designed to manage rather than eliminate risk, and such systems can provide only reasonable rather than absolute assurance against material misstatement or loss.

The impact of COVID-19 has been considered by the Board in relation to the Company's long-term viability as disclosed on page 28 of the Annual Report. A detailed explanation of how this emerging risk has impacted individual portfolio companies has also been included on page 30 of the Annual Report.

The full impact of leaving the European Union is still unknown and presents its own risks to the Company. Although the assessment found that portfolio companies were not going to face a direct impact, they will undoubtedly all be affected by wider economic and political change.

The Board, through the Audit Committee, has identified risk management controls in the key areas of strategy and investment, laws and regulations, service providers and other business risks, which encompass the operational, financial and compliance risks faced by the Company. A risk matrix to identify existing and emerging risks has been produced against which the risks identified and the controls in place to mitigate those risks can be monitored. The risks are assessed on the basis of the likelihood of them happening, the impact on the business if they were to occur and the effectiveness of the controls in place. This risk register is reviewed at each meeting of the Audit Committee and at other times as necessary.

Most functions for the day-to-day management of the Company are sub-contracted, and the Directors therefore obtain regular assurances and information from key third party suppliers regarding the internal systems and controls operated in their organisations. In addition, each of the third parties is requested to provide a copy of its report on internal controls to the Board each year.

The Board reviews the performance of the Investment Manager, Administrator, Company Secretary, Custodian and Registrar on at least an annual basis. It has identified that the success of the Investment Manager is dependent on its key personnel and has therefore satisfied itself that the Investment Manager has an adequate succession plan in place. Formal board meetings are attended by various employees of the Investment Manager to ensure continuity were key personnel to change.

In accordance with the guidance issued to directors of listed companies, the Directors have carried out a review of the effectiveness of the various systems of internal controls as operated by the Company's main service providers during the year.

Shareholder Relations

The Annual General Meeting is an important forum for the Board to communicate with shareholders and the Board consequently encourages shareholders to attend and vote at the Annual General Meeting. This is in addition to regular investor forums hosted by the Manager, where shareholders have an opportunity to meet the management of some of the portfolio companies. The Manager also makes themselves available to meet or speak with shareholders individually on request and prides itself on providing regular communications to its shareholders. The Annual General Meeting will be attended by the Directors, including the Chairman and the Chairman of the Audit Committee, and representatives of Calculus Capital, who will be available to discuss issues affecting the Company. The notice of Annual General Meeting in the Report and Accounts for the year to 29 February 2020 sets out the business of the meeting.

In accordance with the Code, it is the Board's policy to engage with shareholders if a resolution were ever to receive more than 20 per cent of votes cast against.

Following the outbreak of COVID-19 and in accordance with guidelines and recommendations from both FRC and AIC, to ensure the health and safety of company shareholders, Calculus VCT will adjust the format of the 2020 Annual General Meeting to comply with social distancing rules. It is most likely that the AGM will take place virtually in the form of a webinar where shareholders will have the opportunity to ask the Board questions 'live'. More information will be shared regarding the format of the AGM on the Company's website https://www.calculuscapital.com/calculus-vct/. Shareholders will have the ability to vote by proxy and return proxy forms either electronically or in the post.

During these exceptional circumstances, it is recommended that shareholders write to the Company with any concerns or enquiries via the Company Secretary or via Calculus Capital's Investor Relations team info@calculuscapital.com.

The half-yearly and annual reports are designed to present a full and readily understandable review of the Company's activities and performance. Copies are available for download from Calculus Capital's website, www.calculuscapital.com/calculus-vct/. The net asset value of the Company is released quarterly to the London Stock Exchange.

Dr Lindy Durrant, Co-Founder & Chief Scientific Officer
Scancell

Audit Committee Report

The main responsibilities of the Audit Committee ("the Committee") which are detailed in the Terms of Reference and available on the Company's website include:-

- monitoring the integrity of the accounts of the Company.
- reviewing the Company's internal control and risk management systems.
- Ensuring that the annual report and accounts, taken as a whole, is fair, balanced and understandable, and provides information necessary for shareholders to assess the Company's position and performance, business model and strategy.
- Monitoring the independence and objectivity of the external Auditor, reviewing the scope and process of the audit undertaken by the external Auditor, and reviewing the provision of non-audit services by the external Auditor.
- Ensuring adherence to all relevant UK professional and regulatory requirements.

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

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

Activity during the year

As Grant Thornton has served as Auditor since the Company's inception, the committee agreed that the appointment of an alternative Auditor was appropriate in accordance with best practice and to ensure audit independence. Having conducted a tender process in March 2019, the committee met to consider and interview the shortlist of potential new auditors. The Committee selected BDO LLP to take over as auditor from this year. We would like to record our thanks to Grant Thornton.

In addition the Committee met twice during the financial year to consider the interim and annual accounts, review the principal risks faced and the internal control systems and to review the Audit Plan and fees of the external Auditor. The findings of the annual audit were discussed, and the committee is pleased to report that there was nothing material or unusual to report. The risks to which the Company is exposed are recorded in a risk register and include strategic, market, investment, operational and regulatory risks. The controls in place to mitigate these risks and the residual risk is reviewed at committee meetings, and the risk register updated as required at each meeting.

The Committee worked closely with the investment manager to ensure VCT qualifying status was maintained. At 29 February 2020, 87 per cent of the money required to be invested was invested in a diversified portfolio of Venture Capital Investments. Funds awaiting investment opportunities have been invested in liquid non-qualifying investments such as cash and money market funds.

Significant Issues

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

Valuations

During the year, the Committee considered the valuation of the venture capital portfolio. As the venture capital portfolio is primarily invested in unlisted securities, accurate valuation requires the skill, knowledge and judgement of Calculus Capital Limited, who applies industry (International Private Equity and Venture Capital Valuation guidelines) recognised methods of valuation. Valuations are arrived at following extensive discussions which take into account the current operating performance and environment of the investee companies, the capital structure and the respective financial position of each company, The valuations applied to portfolio companies vary from sector to sector. Where comparable listed companies are available, the methodology will include comparison with external valuation multiples. This information is combined with appropriate discounted cash flow calculations and in some cases will be calibrated with prices achieved at recent funding rounds. The Committee is confident that appropriate valuations have been applied to the unquoted holdings within the Company. Further details of the valuation methodologies applied can be seen on page 70. The Investment Manager and the Board consider that the investment valuations are consistent and appropriate.

Long term viability statement

In accordance with principle 21 of the AIC Code of Corporate Governance published by the AIC in February 2019, the Directors have assessed the prospects of the Company over the five year period to 28 February 2025. The length of time which the statement should cover was discussed and a period of five years was selected reflecting the Board's strategic time horizon. The assumptions underlying the forecasts including expenditure requirements, the level of investment realisations and expected investment income were considered. The committee also took into account the ability of the Company to raise finance and identify new investment opportunities. The principal risks facing the Company were also considered, including those that might impact the future performance, solvency, or liquidity of the Company. The Committee is confident that the Company will continue to operate and meet its liabilities over the five year period.

Financial Reporting Council letter

In January 2020, the Company received a letter from the Financial Reporting Council's (FRC) in respect of the annual report and accounts for the year ended 28 February 2019. The enquiry was principally in relation to the Company's treatment and disclosure of performance fees. The inquiry was closed in May 2020 and, although it did not result in any changes to the recognition or measurement of amounts included in the financial statements, the Company did undertake to make some improvements to the description of its fees arrangements in the directors' report. These improvements are reflected on pages 40 and 41 of the Annual Report.

Scope and limitations of the FRC's review

The Company recognises that the FRC's review was based on a review of its annual report and accounts for the year ended 28 February 2019 and did not benefit from detailed knowledge of the Company's business or an understanding of the underlying transactions entered into. The FRC's review provides no assurance that the Company's annual report and accounts are correct in all material respects; the FRC's role is not to verify the information provided but to consider compliance with reporting requirements. The FRC's letters are written on the basis that it (and its officers, employees and agents) accepts no liability for reliance on them by the Company or any third party, including but not limited to investors and shareholders.

Engagement of the auditor

The Committee reviewed the Audit Plan and fees presented by BDO LLP. BDO LLP has charged £29,000 for the audit fee (2019 Grant Thornton: £28,800). BDO LLP also carried out some permissible audit related services in the year. The Company also paid BDO £4,000 to review its interim accounts to 31 August 2019. As previously mentioned, the Company has received a query from the FRC relating to its report and accounts to 28 February 2019. Since the year end, the Company engaged and paid BDO LLP £6,005 to help with the Company's response. The fees incurred relate wholly to audit and permissible audit related services. In order to safeguard auditor independence and objectivity, BDO LLP performed no non-audit services during the year.

Auditor evaluation

BDO LLP have much experience in the VCT sector and the Board are satisfied that BDO LLP has carried out its duties as auditor in a diligent and professional manner

Kate Cornish-Bowden
Chairman of the Audit Committee
27 May 2020

Directors' Remuneration Report

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

The law requires the Company's Auditor, BDO LLP, to audit certain disclosures provided. Where disclosures have been audited, they are indicated as such the rest of the disclosures have been reviewed for consistency with the financial statements and the auditor's understanding of the Company. The Auditor's opinion is included in the "Independent Auditor's Report" on pages 58 to 64.

Statement from the Chairman

I am pleased to present the Directors' Remuneration Report for the year ended 29 February 2020.

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

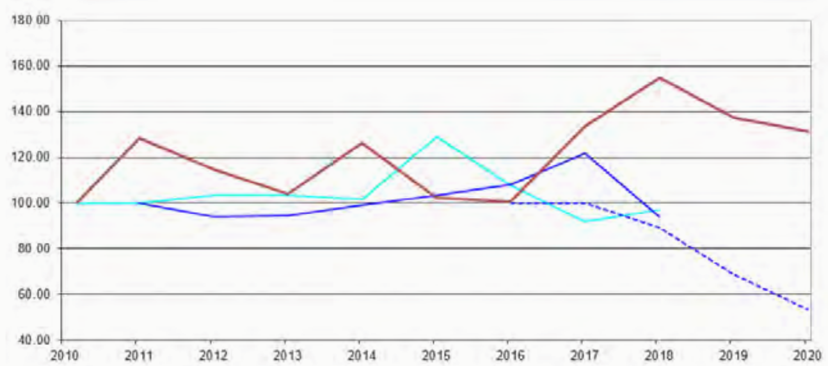
During the year ended 29 February 2020, the fees were set at the rate of £24,000 per annum for the Chairman, £20,000 for Chair of the Audit Committee and £18,000 per annum for other directors.

Company Performance

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

The total returns for the original Ordinary shares and C shares, being price plus cumulative dividends, are 95.8p and 93.0p respectively.

Shareholder Return Since Launch Compared to various FTSE Indices



Directors' Emoluments for the Year ended 29 February 2020 (audited)

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

Director	Year to 29 Feb 20 £'000	Year to 28 Feb 19 £'000
Jan Ward (appointed 1 March 2019)	22	-
Kate Cornish-Bowden	20	15
John Glencross	-	-
Claire Olsen (appointed on 3 January 2019)	18	2.5
Steve Meeks (resigned on 31 December 2018)	-	12.5
Diane Seymour-Williams (resigned on 28 February 2019)	-	15
Michael O'Higgins (resigned on 4 July 2019)	8	20
	68	65

Prior to 2019 the directors' salaries had not been increased since the Company was formed in 2010. Following a review of the competitor landscape, salaries were increased in 2019. Directors are compensated only for the period in which they serve.

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

Taxable benefits (audited)

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

Variable pay (audited)

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

Pensions benefits (audited)

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

Directors' Interests (audited)

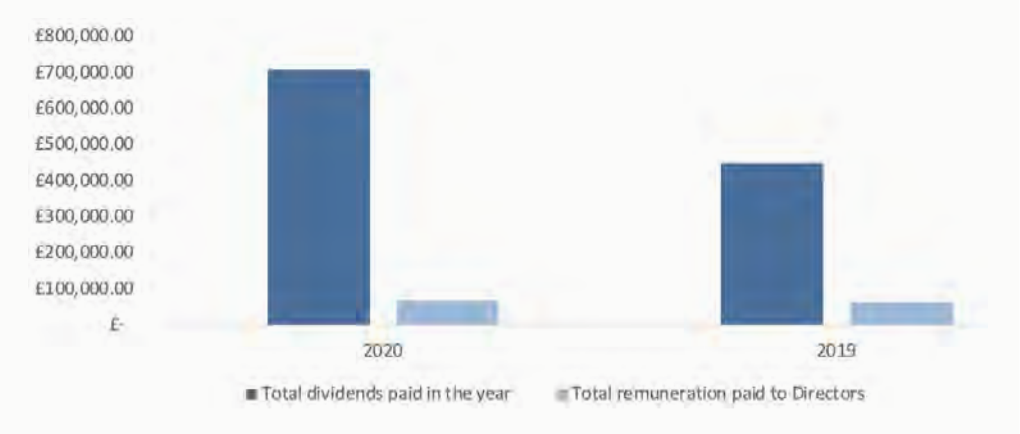
There is no requirement under the Company's Articles of Association for directors to hold shares in the Company. The interests of the Directors and any connected persons in shares of the Company are set out below:

Director	Number of Ordinary shares held at 29 February 2020	Number of Ordinary shares held at 28 February 2019
Jan Ward	-	-
Kate Cornish-Bowden	80,291	80,291
John Glencross	61,341	61,341
Claire Olsen	-	-
Michael O'Higgins	n/a	79,383
Steve Meeks	n/a	7,838
Diane Seymour-Williams	n/a	15,092

Relative Importance of Spend on Pay

	2020 £'000	2019 £'000	Change
Total dividends paid in the year	709	451	57.2%
Total remuneration paid to Directors	68	65	4.6%

Relative Importance of Spend on Pay



Voting

The Directors' Remuneration Report for the year ended 28 February 2019 was approved by shareholders at the Annual General Meeting held on 4 July 2019. The votes cast by proxy were as follows:

Directors' Remuneration Report	Number of Votes	% of Votes Cast
For	845,986	94.8
Against	6,895	0.8
At Chairman's discretion	36,667	4.1
Total votes cast	889,548	99.7
Number of votes withheld	3,089	0.3

Directors' Remuneration Policy

The Board's policy is that remuneration of non-executive directors should reflect the experience of the Board as a whole and is determined with reference to comparable organisations and appointments. The level of remuneration has been set in order to attract individuals of a calibre appropriate to the future development of the Company and to reflect the specific circumstances of the Company, the duties and responsibilities of the Directors and the value and amount of time committed to the Company's affairs. There are no performance conditions attaching to the remuneration of the Directors as the Board does not believe that this is appropriate for non-executive directors. The fees for the non-executive directors are discretionary, they are determined by the Board within the limit (not to exceed £100,000 per year in aggregate) set out in the Company's Articles of Association, and they are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits. The approval of shareholders would be required to increase the limits set out in the Articles of Association. The Directors have considered diversity and inclusion in relation to Board membership when recruiting new Board members and when considering investments. The current Board is 75% female and is made up of Directors from a diverse sector background. The Board aims to ensure its recruitment policy meets the highest standards in this regard and encourages applications for vacant posts from as wide range of applicants as possible.

	Expected Fees for Year to 28 February 2021 £	Fees for Year to 29 February 2020 £
Chairman basic fee	24,000	24,000
Audit Chair fee	20,000	20,000
Non-executive Director basic fee	18,000	18,000
Total aggregate annual fees that can be paid	100,000	100,000

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

In accordance with the regulations, an ordinary resolution to approve the Directors' remuneration policy will be put to shareholders at least once every three years and in any year if there is to be a change in the Directors' remuneration policy. The Director's remuneration policy was last approved by 99.9 per cent of votes cast at the Annual General Meeting in 2017. Accordingly, ordinary resolution 3 to approve the Directors' remuneration policy is being put to shareholders at the forthcoming Annual General Meeting.

Directors' Service Contracts

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

The terms of their appointment provide that directors shall retire and be subject to election at the first Annual General Meeting after their appointment. Directors are thereafter obliged to retire every year in accordance with AIC Code on Corporate Governance. Further details can be found in the Corporate Governance Statement on page 44. Directors who have served on the Board for more than nine years must offer themselves for re-election on an annual basis. The terms also provide that a director may be removed on not less than three months written notice. Compensation will not be made upon early termination of appointment.

Approval

The Directors' Remuneration Report was approved by the Board on 27 May 2020.

On behalf of the Board
Jan Ward Chairman
Chairman
27 May 2020

Directors' Responsibilities Statement

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

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

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

In preparing these Accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Accounts; and
- prepare the Accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.
- prepare a director's report, a strategic report and director's remuneration report which comply with the requirements of the Companies Act 2006.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

We confirm that to the best of our knowledge:

- the Accounts, prepared in accordance with UK accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the Annual Report including the Strategic Report includes a fair review of the development and performance of the business and the position of the Company together with a description of the principal risks and uncertainties that it faces.

On behalf of the Board
Jan Ward Chairman
Chairman
27 May 2020

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

Our opinion on the financial statements is unmodified

We have audited the financial statements of Calculus VCT plc (the 'Company') for the year ended 29 February 2020 which comprise the Income Statement, the Statement of Changes in Equity, Statement of Financial Position, the Statement of Cashflows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 29 February 2020 and of the Company's deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to principal risks, going concern and viability statement

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

- the Directors' confirmation in the annual report that they have carried out a robust assessment of the emerging and principal risks and the disclosures in the annual report that describe the principal risks and the procedures in place to identify emerging risks and explain how they are being managed or mitigated;
- the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and the Directors' identification of any material uncertainties to the Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- whether the Directors' statement relating to going concern required under the Listing Rules in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit; or

- the Directors' explanation in the annual report as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Key audit matters

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

Key Audit Matter	How the matter was addressed in the audit
Valuation of unquoted investments (Note 1 and Note 9) We consider the valuation of investments to be the most significant audit area as there is a high level of estimation uncertainty involved in determining the unquoted investment valuations. There is an inherent risk of management override arising from the unquoted investment valuations being prepared by the Investment Manager, who is remunerated based on the net asset value of the Company.	Our sample for the testing of unquoted investments was stratified according to risk considering, inter alia, the value of individual investments, the nature of the investment, the extent of the fair value movement and the subjectivity of the valuation technique. For all Investments in our sample we: • Challenged whether the valuation methodology was the most appropriate in the circumstances under the International Private Equity and Venture Capital Valuation ("IPEV") Guidelines and FRS 102 • Recalculated the value attributable to the Company, having regard to the application of enterprise value across the capital structures of the investee companies. For investments sampled that were valued using less subjective valuation techniques (cost and price of recent investment reviewed for changes in fair value) we: • Verified the cost or price of recent investment to supporting documentation • Considered whether the investment was an arm's length transaction through reviewing the parties involved in the transaction and considering whether or not they were already investors of the investee Company • Considered whether there were any indications that the cost or price of recent investment was no longer representative of fair value considering, inter alia, the current performance of the investee company and the milestones and assumptions set out in the investment proposal • Considered whether the price of recent investment is supported by alternative valuation techniques.

For investments sampled that were valued using more subjective techniques (earnings multiples, revenue multiples and discounted cash flow forecasts) we:

- Challenged and corroborated the inputs to the valuation with reference to management information of investee companies, market data and our own understanding and assessed the impact of the estimation uncertainty concerning these assumptions and the disclosure of these uncertainties in the financial statements
- Reviewed the historical financial statements and any recent management information available to support assumptions about maintainable revenues, earnings or cash flows used in the valuations
- Considered the revenue or earnings multiples applied and the discounts applied by reference to observable listed company market data
- Challenged the consistency and appropriateness of adjustments made to such market data in establishing the revenue or earnings multiple applied in arriving at the valuations adopted by considering the individual performance of investee companies against plan and relative to the peer group, the market and sector in which the investee company operates and other factors as appropriate.

Where appropriate, we performed a sensitivity analysis by developing our own point estimate where we considered that alternative input assumptions could reasonably have been applied and we considered the overall impact of such sensitivities on the portfolio of investments in determining whether the valuations as a whole are reasonable and free from bias.

We also considered the completeness and clarity of disclosures regarding the valuation of investments in the financial statements.

Key observations

Based on the procedures performed we consider the investment valuations to be within an appropriate range considering the level of estimation uncertainty.

We consider the investment disclosures to be materially complete and accurate.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. For planning, we consider materiality to be the magnitude by which misstatements, including omissions, could reasonably influence the economic decisions of users that are taken on the basis of the financial statements.

Importantly, misstatements below this level will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

The application of these key considerations gives rise to two levels of materiality, the quantum and purpose of which are tabulated below. In setting materiality, we had regard to the nature and disposition of the investment portfolio.

Materiality Measure	Purpose	Key considerations	2020 Quantum (£)
Financial Statement Materiality 2% value of investments	Assessing whether the financial statements as a whole present a true and fair view. We consider this to be the key measurement for shareholders.	• The level of judgement inherent in the valuation • The range of reasonable alternative valuation	286,000
Performance Materiality 70% of materiality	The maximum error in an assertion that we would be prepared to accept and still conclude that the result from an audit procedure has achieved our objective.	• Risk and control environment • History of prior errors	200,000

We have set a lower testing threshold for those items impacting revenue return of £50,000 which is based on 10% of gross expenditure.

We agreed with the Audit Committee that we would report to the committee all audit differences in excess of 2% of Financial Statement materiality, being £5,000, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit

Our audit approach was developed by obtaining an understanding of the Company’s activities and the overall control environment. Based on this understanding, we assessed those aspects of the Company’s transactions and balances which were most likely to give risk to a material misstatement.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of the valuation of investments which have a high level of estimation uncertainty involved in determining the unquoted investment valuations

Capability of the audit to detect irregularities, including fraud

We gained an understanding of the legal and regulatory framework applicable to the entity and the industry in which it operates and considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to the Companies Act 2006, the FCA Listing rules and DTR rules, the principles of the UK Corporate Governance Code, industry practice represented by the AIC SORP and FRS 102. We also considered the Company's qualification as a VCT under UK tax legislation as any breach of this would lead to the Company losing various deductions and exemptions from corporation tax.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

We focused on laws and regulations that could give rise to a material misstatement in the Company financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of the Investment Manager, Administrator and the Audit Committee;
- review of minutes of board meetings throughout the period;
- review of legal correspondence or invoice, and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

There are inherent limitations in an audit of financial statements and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. As in all of our audits we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

Other information

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

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

We have nothing to report in this regard.

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

- Fair, balanced and understandable – the statement given by the Directors that they consider the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or
- Audit committee reporting – the section describing the work of the audit committee does not appropriately address matters communicated by us to the audit committee; or
- Directors' statement of compliance with the UK Corporate Governance Code – the parts of the Directors' statement required under the Listing Rules relating to the Company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

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

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

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

- the information given in the strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Other matters which we are required to address

Following the recommendation of the Audit Committee and the Board of Directors, we were appointed by the members of the Company on 4 July 2019 to audit the financial statements for the year ending 29 February 2020 and subsequent financial periods. The period of total uninterrupted engagement is one year, covering the year ended 29 February 2020.

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

We provided the following permissible audit related services during the period:

- Agreed upon procedures in respect of the half-yearly financial statements
- Assistance with enquiry from the Conduct Committee of the Financial Reporting Council.

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

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Peter Smith (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
27 May 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Income Statement

for the year ended 29 February 2020

		Year Ended 29 February 2020			Year Ended 28 February 2019		
	Note	Revenue Return £'000	Capital Return £'000	Total £'000	Revenue Return £'000	Capital Return £'000	Total £'000
Losses on investment at fair value	9	**–**	**(329)**	**(329)**	–	(612)	(612)
Gains/losses on disposal of investments	9	**–**	**122**	**122**	–	(88)	(88)
Unrealised foreign exchange loss on disposal of investments		**–**	**(4)**	**(4)**	–	–	–
Income	3	**154**	**–**	**154**	91	–	91
Investment management fee	4	**(66)**	**(198)**	**(264)**	(49)	(148)	(197)
Other expenses	5	**(239)**	**–**	**(239)**	(221)	–	(221)
Deficit before taxation		**(151)**	**(409)**	**(560)**	(179)	(848)	(1,027)
Taxation	6	**–**	**–**	**–**	–	–	–
Deficit attributable to shareholders		**(151)**	**(409)**	**(560)**	(179)	(848)	(1,027)
Deficit per Ordinary share	8	**(0.7)p**	**(1.9)p**	**(2.6)p**	(1.3)p	(6.0)p	(7.3)p

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

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

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

The notes on pages 70 to 85 form an integral part of these financial statements.

Statement of Changes in Equity

for the year ended 29 February 2020

	Share Capital £'000	Share Premium £'000	Special Reserve £'000	Capital redemption Reserve £'000	Capital Reserve Realised £'000	Capital Reserve Unrealised £'000	Revenue Reserve £'000	Total £'000
For the year ended 29 February 2020								
1 March 2019	184	5,584	9,488	56	215	(441)	(1,115)	13,971
Investment holding losses	–	–	–	–	–	(329)	–	(329)
Gain on disposal of investments	–	–	–	–	122	–	–	122
Unrealised foreign exchange loss on disposal of investments	–	–	–	–	–	(4)	–	(4)
New share issue	66	4,851	–	–	–	–	–	4,917
Expenses of share issue	–	(76)	–	–	–	–	–	(76)
Share buybacks for cancellation	(1)	–	(54)	1	–	–	–	(54)
Management fee allocated to capital	–	–	–	–	(198)	–	–	(198)
Change in accrual in IFA trail commission	–	(36)	–	–	–	–	–	(36)
Revenue return after tax	–	–	–	–	–	–	(151)	(151)
Dividends paid	–	–	(709)	–	–	–	–	(709)
Transfer of previously unrealised losses to realised	–	–	–	–	(583)	583	–	-
Realised of prior year investment holding gains	–	–	–	–	32	(32)	–	-
29 February 2020	249	10,323	8,725	57	(412)	(223)	(1,266)	17,453

Statement of Changes in Equity

29 February 2020 (Continued)

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

The notes on pages 70 to 85 an integral part of these Accounts.

Statement of Financial Position

at 29 February 2020

	Note	29 February 2020 £'000	28 February 2019 £'000
Non-current assets			
Investments at fair value through profit or loss	9	**14,309**	11,593
Sales awaiting settlement		**88**	-
Current assets			
Debtors	10	**151**	1,417
Cash at bank and on deposit		**3,156**	1,176
Creditors: amount falling due within one year			
Creditors	11	**(160)**	(145)
Net current assets		**3,147**	2,448
Non-current liabilities			
IFA trail commission		**(91)**	(70)
Net assets		**17,453**	13,971
Capital and reserves			
Called-up share capital	12	**249**	184
Share premium		**10,323**	5,584
Special reserve		**8,725**	9,488
Capital redemption reserve		**57**	56
Capital reserve – realised		**(412)**	215
Capital reserve – unrealised		**(223)**	(441)
Revenue reserve		**(1,266)**	(1,115)
Equity shareholders' funds		**17,453**	13,971
Net asset value per Ordinary share – basic	13	**70.2p**	75.8p

These financial statements were approved and authorised for issue by the Board of Calculus VCT plc 27 May 2020 and were signed on its behalf by:

Jan Ward
Chairman
27 May 2020

The notes on pages 70 to 85 form an integral part of these financial statements.

Statement of Cashflows

for the year ended 29 February 2020

	Note	Year Ended 29 Feb 2020 £'000	Year Ended 28 Feb 2019 £'000
Cash flows from operating activities			
Investment income received		**64**	47
Deposit interest received		**7**	3
Investment management fees		**(245)**	(190)
Other cash payments		**(246)**	(213)
Net cash flow from operating activities	14	**(420)**	(353)
Cash flow from investing activities			
Purchase of investments		**(3,511)**	(6,057)
Sale of investments		**496**	1,746
Net cash flow from investing activities		**(3,015)**	(4,311)
Cash flow from financing activities			
Ordinary share issue/ D share issue		**6,274**	4,157
Expense of Ordinary/D share issue		**(81)**	(94)
IFA trail commission		**(7)**	(4)
Expenses of Neptune-Calculus transaction		**(8)**	-
Share buybacks for cancellation		**(54)**	(35)
Equity dividend paid		**(709)**	(451)
Net cash flow from financing activities		**5,415**	3,573
Increase/(decrease) in cash and cash equivalents		**1,980**	(1,091)
Analysis of changes in cash and cash equivalents			
Cash and cash equivalents at the beginning of year		**1,176**	2,267
Net cash increase/ (decrease)		**1,980**	(1,091)
Cash and cash equivalents at the year end		**3,156**	1,176

The notes on pages 70 to 85 form an integral part of these financial statements.

Notes to the Financial Statements

1. Company information

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

2. Accounting Policies Basis of accounting

The Company's financial statements have been prepared under FRS102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ('FRS102') and in accordance and with the Statement of Recommended Practice ("the SORP") for Investment Trust Companies and Venture Capital Trusts produced by the Association of Investment Companies ("AIC").

The financial statements are presented in Sterling (£).

Going concern

After reviewing the Company's forecasts and projections, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future (being a period 12 months from the date these financial statements were approved) amid the COVID-19 epidemic. This is primarily due to the large cash reserves raised through new subscription offers every year, the funds raised are invested in accordance with the Company's investment policy and to meet VCT qualification requirements. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Significant judgements and estimates

Preparations of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made are in the valuation of unquoted investments. The valuation methodologies used when valuing unquoted investments provide a range of possible values. Judgments are made to determine the best valuation methodology in order to ascertain the fair value of unquoted investments. Fair value is calculated within a reasonable range of estimates. Estimates are based on historical experience and other assumptions that are considered reasonable under the circumstances. Hence, investments are measured at fair value in accordance with the International Private Equity and Venture Capital Valuation Guidelines. The sensitivity analysis in note 16 demonstrates the impact on the portfolio of applying alternative values in the upside and downside.

As at 29 February 2020 the value of unquoted investments included within the Company's investment portfolio was £8,118,626 (2019: £5,532,937).

Investments

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

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

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

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

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

Unquoted investments are valued using an appropriate valuation technique so as to establish what the transaction price would have been at the balance sheet date. Such investments are valued in accordance with the most recent International Private Equity and Venture Capital ("IPEV") guidelines. Primary indicators of fair value are derived from price of recent investments or cost, calibrated with other valuation methods such as earnings or sales multiples, discounted cash flows, or from net assets.

Earnings or sales multiples are tools that evaluate a financial metric as a ratio of another, allowing the comparable analysis of different companies. Relevant multiples are collated from the analysis of appropriate public companies and precedent transactions, and applied to both historic and forward-looking sales and earnings, the assumptions of which are based on the Company's forecasts, providing a suitable enterprise value for the respective unquoted investment.

A discounted cash flow is a valuation tool used by the Company to estimate the value of relevant unquoted investments, based on its forecast cash flows. For the unquoted investments, the majority of the present value will be in the terminal value, which captures the value of the investment beyond the forecast period. Predominantly, the Company assumes an earnings or sales multiple, based on comparable company analysis, and applies this to the relevant financial metric for the final year of the investment's forecast. The present value of forecast future cash flows is calculated by using an assumed discount rate of 25-30%, which is a function of the required rate of return over the proposed hold period of the unquoted investments.

Cash and cash equivalents

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

Debtors

Short term debtors are initially measured at transaction price. Subsequent remeasurement deducts any impairment from the transaction price.

Creditors

Short term trade creditors are initially and subsequently measured at the transaction price.

Income

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

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

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

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

Expenses

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

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

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

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

Performance fees are recognised as a liability or contingent liability only when the current obligation to pay the performance incentive fee exists. As dividend decisions are discretionary, this obligation is assessed to exist when the dividends already distributed to a share class plus the net assets attributable to that share class would reach the performance hurdle.

Share Capital

The share capital reserve contains the nominal value of all shares that have been issued. It is not distributable.

Share premium

The share premium is the excess paid by shareholders on share allotments above the nominal value of the share. There is currently a share premium account on the Ordinary shares issued since 1 November 2017. Share premium created prior to 1 November 2017 was cancelled in order to create a distributable capital reserve. The special reserve was created on the cancellation of the share premium account on 20 October 2010 for original ordinary shares, 23 November 2011 for C shares and 1 November 2017 for the Ordinary share class. The majority of the special reserve created in November 2017 becomes distributable on 1 March 2020 as disclosed below.

Special reserve

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

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

Capital Redemption

The capital redemption reserve accounts for the amounts by which the issued share capital is reduced through the repurchase and cancellation of the Company's own shares. A resolution is being put to shareholders at the upcoming annual general meeting so that the Company can apply to cancel this reserve and create additional special reserve.

Capital Reserve Realised

The capital reserve realised discloses the gains and losses on disposal of investments and also 75% of management fees as this is the level associated with the enhancement or maintenance of investments. Profits achieved from this reserve would be distributable.

Capital Reserve Unrealised

The capital reserve unrealised is the appreciation or depreciation of investments and unrealised exchange gains or losses on outstanding trades. When an investment is sold the related balance in the capital reserve unrealised is transferred to the capital reserve realised.

Revenue Reserve

The revenue reserve represents accumulated profit or loss retained by the Company.

Distributable Reserves

Distributable reserves are represented by the special reserve, the capital reserve realised and the revenue reserve reduced by negative capital reserve unrealised which total £6,822,120, as at 29 February 2020. From 1 March 2020, £6,629,005 of this amount will be distributable. A resolution is being put to shareholders at the upcoming annual general meeting to be able to apply to create further special reserves from the share premium created since 1 November 2017 (when the share premium was last cancelled) and the capital redemption reserve. In accordance with VCT rules, special reserves created from share premium cannot be distributed until three years after the accounting period in which the shares were issued.

Taxation

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

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

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

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

Dividends

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

Interim dividends are recognised when paid. Final dividends are recognised when approved by shareholders at the AGM when they become irrevocable and legally binding.

Share buybacks

The Board considers that the Company should have the ability to purchase its shares in the market with the aim of providing the opportunity for shareholders who wish to sell their shares to do so. Subject to maintaining a level of liquidity in the Company which the Board considers appropriate, it is the intention that such purchases of shares will be made at a price which represents a discount of no greater than 5% (or 10% in respect of buybacks made on or before 28 February 2020) to the most recently published net asset value per share. Shares bought back will be cancelled.

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

3. Income

	Year Ended 29 February 2020 £'000	Year Ended 28 February 2019 £'000
UK unfranked loan stock interest	**121**	73
Liquidity Fund interest	**26**	15
Bank interest	**7**	3
	154	91

All income arose in the United Kingdom.

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

4. Investment Management Fee

	Year Ended 29 February 2020			Year Ended 28 February 2019		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fee	**66**	**198**	**264**	49	148	197

No performance fee was paid during the year.

For the year ended 29 February 2020, Calculus Capital Limited did not contribute (2019: £nil contributed) to the expenses of the Company such that its net management fee was £264,358 (2019: £197,314). At 29 February 2020, there was £69,017 due to Calculus Capital Limited for management fees (2019: £49,945 due to Calculus Capital Limited).

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

5. Other expenses

	Year Ended 29 February 2020 £'000	Year Ended 28 February 2019 £'000
Directors' fees	**68**	65
Calculus secretarial fee	**18**	18
Administrator's fees	**38**	38
Fees payable to the Company's auditor for the audit of the Company's annual accounts	**29**	29
Fees paid to the auditor for permissible audit related services	**6**	-
Other	**80**	71
	239	221

Further details of directors' fees can be found in the Directors' Remuneration Report on page 52 to 55 of the Accounts.

6. Taxation

	Year Ended 29 February 2020			Year Ended 28 February 2019		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Loss before tax	**(151)**	**(409)**	**(560)**	(179)	(848)	(1,027)
Theoretical tax at UK Corporation Tax rate of 19.0% (2019: 19.0%)	**(29)**	**(78)**	**(107)**	(34)	(161)	(195)
Timing differences: loss not recognised, carried forward	**29**	**38**	**67**	34	28	62
Effects of non-taxable (gains)/ losses	**-**	**40**	**40**	-	133	133
Tax charge	**-**	**-**	**-**	-	-	-

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

At 29 February 2020, the Company had £1,863,227 (28 February 2019: £1,514,379) of excess management expenses to carry forward against future taxable profits.

The Company's deferred tax asset of £316,749 (28 February 2019: £257,444) has not been recognised due to the fact that it is unlikely the excess management expenses will be set off in the foreseeable future.

7. Dividends

	Year Ended 29 February 2020 £'000	Year Ended 28 February 2019 £'000
New ordinary shares		
Declared and paid: 3.4p per Ordinary share in respect of the year ended 29 February 2019 (2018: 4.00p)	**709**	451

The Board have proposed an Ordinary share dividend in respect of the year to 29 February 2020 of 3.2 pence per share which, if approved by shareholders, will be paid on the 31 July 2020 to all Ordinary shareholders on the register on 3 July 2020.

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

8. Return per Share

	Year Ended 29 February 2020			Year Ended 28 February 2019		
	Revenue pence	Capital pence	Total pence	Revenue pence	Capital pence	Total pence
Return per Ordinary share	**(0.7)**	**(1.9)**	**(2.6)**	(1.3)	(6.0)	(7.3)

Ordinary share return

Revenue return per Ordinary share is based on the net revenue loss after taxation of £150,950 (2019: £179,402) and on 21,728,528 Ordinary shares, (2019: 14,129,738) 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 £409,408 (2019: £847,995) and on 21,728,528 Ordinary shares (2019: 14,129,738) being the weighted average number of Ordinary shares in issue during the period.

Total return per Ordinary share is based on the net loss for the period of £560,358 (2019: £1,027,397) and on 21,728,528 Ordinary shares (2019: 14,129,738), being the weighted average number of Ordinary shares in issue during the period.

9. Investments

	Year Ended 29 February 2020			Year Ended 29 February 2019		
	VCT Qualifying Investments £'000	Other Investments £'000	Total £'000	VCT Qualifying Investments £'000	Other Investments £'000	Total £'000
Opening book cost	**6,384**	**5 ,650**	**12,034**	5,163	2,648	7,811
Opening investment holding (losses)/gains	**(447)**	**6**	**(441)**	169	2	171
Opening fair value	**5,937**	**5,656**	**11,593**	5,332	2,650	7,982
Movements in year:						
Purchases at cost	**3,511**	**-**	**3,511**	1,857	4,200	6,057
Sales proceeds	**(588)**	**-**	**(588)**	(546)	(1,200)	(1,746)
Realised gain/losses on sales	**122**	**-**	**122**	(90)	2	(88)
Increase in investment holding gains/losses	**(341)**	**12**	**(329)**	(616)	4	(612)
Closing fair value	**8,641**	**5,668**	**14,309**	5,937	5,656	11,593
Closing book cost	**8,878**	**5,650**	**14,528**	6,384	5,650	12,034
Closing investment holding (losses)/gains	**(237)**	**18**	**(219)**	(447)	6	(441)
Closing fair value	**8,641**	**5,668**	**14,309**	5,937	5,656	11,593

The Company sold investments of £588,000 in the year. The book costs of these investments when they were purchased was £433,928. These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments.

In the year to 29 February 2020, Blu Wireless had an uplift in value of £300,000 and Wazoku's valuation increased by £162,000. Evoterra which bought the share capital of Terrain Energy and MicroEnergy was written down by £290,000. Also during the year Benito's Hat (Pico's Limited) was written down by £181,000, Solab Group Limited by £180,000 and C4X Discoverys' valuation decreased by £227,000

In the Statement of Changes in Equity the unrealised loss of £199,000 for Benito's Hat (Pico's Limited), £180,000 for Solab Group Limited and £200,000 for Air Leisure Limited has been reclassified to capital reserve realised as it represents permanent diminution in the value of these investments.

There have not been any transaction costs in the year to 29 February 2020. Transaction costs are only incurred on sale of quoted investments.

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

10. Debtors

	Year Ended 29 February 2020 £'000	Year Ended 28 February 2019 £'000
Current debtors		
Prepayments and accrued income	151	60
Share issue proceeds	–	1,357
Clawback of expenses in excess of 3% cap payable by the Manager	–	–
	151	1,417
Non Current debtors		
Sales awaiting settlement	88	–
	239	1,417

11. Creditors

	Year Ended 29 February 2020	Year Ended 28 February 2019
Management fees	69	50
Audit fees	29	35
Directors' fees	10	11
Secretarial fees	5	5
Administrator's fees	6	3
Costs of acquiring Neptune-Calculus assets and liabilities	–	8
IFA trail commission	15	8
New issue costs	–	4
Other creditors	26	21
	160	145

12. Share Capital

Number of shares	Ordinary shares
Opening balance 01 March 2019	18,422,373
New issue of Ordinary shares	6,518,874
Share buyback Ordinary shares	(78,279)
Closing balance 29 February 2020	**24,862,968**

Nominal value	Ordinary share £'000
Opening balance 01 March 2019	184
New issue of Ordinary shares	65
Share buyback Ordinary shares	-
Closing balance 29 February 2020	**249**

On 5 April 2019, 2,069,945 Ordinary shares were issued for total consideration of £1,625,735. On 26 June 2019, 349,967 Ordinary shares were issued for total consideration of £274,374. On 11 December 2019 2,764,563 Ordinary shares were issued for a total consideration of £2,001,267.

On 31 July 2019, the Company bought back for cancellation 78,279 Ordinary shares.

On 6 September 2019, 1,334,399 Ordinary shares were issued for total consideration of £1,017,212.

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

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

13. Net Asset Value per Share

	29 February 2020 £'000	28 February 2019 £'000
Net asset value per Ordinary share	70.2p	75.8p

The basic net asset value per Ordinary share is based on net assets of £17,453,046 (28 February 2019: £13,971,482) and on 24,862,968 Ordinary shares (28 February 2019: 18,422,373), being the number of Ordinary shares in issue at the end of the year.

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

	29 February 2020 £'000	28 February 2019 £'000
Loss for the year	**(560)**	(1,027)
Losses on investments	**211**	700
Increase in debtors	**(91)**	(16)
Increase/(decrease) in creditors	**20**	(10)
Cash flow from operating activities	**(420)**	(353)

15. Financial Commitments

At 29 February 2020, the Company did not have any financial commitments which had not been accrued for (2019: nil).

16. Financial Instruments

The Company's financial instruments comprise securities and cash and liquid resources that arise directly from the Company's operations.

The principal risks the Company faces in its portfolio management activities are:

- Market price risk
- Liquidity risk

The Company does not have exposure to foreign currency risk.

a) Market price risk

Qualifying Investments

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

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

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

Interest is earned on cash balances and money market funds and is linked to the banks' variable deposit rates. The Board does not consider interest rate risk to be material. Interest rates arising on loan stock instruments is not considered significant as the main risk on these investments are credit risk and market price risk. The weighted average interest rate earned on the loan stock instruments as at 29 February 2020 was 9.7%.

At the year end, £96,498 loan stock interest was overdue.

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

	As at 29 February 2020		As at 28 February 2019	
	Fair Value Interest Rate Risk £'000	Cash Flow Interest Rate Risk £'000	Fair Value Interest Rate Risk £'000	Cash Flow Interest Rate Risk £'000
Loan stock	**1,625**	**–**	775	–
Money market funds	**–**	**5,665**	–	5,652
Cash	**–**	**3,156**	–	1,176
	1,625	**8,821**	775	6,828

The variable rate is based on the banks' deposit rate and applies to cash balances held and the money market funds. The benchmark rate which determines the interest payments received on interest bearing cash balances is the Bank of England base rate, which was 0.75 per cent as at 29 February 2020.

Credit risk is considered to be part of market risk.

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

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

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

Sensitivity Analysis

The Board considers that the value of investments in equity and loan stock instruments are sensitive to changes to trading performance and the fluctuations of wider public equity markets. Such changes affect the enterprise value of AIM listed and unquoted companies.

The sensitivity below has been applied to AIM listed investments with a 10% movement in share price and to unquoted securities valued with reference to market inputs such as multiples of earnings or revenue and discounted cash flows, with a 10% movement in such market input applied.

As at the 29 of February 2020, if the AIM listed investments share price had been 10% higher or lower with all other variables held constant, the increase or decrease on net assets at the year end would be £52,559.

As at the 29 of February 2020, if the unquoted securities had a 10% increase or decrease in the market input (due to the movement in the quoted securities) with all other variables held constant, the increase in net assets would be £274,908 and the decrease would be £275,063.

The combined total increase on net assets would be £327,467 (2019: £535,786) and total decrease would be £327,622 (2019: £700,403). The increases and decreases are based on the current portfolio value £14,309,364 (2019: £11,593,413). The variance of 10% is the Investment Managers assessment of reasonable possible change. The sensitivity analysis assumes the actual portfolio of investments held by the Company is symmetrically correlated to this overall movement in net assets. However, in reality unquoted companies have other factors which may influence the extent of the valuation change.

b) Liquidity risk

The Company's liquidity risk is managed on an ongoing basis by the Investment Manager. The Company's overall liquidity risks are monitored on a quarterly basis by the Board.

The Company maintains sufficient investments in cash and readily realisable securities to pay accounts payable and accrued expenses as they fall due.

Maturity profile

The carrying value of fixed rate investments in unquoted companies held at 29 February 2020, which is analysed by expected maturity date, is as follows:

	Within 1 year £'000	Within 1-2 years £'000	Within 2-3 years £'000	Within 3-4 years £'000	Within 4-5 years £'000	More than 5 years £'000	Total £'000
As at 29 February 2020							
Loan stock	95	-	-	280	1,250	-	1,625
As at 28 February 2019							
Loan stock	-	295	100	-	280	100	775

Qualifying Investments

The Company's financial instruments include investments in unlisted equity investments which are not traded in an organised public market and which may be illiquid. As a result, the Company may not be able to realise quickly some of its investments at an amount close to their fair value in order to meet its liquidity requirements, or to respond to specific events such as deterioration in the creditworthiness of any particular issuer.

The Board seeks to ensure that an appropriate proportion of the Company's investment portfolio is invested in cash and readily realisable assets, which are sufficient to meet any funding commitments that may arise.

Under its Articles of Association, the Company has the ability to borrow a maximum amount equal to 25 per cent of its gross assets. As at 29 February 2020, the Company had no borrowings.

c) Capital management

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

d) Fair value hierarchy

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

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

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

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

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

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

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

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

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

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

	Financial Assets at Fair Value through Profit or Loss At 29 February 2020			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Unquoted equity	–	–	6,493	6,493
Quoted equity	526	–	–	526
Money market funds	5,665	–	–	5,665
Loan stock	–	–	1,625	1,625
	6,191	–	8,118	14,309

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

Reconciliation of fair value for level 3 financial instruments held at the year end:

	Level 3 Investments		
	Unquoted Equity £'000	Loan Stock £'000	Total £'000
Balance as at 28 February 2019	4,758	775	5,533
Purchases at cost	1,961	1,150	3,111
Disposal Proceeds	(288)	(300)	(588)
Realised gains	122	–	122
Unrealised movement	(60)	–	(60)
Balance as at 29 February 2020	6,493	1,625	8,118

Unquoted investments are valued using an appropriate valuation technique so as to establish what the transaction price would have been at the balance sheet date. Such investments are valued in accordance with the most recent International Private Equity and Venture Capital ("IPEV") guidelines. Primary indicators of fair value are derived from price of recent investments or cost, calibrated with other valuation methods such as earnings or sales multiples, discounted cash flows or from net assets.

Where the effect of changing one or more inputs to reasonably possible alternative assumptions would result in a significant change to the fair value measurement, information on this sensitivity is mentioned above on page 81. The information used in determination of the fair value of Level 3 investments is chosen with reference to the specific underlying circumstances and position of the investee company.

17. Related Parties' Transactions

John Glencross, a director of the Company, is a director of Calculus Capital Limited and owns 50 per cent of the shares of its holding Company. Calculus Capital Limited receives an investment manager's fee from the Company. As disclosed in Note 4, for the year ended 29 February 2020, Calculus Capital Limited earned £264,358 in relation to the Ordinary share portfolio (2019: £197,314). Calculus Capital Limited also earned a company secretarial fee of £18,000 (2019: £18,000).

Calculus Capital Limited took on the expenses cap on 15 December 2015. In the year to 29 February 2020, Calculus Capital Limited did not make a contribution towards the expenses of the Company (2019: contributed £nil).

18. Transactions with the Investment Manager

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

Calculus Capital Limited receives a fee from certain portfolio companies. In the year to 29 February 2020, Calculus Capital Limited charged a monitoring fee to Air Leisure Group Limited, AnTech Limited, Arcis Biotechnology Holdings Limited, Arecor Limited, Cloud Trade Technologies Limited, Cornerstone Brands Limited, Duvas Technologies Limited, Every1Mobile Limited, MicroEnergy Generation Services Limited, Mologic Limited, Open Energy Market Limited, Origin Broadband Limited, Oxford BioTherapeutics Limited, Park Street Shipping Limited, Quai Administration Services Limited, Solab Group Limited, Synpromics Limited, Terrain Energy Limited, Money Dashboard Limited, Tollan Energy Limited, Weeding Technologies Limited and WheelRight Limited.

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

In the year to 29 February 2020, Calculus Capital Limited charged an arrangement fee to Arecor Limited, Cloud Trade Technologies Limited, Duvas Technologies Limited, Essentia Analytics Limited, MIP Diagnostics Limited, Mologic Limited, Origin Broadband Limited, Oxford BioTherapeutics Limited, Pico's Limited, Quai Administration Services Limited, Weeding Technologies Limited and Blu Wireless Limited.

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

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

Air Leisure Group Limited: £nil (2019: £2,377); AnTech Limited: £524 (2019: £255); Arecor Limited: £750 (2019: £2,712); Arcis Biotechnology Holdings: £180 (2019: £187); Blu Wireless Technology Limited: £2,641 (2019: £nil); Cloud Trade Technologies Limited: £4,213 (2019: £7,717); Cornerstone Brands Limited: £3,240 (2019: £3,120); Duvas Technology Limited: £3,344 (2019: £7,212); Essentia Analytics Limited: £3,118 (2019 £4,875); Every1Mobile Limited: £3,518 (2019: £2,727); Fiscaltec Limited: £10,500, IPV Limited: £2,361, MicroEnergy Generation Services Limited: £2,198 (2019: £1,964); MIP Diagnostics Limited: £nil (2019: £6000 (100% of this fee relates to the VCT)); Mologic: £719 (2019: £4,394); Open Energy Market Limited: £2,782 (2019:£2,489); Origin Broadband Limited: £nil (2019: £678); Oxford BioTherapeutics Limited: £2,325 (2019: £8,402); Park Street Shipping Limited: £1,066 (2019: £974); Pico's Limited: £1,115 (2019: £5,283); Quai Administration Services Limited: £2,185 (2019: £1,013); Raindog Films limited: £14,209 (100% of this fee relates to the VCT), Solab Group Limited: £2,059 (2019: £4,050); Synpromics Limited: £180 (2019: £290); Terrain Energy Limited: £4,179 (2019: £3,708); Money Dashboard Limited: £793 (2019: £696); Tollan Energy Limited: £nil (2019: £1,669); Weeding Technologies Limited £2,026 (2019: £1,812) Wazoku Limited £3,150, WheelRight Limited £964 (2019: £658) and Wonderhood £11,528 (all excluding VAT).

19. Post balance sheet events

Given the impact of the COVID-19 epidemic to the global economy, the Manager has completed a review of the portfolio and undergone a revaluation of its holdings in its respective investee companies. The impact of these estimations would be to reduce the valuation of the investment portfolio by £552,402, which would result in an estimated fall in NAV (unaudited) by 3.7 pence to 66.5 pence per ordinary share from 29 February 2020. The movement reflects the Company's current best estimate of the operating impact, both positive and negative, on our portfolio companies. It is a volatile situation, subject to rapid change and valuations of portfolio companies will be kept under constant review.

Since the year end the Company has made a further allotment of Ordinary shares. On 3 April 2020, a further 2,342,066 Ordinary shares were allotted at an average price of 65.9 per share. The Company has made two further qualifying investments in Maze Theory and Rotageek. Further details can be found on page 8 of the Accounts.

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

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the ninth ANNUAL GENERAL MEETING of Calculus VCT plc (the "Company") will be held at 11.30am on 3 July 2020. In light of the unprecedented restrictions on movement and gatherings due to the COVID-19 crisis, the meeting will take place via video conferencing. Further details regarding how the meeting will be convened, and instructions for joining, will be made available on the Company's website (https://www.calculuscapital.com/calculus-vct-plc-annual-general-meeting/) nearer the designated date for the meeting.

Ordinary resolutions

1. To receive and adopt the Strategic Report, Directors' Report and Auditors' Report and the audited Accounts for the year ended 29 February 2020.
2. To receive and approve the Directors' Remuneration Report for the year ended 29 February 2020.
3. To receive and approve the Directors' Remuneration Policy.
4. To declare a final dividend of 3.2p per Ordinary share of 1p each.
5. To re-elect Mr John Glencross as a Director.
6. To re-elect Ms Kate Cornish-Bowden as a Director.
7. To re-elect Ms Jan Ward as a Director.
8. To re-elect Ms Claire Olsen as a Director.
9. To appoint BDO LLP as Auditor to the Company to hold office until the conclusion of the next annual general meeting of the Company.
10. To authorise the Directors to determine the remuneration of the Auditor.
11. THAT, in addition to existing authorities, the Directors be and hereby are generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the "Act") to exercise all powers of the Company to allot shares in the Company and to grant rights to subscribe for, or convert any security into, shares in the Company; in respect of the Ordinary shares of 1p each in the capital of the Company ("Ordinary shares"), with an aggregate nominal value of up to but not exceeding £200,000 pursuant to one or more public offers for subscription and where the proceeds may be used in whole or part to purchase shares in the capital of the Company, such authority to expire on the conclusion of the annual general meeting to be held in 2021 save that the Company shall be entitled to make offers or agreements before the expiry of such authority which would or might require shares to be allotted and issued after such expiry and the Directors shall be entitled to allot shares pursuant to any such offer or agreement as if this authority had not expired.

Special resolutions

12. THAT, in addition to all other existing authorities, the directors be and are generally and unconditionally authorised in accordance with section 570 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority conferred by Resolution 11 above as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall expire on the conclusion of the annual general meeting of the Company to be held in 2021.
13. THAT, in substitution for existing authorities, the Company be and hereby is empowered to make one or more market purchases within the meaning of section 693(4) of the Act of its own shares (either for cancellation or for the retention as treasury shares for future re-issue or transfer) provided that:

a) the aggregate number of Ordinary shares which may be purchased shall not exceed 3,000,000, or, if lower, such number of Ordinary shares as shall equal 15 per cent of the issued Ordinary share capital;

b) the minimum price which may be paid per share is 1p, the nominal value thereof; the maximum price which may be paid per share is an amount equal to the higher of (a) 105 per cent of the average of the middle market quotation per share taken from the London Stock Exchange daily official list for the five business days immediately preceding the day on which such share is to be purchased; and (b) the amount stipulated by Article 5(1) of the Buy Back and Stabilisation Regulation 2003;

c) the authority conferred by this resolution shall expire on the conclusion of the annual general meeting of the Company to be held in 2021, unless such authority is renewed prior to such time; and

d) the Company may make a contract to purchase shares under the authority conferred by this resolution prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of such shares pursuant to such contract.

14. THAT the Company be and is hereby generally and unconditionally authorised to hold general meetings (other than annual general meetings) on 14 clear days' notice.
15. THAT the share premium account and the capital redemption reserve each be cancelled.

By order of the Board
Calculus Capital Limited Company Secretary
27 May 2020

Notes

1. To be entitled to attend and vote at the meeting (and for the purposes of the determination by the Company of the votes they may cast), members must be registered in the Register of Members of the Company at close of business on 1 July 2020 (or, in the event of any adjournment, close of business two days prior to the adjourned meeting). Changes to the Register of Members of the Company after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

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

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

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

   For an electronic proxy appointment to be valid, your appointment must be received by The City Partnership (UK) Limited not later than 48 hours (excluding weekends and bank holidays) before the time appointed for the meeting or any adjourned meeting or, in the case of a poll taken subsequent to the date of the meeting or adjourned meeting, so as to be received no later than 24 hours before the time appointed for taking the poll.

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

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

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

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

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

10. As at the date of this notice, the Company's issued share capital and total voting rights amounted to 27,205,034 Ordinary shares carrying one vote each.

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

12. (a) if to do so would interfere unduly with the preparation of the meeting or involve disclosure of confidential information;

    (b) if the answer has already been given on the Company's website; or

    (c) if it is undesirable in the best interests of the Company or the good order of the meeting. You may alternatively submit your question in advance by letter addressed to the Company Secretary at the registered office.

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

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

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

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

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

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

Shareholder Information

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

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

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

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

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

Glossary of Terms

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

Alternative performance measure (APM)
An Alternative performance measure is a measure of a past or future financial position, performance or cash flows that is not prescribed by the relevant accounting standards.

Annual Yield
This is used to show the real rate of return on the portfolio. The annual yield is calculated by dividing the final proposed dividend over the net asset value per share.

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

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

Final Dividend Proposed
The dividend declared or proposed to be distributed among the shareholders of the Company during a financial year which will be paid in the next financial year.

IPEV Guidelines
The International Private Equity and Venture Capital Valuation Guidelines published in December 2019, used for the valuation of unquoted investments.

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

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

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

Portfolio Income Yield
The amount of investment income generated by the portfolio during a certain period of time, expressed as a percentage. Portfolio income yield is calculated by dividing the total investment income during the period over the total cost of the portfolio.

Share Price discount
The difference between the share price and the net asset value per share expressed as a percentage.

Total return per share
Total return per share is a non-GAAP Alternative Performance Measure ("APM"). It is taken from the Income Statement on page 65 and is calculated by taking the total profit or loss for the period and dividing by the weighted average number of shares. This has been selected to provide better understanding of the Company's performance over the period on a per share basis.

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

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

Company Information

Directors
Jan Ward (Chairman)
Kate Cornish-Bowden
Arthur John Glencross
Claire Olsen

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

Company Number
07142153

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

Fund Administrator
Link Alternative Fund Administrators Limited
Beaufort House
51 New North Road
Exeter EX4 4EP

Company Secretary
Calculus Capital Limited
104 Park Street
London W1K 6NF

Auditor
BDO LLP
150 Aldersgate St
Barbican
London EC1A 4AB

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

Sponsor
Beaumont Cornish Limited
10th Floor, 30 Crown Pl, Hackney,
London EC2M 2SJ

Registrars
The City Partnership (UK) Limited
Suite 2 Park Valley House
Park Valley Mills
Meltham Road
Huddersfield HD4 7BH
Telephone: 01484 240 910

Notes

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