

Investec Structured Products Calculus VCT plc

Annual Report & Accounts
28 February 2011



Best Structured Products
Provider 2009, 10 & 11



Best Structured
Products Provider



Structured Product
Provider of the Year

Investec Structured Products



Winner Best EIS Fund Manager 2009



Best EIS Provider

Calculus Capital

Contents

Investment Objective	1
Financial Review	1
Chairman's Statement	2
Investment Manager's Review (Qualifying Investments)	4
Investment Manager's Review (Structured Products)	7
Investment Portfolio	9
Board of Directors	10
Investment Managers	12
Directors' Report	13
Corporate Governance Statement	22
Directors' Responsibility Statement	26
Directors' Remuneration Report	27
Independent Auditor's Report	29
Income Statement	31
Reconciliation of Movements in Shareholders' Funds	32
Balance Sheet	33
Cash Flow Statement	34
Notes to the Accounts	35
Notice of Annual General Meeting	48
Notice of Separate Meeting of Holders of Ordinary Shares	52
Notice of Separate Meeting of Holders of C Shares	55
Shareholder Information	58
Glossary of Terms	60
Company Information	62

Investment Objective

Investment Objective

The Company's principal objectives for investors are to:

- invest in a portfolio of Venture Capital Investments and Structured Products:
 - to provide investment returns to maximise annual dividends; and
 - to fund a special dividend or cash offer in year 6 sufficient to bring distributions per share to 70p;
- generate returns from a portfolio of Venture Capital Investments that will provide attractive long-term returns within a tax efficient vehicle beyond an interim return date;
- review the appropriate level of dividends annually to take account of investment returns achieved and future prospects; and
- maintain VCT status to enable qualifying investors to retain their income tax relief of up to 30 per cent. on the initial investment and receive tax-free dividends and capital growth.

Full details of the Company's investment policy can be found on pages 14 and 15.

Financial Review

		13 Months to 28 February 2011
Total return		
Total return		£308,000
Total return per ordinary share		8.3p
Revenue		
Net loss after tax		(£112,000)
Revenue return per ordinary share		(3.0)p
Dividend		
Recommended final dividend		5.25p
		As at 28 February 2011
Assets (investments valued at bid market prices)		
Net assets		£4,836,000
Net asset value ("NAV") per ordinary share		102.1p
Mid market quotation		
Ordinary shares		99.5p
Discount to bid price NAV		(2.5)%
		As at 30 April 2011
Unaudited net asset value per ordinary share		102.9p
Unaudited net asset value per C ordinary share		93.8p

Chairman's Statement

I am delighted to present your Company's results for the period ended 28 February 2011. The Investec Structured Products Calculus VCT plc is a tax efficient listed company which aims to address shareholder needs for:

- attractive tax free dividends;
- a clear strategy for returning capital;
- downside protection through the Structured Products portfolio and investment in lower risk VCT qualifying companies with a high percentage of investments in loan stock and preference shares; and
- low annual management fees.

The Company, which launched in March 2010, is a joint venture between Investec Structured Products (part of Investec Plc which is a member of the FTSE 100) and Calculus Capital, and brings together both Investment Managers' award winning expertise in their respective fields of structured products and venture capital.

Despite launching late in the 2009/10 tax year, the Company nevertheless raised a creditable £3.87 million (before expenses) in the initial ordinary share offer before it closed in April 2010. Following shareholder approval, a further ordinary share offer was launched in September 2010, and raised £0.92 million (before expenses) before closing in December 2010. Most recently, a C share offer was launched in January 2011 and raised £1.92 million (before expenses), closing at the end of April 2011. To date, the Company has raised a net total of £6.46 million. Your Board and Investment Managers committed £1.18 million of this total, demonstrating their confidence in the Company and the product offering. The additional fund raisings undertaken have further increased the size of the Company over which the annual running costs can be spread and will provide greater opportunities for diversification.

After the close of the initial offer in April 2010, the two Investment Managers began implementation of the Company's investment plans. Investec has invested approximately £2.4 million in a range of Structured Products of varying durations and counterparties to date, and Calculus Capital has made three Qualifying Investments (one of which has been made since the period end), totalling approximately £0.9 million.

The net asset value per ordinary share was 102.1p as at 28 February 2011 and has subsequently risen to 102.9p as at 30 April 2011. Since 5 May 2010, when we invested in the first Structured Product, the FTSE 100 index level is up 12 per cent. (up to 28 February 2011), making the Company one of the best performing of its 2010/11 peer group. Your Board and Investment Managers are encouraged by the performance of the Company to date and believe it is well placed to make further progress in the forthcoming year.

Structured Products Portfolio

Our non-qualifying investments are managed by Investec Structured Products. As at 28 February 2011, your Company held a portfolio of six Structured Products based on the FTSE 100 Index. The products differ by duration and counterparty, in order to minimise risk and create a diversified portfolio of investments. New funds raised under the C share offer will be used to buy additional Structured Products. Up to 20 per cent. of the Structured Products portfolio of the C shares fund will be able to be invested in other indices besides the FTSE 100 Index.

Venture Capital Investments

Calculus Capital manages the portfolio of Venture Capital Investments made by the Company. It is intended that approximately 75 per cent. of the Company's funds will be invested over a three year period in a diversified portfolio of holdings in unquoted VCT qualifying companies. In order to achieve this, there will be a phased reduction in the Structured Products portfolio and a corresponding increase in the portfolio of Venture Capital Investments.

In July 2010, the Company made its first VCT Qualifying Investment, investing £250,000 in Terrain Energy Limited ("Terrain"), as part of a £750,000 fundraising round. Terrain was established in October 2009 to develop a portfolio of onshore oil and gas production and development interests in areas of low political risk, with the current focus being the UK. The portfolio of licences, all of which are located in the UK, includes currently oil producing, scheduled for near term production, appraisal and exploration projects. An additional £50,000 was invested after the period end in Terrain.

In November 2010, the Company invested £299,377 in Abingdon based Lime Technology Limited ("Lime"). Lime was founded in 2002 and is a leader in renewable lime and hemp based building products for the mainstream construction industry. Lime produces Radical® Hemcrete® which is a negative carbon bio-composite product comprised of hemp and a lime based binder. Through its subsidiary, Hemp Technology, the company controls the hemp supply chain from seed to finished wall.

A more detailed analysis of the investment portfolios can be found in the respective Investment Managers' Reviews that follow this statement.

Dividend

In line with our aim to provide a regular tax free dividend stream, the Directors are pleased to propose a final dividend of 5.25p per ordinary share which, subject to shareholder approval, will be paid on 29 July 2011 to ordinary shareholders on the register on 3 June 2011.

Board Changes

Christopher Wightman stepped down as a Director and as Chairman of the Company on 10 February 2011 in order to concentrate on his other business commitments. On behalf of the Board, I would like to thank Chris for the experience he brought and the commitment he made to the Company from its launch.

I am pleased to introduce Kate Cornish-Bowden as a new non-executive Director of the Company. Kate was appointed on 10 February 2011. She brings with her a wealth of experience from her time at Morgan Stanley and the Board welcomes her to the Company.

Ian Wohlman will be retiring as a Director at the Annual General Meeting. I would like to thank Ian for all his assistance since the launch of the Company.

Developments Since the Period End

Since the period end, the Company has issued 1,931,095 C shares under the C share offer, raising £1,920,500. The Investment Managers are reviewing investment opportunities and it is expected that the first investment of the C shares fund in Structured Products will be made shortly.

In addition, a further two Qualifying Investments have been made since the balance sheet date. In March an additional £50,000 was invested in Terrain and £300,000 was invested in MicroEnergy Services Limited in early April. Further details of these investments are contained in the Investment Manager's Review (Qualifying Investments).

Outlook

Promising and entrepreneurial unquoted companies of the kind backed by the Investec Structured Products Calculus VCT are a key element in the country's economic recovery, as demonstrated by moves in the Chancellor's recent budget statement to increase investment in such companies. The decline in provision of other forms of funding for promising companies, such as bank finance or an active smaller companies Initial Public Offering market, also provide an attractive investment scenario. Your Board and Investment Managers believe your Company is well placed to take advantage of these opportunities, in particular at a time when valuations remain low by historic standards.

Michael O'Higgins
Chairman
23 May 2011

Investment Manager's Review (Qualifying Investments)

Portfolio Developments

Calculus Capital Limited manages the portfolio of Venture Capital Investments made by the Company. It is intended that approximately 75 per cent. of the Company's funds will be invested over a three year period in a diversified portfolio of holdings in unquoted VCT qualifying companies.

During the period under review, the Company completed two Qualifying Investments in unquoted companies, Terrain Energy Limited ("Terrain") and Lime Technology Limited ("Lime").



Terrain Energy Limited

In July 2010, the Company invested £250,000 in Terrain, of which £50,000 was in ordinary shares and £200,000 was in the form of 7 per cent. long-term loan stock. Terrain was established in October 2009 to develop a portfolio of onshore oil and gas production and development assets, predominantly in the UK.

The portfolio of licences, all of which are located in the UK, includes currently oil producing, scheduled for near term production, appraisal and exploration projects.

Oil is currently produced from the Keddington field on the East Midlands licence (PEDL005) and the ongoing evaluation of this field is expected to lead to increased field production and revenues during 2011. Terrain holds a 15 per cent. interest in the PEDL005, with 75 per cent. owned by Egdon Resources plc and 10 per cent. by Alba Resources Limited, a wholly owned subsidiary of Nautical Petroleum plc. The field also produces large volumes of gas and the use of the gas for electricity generation and export to the grid is under evaluation. Drilling of an additional well commenced after the period end in early April 2011, and this well is designed to increase total field production at a time of high oil prices and also to provide additional reservoir information in an untested part of the field to enable an investment decision to be taken on the scale of the proposed gas to electricity generation project. Further development of the rest of the portfolio is also planned for later in 2011 including the restart of oil production at the Kirklington licence (PEDL203) and at the Dukes Wood licence (PEDL118), both of which are also in the East Midlands. Terrain holds a 25 per cent. interest in each of these licences.

After the period end, Terrain acquired a 10 per cent. interest in an exploration licence in Northern Ireland (PL/10 Central Larne – Lough Neagh Basin) in a farm out arrangement from Infrastrata plc which retains a 30 per cent. interest. Other participants include IS E&P Limited with 40 per cent. and Nautical Petroleum plc with 20 per cent. The licence covers 663 square kilometres with permitted development rights for drilling an exploration well. The main prospect is a conventional gas play with a gross reserve potential of 2,800 billion cubic feet.

After the period end, the Company invested a further £50,000 as ordinary equity at £1.28 per share as part of a total fundraising of £750,000. The fundraising was part of a funding programme intended to give Terrain visibility over its funding needs to meet development, appraisal and exploration commitments until the end of 2012.

As a relatively new company, Terrain has not yet filed statutory accounts.

Latest Audited Results	Investment Information	
No statutory accounts have been filed	Total cost	£250,000
	Income recognised in period	£8,921
Valuation basis: Fair value based on cost of investment, supported by discounted cash flow and comparable company analysis	Total valuation	£257,142
	Voting rights*	1.77%

* Other funds managed by Calculus Capital have an interest in this company and have a combined equity holding of 24.96 per cent. This follows the additional investment in Terrain in March 2011.

Lime Technology Limited

Lime, based in Abingdon, was founded in 2002, and is a leader in renewable lime and hemp based building products for the mainstream construction industry. Lime produces Radical® Hemcrete® which is a negative carbon bio-composite product comprised of hemp and a lime based binder. Through its subsidiary, Hemp Technology, the company controls the hemp supply chain from seed to finished wall.

£299,377 was invested in Lime in November 2010 (£49,377 in equity shares and £250,000 in 7 per cent. long-term loan stock). The investment in the equity shares represents 0.47 per cent. of fully diluted total shares. The total funding round in Lime was £2.6 million and, of this, Calculus Capital's EIS funds invested approximately £1.28 million.



(image courtesy of Aukett, Fitzroy Robinson (Architects))

Regulatory compliance with the Code for Sustainable Homes is a key driver in bringing the company's products into the mainstream construction industry. Developers of commercial buildings are also under pressure to build more responsibly. Hemcrete® exhibits excellent thermal properties, ideal for creating comfortable buildings which meet the higher level Code for Sustainable Homes and BREEAM ("BRE Environmental Assessment Method") excellent standards. Radical® Hemcrete® has been specified in two sustainable housing developments and in the new Adnams distribution centre, a temperature controlled warehouse for the Wine Society and Marks & Spencer's Cheshire Oaks store.

As a small company, Lime is exempt from filing full accounts.

Latest Audited Results	Investment Information	
Period ended 4 November 2010	Total cost	£299,377
Net assets	£1,358,275	Income recognised in period
Valuation basis: Fair value based on cost of investment	Total valuation	£299,377
	Voting rights*	0.49%

* Other funds managed by Calculus Capital have an interest in this company and had a combined equity holding of 12.12 per cent.

As at the period end, £549,377 had been invested in qualifying holdings representing approximately 12.1 per cent. of the net funds raised.

Investment Manager's Review (Qualifying Investments) (continued)

Developments Since the Period End

Since the period end, as described above, the Company has invested a further £50,000 in ordinary equity in Terrain as part of a fundraising programme intended to give Terrain visibility over its funding needs to meet development, appraisal and exploration commitments until the end of 2012.

Additionally, in early April, £300,000 was invested in MicroEnergy Services Limited ("MicroEnergy"). MicroEnergy is a company set up to acquire renewable, microgeneration facilities, including (but not limited to) wind, anaerobic digestion, hydro and micro CHP (Combined Heat and Power). MicroEnergy is currently in negotiations to acquire its first renewable energy assets. The investment was provided as £150,000 as ordinary equity and £150,000 in the form of long-term loan stock with a coupon of 7 per cent. The total funding round was £1,950,000 which was provided from funds managed or advised by Calculus Capital and the Company's equity interest following this fundraising was 8.7 per cent.

Outlook

The Company continues to build a diversified portfolio of good quality Qualifying Investments which the Investment Manager believes will deliver sustained long-term performance. We believe that the current market remains attractive for investment in qualifying unquoted companies, as access to finance for such companies remains tight and economic conditions have lowered valuations to more realistic levels.

Calculus Capital Limited
23 May 2011

Investment Manager's Review (Structured Products)

In line with the Company's strategy set out in the original Offer document, a large percentage of the cash raised has been used to build a portfolio of Structured Products. The portfolio of Structured Products has been constructed with different issuers and differing maturity periods to minimise risk and create a diversified portfolio. The FTSE 100 Initial Index Levels for these investments range from 4,805.75 to 5,341.93.

All of the Structured Product investments to date have potential returns that are by way of a fixed amount payable as long as the Final Index Level is higher than the Initial Index Level (e.g. for the Abbey National Treasury Services Structured Product the fixed amount is 85 per cent. (plus 100 per cent. of the initial notional amount) if the Final Index Level is higher than the Initial Index Level of 4,940.68). All of the products have capital at risk on a one-to-one basis if the FTSE 100 falls by more than 50 per cent. at any time during the term and fails to recover at maturity such that the Final Index Level is below the Initial Index Level.

There have been no new investments made into the Structured Products portfolio since the last reporting period. As at 28 February 2011 the Structured Products portfolio was valued at £2,882,000, and the FTSE 100 closing level on this day was 5,994.01.

The Investment Manager constantly reviews the portfolio of investments to assess asset allocation and the need to realise investments.

Structured Products Portfolio as at 28 February 2011

Issuer	Strike Date	Maturity Date	FTSE 100 Initial Index Level	Notional Investment	Purchase Price	Cost	Price as at 28 February 2011	Valuation as at 28 February 2011	Return/Capital at Risk ("CAR")*
The Royal Bank of Scotland	05/05/2010	12/05/2015	5,341.93	£275,000	£0.9600	£264,000	£1.0729	£295,048	162.5% if FTSE 100 [†] higher; CAR if FTSE 100 falls by more than 50%
Investec Bank	14/05/2010	19/11/2015	5,262.85	£500,000	£0.9791	£489,550	£1.1636	£581,786	185% if FTSE 100 [†] higher; CAR if FTSE 100 falls by more than 50%
Santander Global Banking and Markets (Abbey National Treasury Services)	25/05/2010	18/11/2015	4,940.68	£350,000	£0.9898	£346,430	£1.2654	£442,890	185% if FTSE 100 [†] higher; CAR if FTSE 100 falls by more than 50%

* Capital at Risk ("CAR") is explained in note 16 on page 42

The above investments have been designed to meet the 43.75p per ordinary share interim return by 14 December 2015. A total of £1,099,980 (24.20 per cent. of net monies raised) was invested in the above Structured Products. Assuming no issuer defaults and if the FTSE 100 Final Index Level is higher than the Initial Index Level, then these investments will return £2,019,375, equivalent to 42.62p per ordinary share.

Investment Manager's Review (Structured Products) (continued)

Issuer	Strike Date	Maturity Date	FTSE 100 Initial Index Level	Notional Investment	Purchase Price	Cost	Price as at 28 February 2011	Valuation as at 28 February 2011	Return/Capital at Risk ("CAR")
Nomura Bank International	28/05/2010	20/02/2013	5,188.43	£350,000	£0.9800	£343,000	£1.1572	£405,020	137% if FTSE 100 [†] higher; CAR if FTSE 100 falls by more than 50%
Morgan Stanley	10/06/2010	17/12/2012	5,132.50	£500,000	£1.0000	£500,000	£1.1544	£577,200	134% if FTSE 100 [†] higher; CAR if FTSE 100 falls by more than 50%
HSBC Bank	01/07/2010	06/07/2012	4,805.75	£500,000	£1.0000	£500,000	£1.1591	£579,550	125.1% if FTSE 100 [†] higher; CAR if FTSE 100 falls by more than 50%

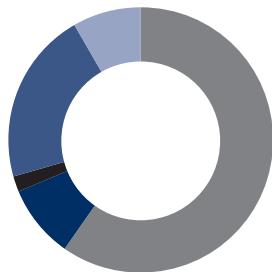
The above investments mature prior to year 3 and target an average return of 13.15 per cent. per annum. These investments may be sold prior to maturity if it is deemed that a greater return can be made by Calculus Capital in Qualifying Investments.

[†]The Final Index Level is calculated using 'averaging', meaning that we take the average of the closing levels of the FTSE 100 on each Business Day over the 2–6 months of the Structured Product plan term (the length of the averaging period may differ for each plan). The use of averaging to calculate the return can reduce adverse effects of a falling market or sudden market falls shortly before maturity. Equally, it can reduce the benefits of an increasing market or sudden market rises shortly before maturity.

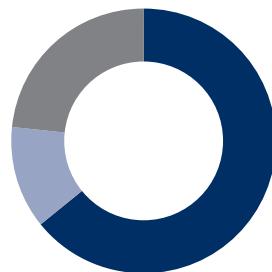
Investec Structured Products
23 May 2011

Investment Portfolio as at 28 February 2011

% of Net Assets	Sector – % of Portfolio
-----------------	-------------------------



■ Structured Products	60%
■ Unquoted – loan stock	9%
■ Unquoted – ordinary and preference shares	2%
■ Unquoted – liquidity funds	21%
■ Net current assets	8%



■ Structured Products	64%
■ Unquoted – Qualifying Investments	12%
■ Unquoted – other non-Qualifying Investments	24%

Company	Nature of Business	Book Cost £'000	Valuation £'000	% of Net Assets	% of Portfolio
Structured Products					
Investec Bank	Banking	490	582	12%	13%
The Royal Bank of Scotland	Banking	264	295	6%	6%
Santander Global Banking and Markets (Abbey National Treasury Services)	Banking	346	443	9%	10%
Nomura Bank International	Banking	343	405	9%	9%
Morgan Stanley	Banking	500	577	12%	13%
HSBC Bank	Banking	500	580	12%	13%
Total Structured Products		2,443	2,882	60%	64%
Qualifying Investments					
Terrain Energy Limited	Onshore oil and gas production	250	257	5%	6%
Lime Technology Limited	Construction	299	299	6%	6%
Total Qualifying Investments		549	556	11%	12%
Other non-Qualifying Investments					
Fidelity Liquidity Fund	Liquidity fund	350	350	7%	8%
Goldman Sachs Liquidity Fund	Liquidity fund	350	350	7%	8%
Scottish Widows Liquidity Fund	Liquidity fund	350	350	7%	8%
Total Other non-Qualifying Investments		1,050	1,050	21%	24%
Total Investments		4,042	4,488	92%	100%
Net Current Assets less Creditors due after one year			348	8%	
Net Assets			4,836	100%	

Board of Directors

The Board comprises seven non-executive Directors, four of whom are independent of the Investment Managers. Ian Wohlman is a director of Investec Bank plc, John Glencross is a director of Calculus Capital and Steve Meeks is a former consultant to Investec Structured Products. The Board has substantial experience of venture capital businesses and overall responsibility for the Company's affairs, including determining the investment policy of the Company.

Michael O'Higgins (56) (Chairman)

Michael has been chairman of the Audit Commission since October 2006 and became Chairman of The Pensions Regulator in January 2011, having previously been Chairman of Alexander Mann Solutions. He is a non-executive director of HM Treasury and chair of the Treasury Group Audit Committee. He is also Chair of the charity Centrepoint, having been on its Board of Trustees since 2002, and a non-executive director of Oxford Medical Diagnostics plc. Until his retirement in September 2006, Michael was a Managing Partner with PA Consulting, leading its Government and IT Consulting Groups, latterly as a director on its International Board. Prior to that he was a partner at Price Waterhouse, worked at the Organisation for Economic Co-operation and Development in Paris and held academic posts at the University of Bath, the London School of Economics, Harvard University and the Australian National University. He was recently appointed a Visiting Professor of Economics at the University of Bath.

John Glencross (57)

John co-founded Calculus Capital in 1999. In 2000, he structured and launched the UK's first HM Revenue & Customs approved EIS Fund with Susan McDonald. Since that time, he has successfully launched and closed three (including the offer for subscription on launch of the Company) VCT issues and ten further EIS funds. He is also a director of Neptune-Calculus Income and Growth VCT plc, Terrain Energy Limited and Lime Technology Limited. Both Terrain Energy Limited and Lime Technology Limited are companies in which this VCT has invested. His professional experience spans private equity, investment banking and corporate restructuring and he has invested in, advised on or negotiated more than 100 transactions. Prior to founding Calculus Capital he was an Executive Director in the Corporate Finance Division of UBS Securities and a founding member of the Corporate Finance Division of Deloitte Haskins and Sells, specialising in services to small and medium size businesses. He qualified as a Chartered Accountant with Peat Marwick Mitchell (now KPMG) and has an M.A (Hons) from the University of Oxford.

Kate Cornish-Bowden (44)

Kate worked for Morgan Stanley Investment Management for 12 years between 1992 and 2004. She was managing director and head of Morgan Stanley Investment Management's Global Core Equity (£1.5 billion of assets under management) team between 2002 and 2004. Prior to this, Kate was executive director and senior portfolio manager within the International Equity team at Morgan Stanley, with assets under management of £15 billion. Before joining Morgan Stanley, Kate spent two years at M&G Investment Management as a financial analyst. More recently Kate has acted as a consultant providing financial research to private equity and financial training firms. Kate is a Chartered Financial Analyst (CFA) and holds a Masters in Business Administration (MBA).

Steve Meeks (53)

Steve is a consultant specialising in structured products. Steve joined NatWest as a graduate recruit in 1978 and spent nine years working for the wholesale banking arm of the NatWest group, including five years working in the group's Executive Office for North America based in New York. Upon returning to the UK, he transferred to the group's investment bank, County NatWest, working in the capital markets origination team. In 1993, he was recruited by Union Bank of Switzerland and spent the next five years as an executive director with responsibility for marketing equity derivatives to leading UK life offices. In 2005, he finished a six year consultancy with Abbey Financial Markets working on a part time basis in their structured products team; during this time he designed and established Guaranteed Investment Products 1 PCC, an investment vehicle for Abbey Group's structured products that now has in excess of £5 billion under management across 131 different structured products. Steve is also a former consultant to Investec, having assisted the Investec Structured Products team with the launch of the Company. He is a non-executive director of five Guernsey incorporated investment companies including Guaranteed Investment Products 1 PCC.

Mark Rayward (48) (Audit Committee Chairman)

Mark worked for Newton Investment Management for 23 years from 1986 to November 2009. He was most recently Deputy Chief Executive and Chairman of the Newton Risk and Compliance Committee. From 2001 he was Managing Director of Newton Private Investment Management which had approximately £8 billion under management. Until his resignation from Newton, Mark was also a director of Bank of New York Mellon Newton Fund Managers which is the authorised director for Mellon Newton unit trusts and quoted UK funds.

Ian Wohlman (55)

Ian joined Allied Trust Bank Limited plc (now Investec Bank plc) in 1987 as an accounts manager. During his extensive time at Investec Bank plc he has been appointed to various executive positions, which include an Executive of both the Board Risk Review Committee and Risk Review Forum. He is also chairman of the PLC Credit Committee, Group Asset and Liability Committee, Audit Compliance Forum and Investment Committee. Prior to joining Investec Bank plc, Ian was at Royal Bank of Scotland initially as a branch manager and subsequently as a supervisor within the Business Development Lending group. Ian is FSA authorised both as a director and in relation to systems and controls.

Philip Swatman (61)

Philip was appointed chairman of Merlin Corporate Reputation Management, a financial and business communications consultancy group, in March 2009. Previously, Philip was vice-chairman of Investment Banking at NM Rothschild from 2001 until his retirement in September 2008, having originally joined NM Rothschild in 1979 as a Corporate Financier, becoming a Director in 1986. He subsequently became a Managing Director and later Co-Head of Investment Banking. He was accordingly involved in numerous transactions, including the sale of Chubb to Williams, Northern Foods' acquisition of Express Dairies, the IPOs of Vodafone and William Hill, the defence of BPB plc against a hostile bid from St Gobain, and the sale of Abbot Group plc to First Reserve. Philip qualified as a Chartered Accountant with KPMG after graduating from Christ Church, Oxford and is a Fellow of the Institute of Chartered Accountants.

Investment Managers

Calculus Capital

Calculus Capital Limited is the Venture Capital Investments portfolio manager (VCT Qualifying Investments).

Calculus Capital was established in 1999 and is authorised and regulated by the FSA. Its core investment team of Susan McDonald and John Glencross has been making tax efficient investments in unquoted companies since 1997. In 2000, Calculus Capital launched the first Enterprise Investment Scheme (EIS) fund approved by HM Revenue & Customs. Since that time, it has structured, launched and closed for subscription a further ten EIS funds and three VCT offers for subscription (including the offer for subscription on launch of the Company). As at 30 April 2011, it had approximately £45 million of funds under management or advice (including the assets of the Neptune-Calculus Income and Growth VCT plc and the assets of the Company) and had returned approximately £8.2 million to investors by way of cash distributions or distributions in specie, as well as having completed 69 investments in VCT and EIS qualifying companies. It has been recognised as a leading manager of Venture Capital Investments, being awarded the EIS Association Best EIS Fund Manager Award for 2009 and the Professional Adviser Best EIS Provider Award in 2010.

Calculus Capital has extensive experience of investing in energy, energy services, energy technology, leisure and catering, transportation and healthcare and these sectors are likely to be the target of investments by the Company. At the same time, Calculus Capital will also take advantage of value opportunities in other sectors as they arise.

Investec Structured Products

Investec Structured Products (a trading name of Investec Bank plc) is the Structured Products portfolio manager (non VCT Qualifying Investments).

The Investec group is an international specialist bank and asset manager that provides a diverse range of financial products and services to a select client base in three principal markets, the United Kingdom, South Africa and Australia. The group was established in 1974 and currently has approximately 6,500 employees.

The Investec group is organised as a network comprising six business divisions: Asset Management, Wealth and Investment, Property Activities, Private Banking, Investment Banking and Capital Markets.

Investec Structured Products has received investments from UK clients in excess of £1.3 billion in over 200 different Structured Products managed by it since May 2008, and have been recognised as a leading provider of Structured Products being awarded the Professional Adviser Best Structured Products Provider Award 2009, 2010, and 2011.

Directors' Report

The Directors' present their Report and Accounts for the period from incorporation on 1 February 2010 to 28 February 2011.

Business Review

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.

The Company carries on business as a venture capital trust and its affairs are conducted in a manner to satisfy the conditions to enable it to obtain approval as a venture capital trust under sections 258-332 of the Income Tax Act 2007 ("ITA 2007"). Details of the Company's investment policy are set out on pages 14 and 15.

During the period, the Company was an investment company under section 833 of the Companies Act 2006. On 18 May 2011 investment company status was revoked. This was done in order to allow the Company to pay dividends to shareholders using the special reserve, which had been created on the cancellation of the share premium account on 20 October 2010.

This Business Review should be read in conjunction with the Chairman's Statement on pages 2 and 3, the Investment Managers' Reviews on pages 4 to 8 and the portfolio analysis on page 9.

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:

- total return per share
- net asset value per share
- share price and discount/premium to net asset value

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. These tests are set out on page 59. The Company has received provisional approval as a VCT from HM Revenue & Customs. All the relevant VCT qualifying tests were met throughout the period.

The total return (after tax) for the period ended 28 February 2011 attributable to the ordinary shareholders was £308,000.

The fair value of the Company's investments at 28 February 2011 was £4.5 million.

The financial performance of the Company is set out below:

	Period Ended 28 February 2011
Total return per ordinary share	8.3p
NAV per ordinary share	102.1p
Ordinary share price	99.5p
Ordinary share price discount to NAV	2.5%

Dividend

The Directors are recommending a final dividend of 5.25p per ordinary share. Subject to approval by shareholders at the Annual General Meeting, this dividend will be paid on 29 July 2011 to ordinary shareholders on the register on 3 June 2011.

Share capital

The issued share capital on incorporation was 20 ordinary shares of 1p each. A total of 4,738,443 ordinary shares, with an aggregate nominal value of £47,384 and a total consideration of £4,787,269, were issued during the year, as follows:

- 3,867,897 ordinary shares were issued at 100p per share under the Offer for Subscription dated 3 March 2010.
- a further ordinary share offer was launched on 20 September 2010 and the following shares were issued:
 - 115,830 ordinary shares at 103.6p per share on 5 October 2010
 - 226,446 ordinary shares at 105.3p per share 2 November 2010
 - 89,292 ordinary shares at 105.8p per share on 16 November 2010
 - 18,250 ordinary shares at 105.2p per share on 30 November 2010
 - 420,728 ordinary shares at 106.3p per share on 13 December 2010

5,000,000 redeemable non-voting shares of 1p each were issued to Investec Structured Products, an investment manager of the Company, on 10 February 2010 to enable the Company to register as a public limited company. These shares were redeemed in full on 29 June 2010.

At the year end, the issued share capital comprised 4,738,463 ordinary shares. No shares are held in treasury.

Directors' Report (continued)

An offer for subscription for C ordinary shares of 1p each ("C shares") was launched in January 2011 and the following shares have been issued since the period end:

- 1,644,826 C shares at 100p per share on 1 April 2011
- 187,679 C shares at 100p per share on 5 April 2011
- 98,590 C shares at 100p per share on 4 May 2011

The ordinary shares and C shares have equal voting rights, and at general meetings of the Company, holders are entitled to one vote on a show of hands and on a poll to one vote for every share held.

At the date of this report, the issued share capital comprises 4,738,463 ordinary shares (representing 71.05 per cent. of total voting rights) and 1,931,095 C shares (representing 28.95 per cent. of total voting rights).

There are no restrictions concerning the transfer of securities in the Company; no special rights with regard to control attached to securities; no agreements between holders of securities regarding their transfer known to the Company; and no agreements which the Company is party to that might affect its control following a successful takeover bid.

The authority to issue or buy back the Company's shares and amendment of the Company's Articles of Association require a relevant resolution to be passed by shareholders. At the General Meeting held on 6 September 2010, the Directors were granted authority to allot ordinary and C shares up to an aggregate nominal amount of £165,000 and £275,000 respectively. They were also authorised to issue for cash (without rights of pre-emption applying) and buyback both ordinary and C shares. The Board's proposals for the renewal of the authorities to issue and buyback shares are detailed on page 20.

Investment policy

Asset allocation

It was intended that approximately 75 per cent. of the monies raised by the Company would be invested within 60 days in a portfolio of Structured Products. The balance would be used to meet initial costs and invested in cash or near cash assets (as directed by the Board) and would be available to invest in Venture Capital Investments, as well as to fund ongoing expenses.

In order to qualify as a VCT, at least 70 per cent. of the Company's assets must be invested in Venture Capital Investments within approximately three years. Thus, in respect of monies raised from time to time, there will be a phased reduction in the Structured Products portfolio and corresponding build up in the portfolio of Venture Capital Investments to achieve and maintain this 70 per cent. threshold along the following lines:

Average Exposure per Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6+
Structured Products and cash/near cash	85%	75%	35%	25%	25%	0%
Venture Capital Investments	15%	25%	65%	75%	75%	100%

Note: the investment allocation set out above is only an estimate and the actual allocation will depend on market conditions, the level of opportunities and the comparative rates of returns available from Venture Capital Investments and Structured Products.

The combination of Venture Capital Investments and the Structured Products will be designed to produce ongoing capital gains and income that will be sufficient to maximise both annual dividends for the first five years from funds being raised and an interim return by an interim return date by way of a special dividend or cash tender offer for shares. After the interim return date, unless Investec Structured Products are requested to make further investments in Structured Products, the relevant fund will be left with a portfolio of Venture Capital Investments managed by Calculus Capital with a view to maximising longer term returns. Such returns will then be dependent, both in terms of amount and timing, on the performance of the Venture Capital Investments but with the intention to source exits as soon as possible.

The portfolio of Structured Products will be constructed with different issuers and differing maturity periods to minimise risk and create a diversified portfolio. The maximum exposure to any one issuer will be limited to 15 per cent. of the assets of the Company at the time of investment. Structured Products can and may be sold before their maturity date if required for the purposes of making Venture Capital Investments and Investec Structured Products have agreed to make a market in the Structured Products, should this be required by the Company.

The intention for the portfolio of Venture Capital Investments is to build a diverse portfolio of primarily established unquoted companies across different industries. In order to generate income and where it is felt it would enhance shareholder return, investments may be structured to include loan stock and/or redeemable preference shares as well as ordinary equity. It is intended that the amount invested in any one sector and any one company will be no more than approximately 20 per cent. and 10 per cent. respectively of the Venture Capital Investments portfolio (in both cases at the date of investment).

The Board and its Investment Managers review the portfolio of investments on a regular basis to assess asset allocation and the need to realise investments to meet the Company's objectives or maintain VCT status. Where investment opportunities arise in one asset class which conflicts with assets held or opportunities in another asset class, the Board will make the investment/divestment decision.

Under its Articles of Association, the Company has the ability to borrow a maximum amount equal to 25 per cent. of the aggregate amount paid on all shares issued by the Company (together with any share premium thereon). The Board will consider borrowing if it is in the shareholders' interests to do so. In particular, because the Board intends to minimise cash balances, the Company may borrow on a short-term to medium-term basis (in particular, against Structured Products) for cashflow purposes and to facilitate the payment of dividends and expenses in the early years.

The Company will not vary the investment objective or the investment policy, to any material extent, without the approval of shareholders. The Company intends to be a generalist VCT investing in a wide range of sectors.

Risk diversification

The Board controls the overall risk of the Company. Calculus Capital will ensure the Company has exposure to a diversified range of Venture Capital Investments from different sectors. Investec Structured Products will ensure the Company has exposure to a diversified range of Structured Products. The Board believes that investment in these two asset classes provides further diversification.

Co-investment policy

Calculus Capital has a co-investment policy between its various funds whereby investment allocations are generally offered to each party in proportion to their respective funds available for investment, subject to: (i) a priority being given to any of the funds in order to maintain their tax status; (ii) the time horizon of the investment opportunity being compatible with the exit strategy of each fund; and (iii) the risk/reward profile of the investment opportunity being compatible with the target return for each fund. The terms of the investments may differ between the parties. In the event of any conflicts between the parties, the issues will be resolved at the discretion of the independent Directors, designated members and committees. It is not intended that the Company will co-invest with Directors or members of the Calculus Capital management team (including family members).

In respect of the Venture Capital Investments, funds attributable to separate share classes will co-invest (i.e. pro rata allocation per fund, unless one of the funds has a pre-existing investment where the incumbent fund will have priority, or as otherwise approved by the Board). Any potential conflict of interest arising will be resolved on a basis which the Board believes to be equitable and in the best interests of all shareholders. A co-investment policy is not considered necessary for the Structured Products.

Policy on Qualifying Investments

Calculus Capital follows a disciplined investment approach which focuses on investing in more mature unquoted companies where the risk of capital loss is reduced and prospects for exit enhanced, typically by the cash generative characteristics and/or strong asset bases of the investee companies. Calculus Capital, therefore, intends to:

- Invest in a diversified portfolio from a range of different sectors.
- Focus on companies which are cash generative and/or with a strong asset base.
- Structure investments to include loans and preference shares where it is felt this would enhance shareholder return.
- Invest in companies which operate in sectors with a high degree of predictability and a defensible market position.
- Invest in companies which can benefit both from the capital provided by Calculus Capital but also from the many years of operating and financial experience of the Calculus Capital team.

Directors' Report (continued)

It is intended that the Venture Capital Investments portfolio will be spread across a number of investments and the amount invested in any one sector and any one company will be no more than approximately 20 per cent. and 10 per cent. respectively (in both cases at the date of investment).

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.

Principal risks and uncertainties facing the Company

The Company is exposed to a variety of risks. The principal financial risks and 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:

Loss of approval as a venture capital trust and other regulatory breaches

The Company has received provisional 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 Managers and financial information is produced on a monthly basis. The Board has appointed an independent adviser to monitor and advise on the Company's compliance with the VCT rules.

The Company is subject to compliance with the Companies Act 2006, the rules of the UK Listing Authority and ITA 2007. A breach of any of these could lead to suspension of the listing of the Company's shares on the London Stock Exchange and/or financial penalties, with the resulting reputational implications.

Venture Capital 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, AIM-traded and PLUS Markets-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 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.

Risks attaching to investment in Structured Products

Structured Products are subject to market fluctuations and the Company may lose some or all of its investment. In the event of a long-term decline in the FTSE 100 Index (or, in the case of the C shares fund when investment commences, in such other index as this fund may be invested), there will be no gains from the Structured Products. In the event of a fall in the relevant index of more than 50 per cent. at any time during the Structured Product term, and where the Final Index Level is below the Initial Index Level, there will be losses on the Structured Products.

There may not be a liquid market in the Structured Products and there may never be two competitive market makers, making it difficult for the Company to realise its investment. Risk is increased further where there is a single market maker who is also the issuer of the Structured Product. Investec Structured Products has agreed to make a market in the Structured Products, should this be required by the Company.

Factors which may influence the market value of Structured Products include interest rates, changes in the method of calculating the relevant underlying index from time to time and market expectations regarding the future performance of the relevant underlying index, its composition and such Structured Products.

Investec Structured Products has been appointed to manage the Structured Products portfolio for its expertise in these types of financial products. Restrictions have been agreed with Investec Structured Products relating to approved counterparties and maximum exposure to any one counterparty.

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.

Changes to legislation/taxation

Changes in legislation or tax rates concerning VCTs in general, and Venture Capital Investments and qualifying trades in particular, may limit the number of new Venture Capital Investment opportunities, and thereby adversely affect the ability of the Company to achieve or maintain VCT status, and/or reduce the level of returns which would otherwise have been achievable.

Engagement of third party advisers

The Company has no employees and relies on services provided by third parties. The Board has appointed Calculus Capital as Investment Manager of the Qualifying Investments portfolio and Investec Structured Products as Investment Manager of the Structured Products portfolio. Capita Sinclair Henderson Limited provides administration, accounting and company secretarial services, and Rensburg Sheppards act as custodian.

C shares versus ordinary shares

The assets relating to the C shares will be managed and accounted for separately from the assets attributable to the ordinary shares. However, a number of company regulations and VCT requirements are assessed at company level and, therefore, the performance of one fund may impact adversely on the other. The Board will monitor both the performance of each separate fund as well as requirements at a company level to reduce the risk of this occurring.

Future developments

The Directors believe that the Company is well placed to make progress during 2011.

Corporate social responsibility

The Company has no employees and the Board is comprised entirely of non-executive Directors. Day to day management of the Company's business is delegated to the Investment Managers (details of the respective management agreements are set out below) and the Company itself has no environmental, social or community policies. In carrying out its activities and in relationships with suppliers, the Company aims to conduct itself responsibly, ethically and fairly.

Directors

The Directors who held office during the period were as follows:

	Appointed	Resigned
Michael O'Higgins (Chairman)	22 February 2010	–
Kate Cornish-Bowden	10 February 2011	–
John Glencross	10 February 2010	–
Steve Meeks	10 February 2010	–
Mark Rayward	22 February 2010	–
Philip Swatman	22 February 2010	–
Ian Wohlman	22 February 2010	–
Christopher Wightman	22 February 2010	10 February 2011
Daniel Johnson	1 February 2010	10 February 2010
Meaujo Incorporations Limited	1 February 2010	10 February 2010

Mr Wohlman will be retiring at the Annual General Meeting and will not be standing for election.

All the other Directors will stand for election at the forthcoming Annual General Meeting, this being the Company's first Annual General Meeting.

Biographical notes on the Directors are given on pages 10 and 11.

The Board considers that, following recent performance evaluations, all of the current Directors contribute effectively and have the skills and experience relevant to the future leadership and direction of the Company. The Board therefore believes that it is in the best interests of shareholders that the Directors are elected.

Directors' Report (continued)

Directors' Interests

The Directors' interests in the Company's shares were as follows:

	28 February 2011 Ordinary Shares
Michael O'Higgins	205,500
Kate Cornish-Bowden	–
John Glencross	25,000
Steve Meeks	20,550
Mark Rayward	50,875
Philip Swatman	10,275
Ian Wohlman	30,000

No Director has been granted options to acquire shares in the Company.

Mr Glencross is Chief Executive and a director of Calculus Capital and Mr Wohlman is a director of Investec Bank plc (of which Investec Structured Products is a trading division) and they are therefore deemed to have an interest in the respective 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 or agreements during the year.

Subsequent to the year end, under the offer for subscription of C shares, Mr Wohlman was allotted 30,000 C shares on 1 April 2011 and Ms Cornish-Bowden was allotted 10,000 C shares on 4 May 2011. There have been no other changes in the Directors' interests between 28 February 2011 and the date of this report.

The rules concerning the appointment and replacement of Directors are contained in the Company's Articles of Association and discussed on page 22.

There are no agreements between the Company and its Directors concerning compensation for loss of office.

Corporate Governance

A formal statement on Corporate Governance and the Company's compliance with the Combined Code on Corporate Governance is set out on pages 22 to 25, and forms part of this Directors' Report.

Management

The Board has sought to diversify investment risk by appointing two investment managers to manage the two distinct investment portfolios. The VCT qualifying Venture Capital Investments are managed by Calculus Capital, whilst the Investec Structured Products team has been appointed to manage the portfolio of non VCT qualifying Structured Products.

Calculus Capital were 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 shares fund (together, the "Calculus Management Agreements"). Pursuant to the Calculus Management Agreements, Calculus Capital will receive an annual management fee of 1 per cent. of the net asset value of the ordinary shares fund and 1 per cent. of the net asset value of the C shares fund, both calculated and payable quarterly in arrears.

Investec Structured Products were 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 shares fund (together, the "Investec Management Agreements"). Investec Structured Products does not receive a fee in relation to its appointment under these agreements, although it is entitled to receive a one-off commission equal to 0.75 per cent. of the amount invested in any Structured Product (excluding those issued by Investec). Pursuant to the Investec Management Agreements, Investec Structured Products has agreed to meet the annual expenses of the Company in excess of 3.0 per cent. of the aggregate gross amounts raised under the ordinary share and C share offers, and of any other offer or issue of shares by the Company.

The management agreements dated 2 March 2010 are for an initial period up to the ordinary share interim return date of 14 December 2015, and may be terminated on 12 months' notice expiring on the ordinary share interim return date or at any time thereafter. The supplemental agreements are for an initial period up to the C share interim return date of 14 March 2017, and may be terminated on 12 months' notice expiring on the C share interim return date or at any time thereafter.

The appointments may also be terminated inter alia in circumstances of material breach by either party. The appointment of Investec Structured Products will automatically terminate on the date the Company no longer has investments in Structured Products. If the requisite notice period is not given by the Company, additional compensation would be payable to Calculus Capital representing the annual fee for the remainder of the fixed term or for any subsequent 12 month period.

Investment management fees are charged 75 per cent. to capital and 25 per cent to revenue.

A Performance Incentive Agreement between the Company, Calculus Capital and Investec Structured Products dated 2 March 2010 in relation to the ordinary shares fund has been signed. Investec Structured Products and Calculus Capital will each receive a performance incentive fee payable in cash of an amount equal to 10 per cent. of dividends and distributions paid to Shareholders following the payment of such dividends and distributions provided that Shareholders have received or been offered an Interim Return of at least 70p per ordinary share on or before the Interim Return Date and aggregate distributions of at least 105p per ordinary share have been paid (including the relevant distribution being offered). Such performance incentive fees will be paid within 10 business days of the payment of the relevant dividend or distribution.

If the appointment of either of the Investment Managers as investment manager to the Company is terminated by the Company as a result of a material breach by the Investment Manager concerned of the provisions of the investment management agreement between it and the Company, no further performance incentive fee will be payable to the Investment Manager concerned.

If the appointment of Investec Structured Products is terminated for any other reason, it will continue to be entitled to the performance incentive fee.

If the appointment of Calculus Capital is terminated for any other reason, it will be entitled to a performance incentive fee in respect of distributions paid by the ordinary shares fund during the period of 5 years after the date of termination, but the amount payable to it shall reduce pro rata during that period and no performance incentive fee will be payable in respect of distributions made thereafter.

A Performance Incentive Agreement between the Company, Calculus Capital and Investec Structured Products dated 7 January 2011 in relation to the C shares fund has also been signed pursuant to which Investec Structured Products and Calculus Capital will be entitled to performance incentive fees as set out below:

- 10 per cent. of C Shareholder Proceeds in excess of 105.0p up to and including Proceeds of 115.0p per C Share, such amount to be paid within ten business days of the date of payment of the relevant dividend or distribution pursuant to which a return of 115.0p per C Share is satisfied; and
- 10 per cent. of C Shareholder Proceeds in excess of 115p per C share, such amounts to be paid within ten business days of the date of payment of the relevant dividend or distribution.

Provided in each case that C shareholders have received or been offered the C Share Interim Return of at least 70.0p per C Share on or before 14 March 2017 and at least a further 45.0p per C Share having been received or offered for payment on or before the 14 March 2019. In addition, performance incentive fees in respect of the C Shares Fund will only be payable in respect of dividends and distributions paid or offered on or before 14 March 2019.

In addition, if the appointment of either of the Investment Managers as investment manager to the Company is terminated by the Company as a result of a material breach by the Investment Manager concerned of the provisions of the investment management agreement between it and the Company, no further C Share Performance Incentive will be payable to the Investment Manager concerned.

If the appointment of Investec Structured Products is terminated for any other reason, it will continue to be entitled to the C share performance incentive fee.

If the appointment of Calculus Capital is terminated for any other reason, it will be entitled to a C share performance incentive fee in respect of distributions paid by the C shares fund during the period of five years after the date of termination, but the amount payable to it shall reduce pro rata during that period and no C share performance incentive fee will be payable in respect of distributions made thereafter.

Continuing Appointment of the Investment Managers

The Board keeps the performance of the Managers under continual review. A formal review of their performance since the Company's launch and the terms of their engagement has been carried out and the Board are of the opinion that the continuing appointment of Calculus Capital and Investec Structured Products as Investment Managers is in the interests of shareholders as a whole. The Board is pleased with the performance of the Company to date. Performance of the Structured Products portfolio is very satisfactory, beating initial expectations, and there is a steady stream of Qualifying Investments being made. The Board is confident that the Company will meet the VCT qualifying tests.

Directors' Report (continued)

Administration

Under an agreement dated 2 March 2010, fund administration and company secretarial services are undertaken by Capita Sinclair Henderson Limited for an annual fee of £56,000 plus an ad valorem fee of 0.05 per cent. of the Company's net assets per annum, both payable in arrears. The annual fee is adjusted annually by reference to increases in the Retail Price Index. The Fund Administration Agreement may be terminated by either party at twelve months' notice. The annual fee has been increased by £15,000 following the allotment of C shares owing to the additional work associated with the new fund.

Going Concern

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

Substantial Shareholdings

As at the date of this report, the Company had been advised of the following notifiable interests in the Company's share capital:

	Ordinary Shares	% of Total Voting Rights
Michael O'Higgins	205,500	3.08

Payment of Suppliers

The Company does not follow any code or standard on payment practice. However it is the Company's payment policy to obtain the best possible terms for all business and, therefore, there is no consistent policy as to the terms used. The Company agrees with its suppliers the terms on which business will be transacted, and it is the Company's policy to abide by these terms. There were no outstanding trade creditors at 28 February 2011.

Annual General Meeting

A formal notice convening the first Annual General Meeting of the Company to be held on 30 June 2011 can be found on pages 48 to 51. Shareholders are being asked to vote on various items of business, being the receipt and adoption of the Reports of the Directors and Auditors and the Accounts for the period ended 28 February 2011, the receipt and approval of the Directors' Remuneration Report, the declaration of a final dividend per ordinary share, the election of Directors, the re-appointment of Grant Thornton UK LLP as Auditor, the authorisation of the Directors to determine the remuneration of the Auditor, the granting of authorities in relation to the allotment of shares, the disapplication of pre-emption rights for certain issues of shares, the purchase by the Company of its own shares, the holding of general meetings on not less than 14 clear day's notice and a technical amendment to the Articles of Association of the Company. Resolutions 1 to 12 will be proposed as ordinary resolutions and Resolutions 13 to 16 (which are, together with Resolution 12, explained below) will be proposed as special resolutions.

Resolution 12 will authorise the Directors to allot relevant securities generally, in accordance with s.551 of the Companies Act 2006, up to a nominal amount of £206,700 (representing approximately 310 per cent. of the issued share capital of the Company as at the date of the notice) to be used for the purposes listed under the authority requested under Resolution 13. This authority will expire on the fifth anniversary of the passing of the resolution.

Resolution 13 will sanction, in a limited manner, the disapplication of pre-emption rights in respect of the allotment of equity securities for cash (i) with an aggregate nominal value of up to £100,000 in each class of share in the Company pursuant to offer(s) for subscription and (ii) with an aggregate nominal value of up to 10 per cent. of the issued share capital of each class of share in the Company for general purposes, in each case where the proceeds may be used to make purchases of the Company's own shares. This authority will expire at the conclusion of the Annual General Meeting to be held in 2012.

These authorities will only be used if it is in the interests of all shareholders, and shares will only be issued at a price above the prevailing net asset value of the relevant share class.

Resolution 14 will give the Company authority to make market purchases of up to 710,295 ordinary shares and 289,471 C shares representing approximately 14.99 per cent. of each of the respective issued share classes in the Company at the date of the Annual General Meeting, such authority to expire at the conclusion of the Annual General Meeting to be held in 2012.

Any shares bought back by the Company will be at a price determined by the Board, but the minimum price will be 1p per share and the maximum price will be in accordance with the Listing Rules and the Buyback and Stabilisation Regulation 2003. Shares bought back will be cancelled or placed into treasury at the discretion of the Directors. The authorities to buy back shares will only be used if it is in the interests of all shareholders and shares will not be bought back at a discount to the prevailing net asset value for that class of share. No shares have been bought back under the existing authorities.

Resolution 15 will give the Directors the ability to convene general meetings, other than annual general meetings, on a minimum of 14 clear days' notice. The minimum notice period for annual general meetings will remain at 21 clear days. The approval will be effective until the Company's Annual General Meeting to be held in 2012, at which it is intended that renewal will be sought. The Company will have to offer facilities for all shareholders to vote by electronic means for any general meetings convened on 14 days' notice. The Directors will only call a general meeting on 14 days' notice where they consider it to be in the interests of shareholders to do so and the relevant matter requires to be dealt with expediently.

Resolution 16 will approve a technical amendment to the Articles of Association to allow adjourned class meetings to be called without a minimum notice period (for administrative efficiency) and confirmation that the quorum at such meeting is any one holder of the relevant class of shares for the adjourned meeting irrelevant of the number of shares in that class held (as provided under the Companies Act 2006).

Separate Meetings

Notices convening Separate Meetings of holders of ordinary shares and holders of C shares can be found on pages 52 to 57.

A special resolution is being proposed at each Separate Meeting to obtain the approval and consent of the holders of ordinary shares and of C shares to the passing of resolutions 12, 14 and 16 being proposed at the Annual General Meeting and any variation of class rights resulting therefrom.

The quorum requirement at the Separate Meetings is for not less than two persons to be present (in person or by proxy) holding or representing at least one-third of the nominal amount paid up on the issued shares of the class in question. If a quorum is not present at either of the Separate Meetings on 30 June 2011, that meeting will be adjourned to 12 July 2011, as set out in the notice of the relevant meeting. At the adjourned meeting, the quorum will be one person holding shares of the class in question (whatever the number of shares held) who is present in person or by proxy.

Recommendation

Full details of the above resolutions are contained in the Notice of Annual General Meeting and the Notices of the Separate Meetings. Ordinary resolutions require that more than 50 per cent. of the votes cast at the relevant Meeting must be in favour of the resolutions. Special resolutions require that at least 75 per cent. of the votes cast must be in favour of the resolution.

The Directors consider that all the resolutions to be proposed at the Meetings are in the best interests of the Company and its members as a whole. The Directors unanimously recommend that shareholders vote in favour of all the resolutions, as they intend to do in respect of their own beneficial holdings details of which are set out on page 18.

Auditor

A resolution to re-appoint Grant Thornton UK LLP as Auditor of the Company will be proposed at the forthcoming Annual General Meeting.

By order of the Board
Capita Sinclair Henderson Limited
Secretary
23 May 2011

Corporate Governance Statement

This Corporate Governance statement forms part of the Directors' Report.

Introduction

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 Combined Code on Corporate Governance (the "Code") issued by the Financial Reporting Council ("FRC"), a copy of which can be found at www.frc.org.uk.

Pursuant to the Listing Rules of the Financial Services Authority, the Company is required to provide shareholders with a statement on how the main and supporting principles set out in Section 1 of 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 the UK Corporate Governance Code published by the FRC in May 2010, and considers that it has complied throughout the period, except as disclosed below:

- Directors are not appointed for a specified term as all Directors are non-executive and the Articles of Association require that all Directors retire by rotation at the Annual General Meeting.
- 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 senior independent Director.
- The Board did not comply during the period with the requirement to appoint an audit committee consisting wholly of independent non-executive directors. The membership of the Committee has since been reviewed and it now consists solely of the independent Directors.
- 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 seven non-executive Directors. 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, structured products, venture capital investment and public company management. The Company has no employees.

Mr O'Higgins was appointed as Chairman following the resignation of Mr Wightman on 10 February 2011. The Board consider him to be independent and to have no conflicting relationships. Mr O'Higgins is Chairman of the Audit Commission and of The Pensions Regulator, a non-executive Director of HM Treasury and chair of the Treasury Group Audit Committee. He considers himself to have sufficient time to commit to the Company's affairs.

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.

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 companies.

The Articles of Association provide that all Directors will stand for election by shareholders at the first annual general meeting following their appointment, that they will stand for re-election at least once every three years thereafter and that Directors with nine years or more of service will be subject to annual re-election.

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.

Under the Articles of Association, the Directors are provided, subject to the provisions of UK legislation, with an indemnity in respect of liabilities which they may sustain or incur in connection with their appointment. Save for this, there are no third party indemnity provisions in force.

Independence of Directors

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

Mr Glencross is a director of Calculus Capital Limited and Mr Wohlman is a director of Investec Bank plc, and both are accordingly not deemed to be independent. In accordance with the Listing Rules, Mr Glencross and Mr Wohlman will both stand for annual re-election by shareholders.

Steve Meeks was until April 2010 a consultant to Investec Structured Products and is therefore not deemed to be independent.

Board Operation

Board meetings are held at least quarterly and additional meetings are arranged as necessary. Due to the timing of the Company's launch, three scheduled meetings were held during the period. Directors' attendance at meetings during the period was as follows:

	Scheduled Board Meetings	Audit Committee Meetings
Number of meetings held	3	2
Number of meetings attended by Directors:		
Michael O'Higgins	3	2
John Glencross	3	2
Steve Meeks	2	2
Mark Rayward	2	1
Philip Swatman	2	2
Ian Wohlman	0	0

Ms Cornish-Bowden was appointed on 10 February 2011 and no meetings were held between then and the period end.

The Board has established a procedure for the evaluation of the Board, its Committees and individual Directors. The appraisal process was conducted by the Chairman by way of an evaluation questionnaire encompassing both quantitative and qualitative measures of performance. 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.

In light of the fact that Mr O'Higgins has only been Chairman of the Board for a short time, it was not felt appropriate to evaluate him separately in his role as Chairman at this time. A full evaluation will be carried out next year when he will have been Chairman for a full year and the Directors will be in a position to make a meaningful assessment of his performance.

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.

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 will keep under review the composition and balance of skills, knowledge and experience of the Directors and make recommendations to shareholders for the election or re-election of Directors at the Annual General Meeting. The Board will also keep 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.

Following the resignation of Mr Wightman as Chairman and a Director of the Company, the Board appointed Ms Cornish-Bowden as a new Director. The Board considered the range of skills and experience on the Board and the desirable qualities that a new Director should bring. An external recruitment agency was not used as the Board and Investment Managers put forward a number of candidates that were deemed to be suitably qualified.

Audit Committee

An Audit Committee has been established and operates within clearly, defined terms of reference, copies of which are available from the Company Secretary. During the period under review the Audit Committee comprised the full Board. The membership of the Committee has since been reviewed and it now comprises solely the independent Directors. The non-independent Directors are however invited to attend meetings of the Audit Committee as they are intimately involved in the Company's affair and their financial knowledge brings value to the discussions.

Mr Rayward is chairman of the Audit Committee, replacing Mr O'Higgins who stepped down as chairman of the Audit Committee following his appointment as Chairman of the Board. The Audit Committee members are considered to have sufficient recent and relevant financial experience to discharge the role and Mr Swatman is a Chartered Accountant. The Committee meets at least twice a year, with representatives of Calculus Capital and Investec Structured Products 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 are to monitor the integrity of the accounts of the Company and the process and scope of the audit by the external auditors, to review the Company's internal control and risk management systems, to review and monitor the independence and objectivity of the external Auditor and to make recommendations to the Board in relation to the appointment/reappointment and remuneration of the external Auditor and to keep under review and monitor the provision of non-audit services by the external Auditor.

Corporate Governance Statement (continued)

The Audit Committee has reviewed and accepted reports from the Auditor on their procedures for ensuring that their independence and objectivity are safeguarded. 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. Non-audit work may be given to the external Auditor unless there is a conflict of interest or someone else is considered to have more relevant experience. Non-audit services provided by the external Auditor during the period amounted to £35,000 as set out in note 4 to the Accounts. The majority of this was in connection with reporting accountant services provided for the launch and ordinary share prospectuses issued during the period, and the committee does not consider that this affects their independence.

Following consideration of the performance of the Auditor, the service provided and a review of their independence and objectivity, the Audit Committee recommended to the Board the reappointment of Grant Thornton UK LLP as Auditor to the Company.

Board Responsibilities and Relationship with the Investment Managers

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

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 and Investec Structured Products attend each Board meeting, and written reports about investments, performance and outlook are obtained from the Investment Managers for each meeting. In light of the information at its disposal, the Board gives direction to the Investment Managers with regard to investment objectives and guidelines. Within these guidelines, the Investment Managers take decisions as to the purchase and sale of individual investments within their respective mandates. The Investment Managers maintain ongoing communication with the Board between formal meetings.

Stewardship Responsibilities and use of Voting Rights

The Board has reviewed and discussed the UK Stewardship Code with the Investment Managers. It has determined that the Stewardship Code is not relevant for investments in Structured Products, but it 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 their 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 service of the Company Secretary, Capita Sinclair Henderson 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.

Internal Control

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. Since the admission of the Company's shares to listing and trading on the Stock Exchange, the Directors have reviewed and considered the guidance supplied by the FRC on internal controls and an ongoing process has been established for identifying, evaluating and managing the risks faced by the Company. This process was in place at 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 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 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 subcontracted, 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 Managers, Administrator, Company Secretary, Custodian and Registrar on at least an annual basis.

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. 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 and Investec Structured Products, who will be available to discuss issues affecting the Company. The notice of Annual General Meeting on pages 48 to 51 sets out the business of the meeting.

Shareholders may write to the Company with any concerns or enquiries via the Company Secretary.

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 despatched to all shareholders by mail and are also available for download from Calculus Capital's website, www.calculuscapital.com. The net asset value of the Company is released monthly to the London Stock Exchange.

Directors' Responsibilities Statement

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

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

Company law requires the Directors to prepare Accounts for each financial year. Under that law they have elected to prepare the Accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). Under company law the Directors must not approve the Accounts unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company for that period.

In preparing these accounts, the Directors are required to:

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

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

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

In so far as each of the Directors is aware:

- there is no relevant audit information of which the Company's Auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

The Accounts are published on the www.calculuscapital.com website, which is a website maintained by one of the Company's Investment Managers, 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 the applicable set of 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 includes a fair review of the development and performance of the business and the position of the Company together with a description of the principal risks and uncertainties that it faces.

On behalf of the Board

Michael O'Higgins
Chairman

23 May 2011

Directors' Remuneration Report

The Board has prepared this report, in accordance with the requirements of Schedule 8 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008. An ordinary resolution for the approval of this report will be put to the members at the forthcoming Annual General Meeting.

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

Remuneration Committee

The Board is comprised solely of non-executive Directors and the Board does not believe it necessary to appoint a separate remuneration committee. The responsibilities normally reserved for this committee are dealt with by the full Board.

Policy on Directors' Fees

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. It is intended that this policy will continue for the year ending 28 February 2012 and subsequent years.

The fees for the non-executive Directors are determined within the limits (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.

Directors' fees for the period ended 28 February 2011 were at a level of £20,000 per annum for the Chairman and £15,000 per annum for the other Directors.

Directors' Service Contracts

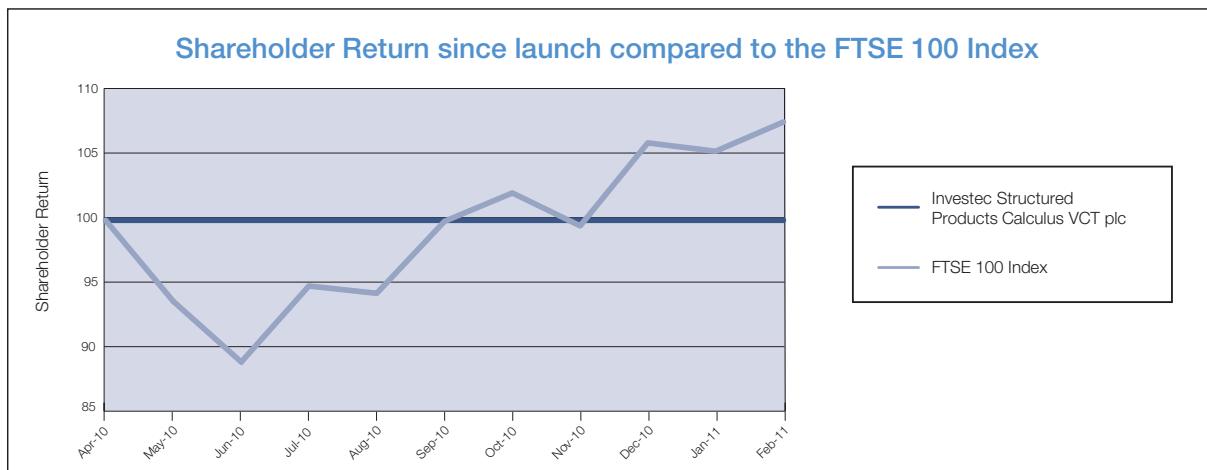
It is the Board's policy that Directors do not have service contracts, but Directors are provided with a letter of appointment as a non-executive Director.

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

Company Performance

The graph on page 28 compares the total return (assuming all dividends are reinvested) to ordinary shareholders since 8 April 2010 (when the ordinary shares were first admitted to the Official List of The UK Listing Authority), compared to the total shareholder return in the FTSE 100 Index, which is the closest broad index against which to measure the Company's performance.

Directors' Remuneration Report (continued)



Directors' Emoluments for the Period (audited)

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

Director	2011 Fees £'000
Michael O'Higgins (Chairman)*	14
Kate Cornish-Bowden**	1
John Glencross	–
Steven Meeks	14
Mark Rayward	14
Philip Swatman	14
Christopher Wightman***	16
Ian Wohlman	–
	73

* appointed Chairman on 10 February 2011

** appointed as a Director on 10 February 2011

*** resigned as Chairman and a Director on 10 February 2011

Mr Glencross and Mr Wohlman are not entitled to any remuneration from the Company due to their connection with the Investment Managers.

Approval

The Directors' Remuneration Report was approved by the Board on 23 May 2011.

On behalf of the Board

Michael O'Higgins
Chairman

23 May 2011

Independent Auditor's Report

Independent Auditor's Report to the Members of Investec Structured Products Calculus VCT plc

We have audited the accounts of Investec Structured Products Calculus VCT plc for the period ended 28 February 2011 which comprise the Income Statement, the Reconciliation of Movements in Shareholders' Funds, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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.

Respective Responsibilities of Directors and Auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 26, the Directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the Audit of the Accounts

A description of the scope of an audit of accounts is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

Opinion on Accounts

In our opinion the accounts:

- give a true and fair view of the state of the Company's affairs as at 28 February 2011 and of its return for the period then ended;
- have been properly prepared in accordance with United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on Other Matters Prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Directors' Report for the financial period for which the accounts are prepared is consistent with the accounts.

Independent Auditor's Report (continued)

Matters on Which we are Required to Report by Exception

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts 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.

Under the Listing Rules we are required to review:

- the Directors' statement, set out on page 20, in relation to going concern;
- the part of the Corporate Governance Statement relating to the Company's compliance with the nine provisions of the June 2008 Combined Code specified for our review; and
- certain elements of the report to shareholders by the Board on Directors' remuneration.

Julian Bartlett
Senior Statutory Auditor
For and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

23 May 2011

Income Statement for the period from 1 February 2010 to 28 February 2011

	Note	Period Ended 28 February 2011		
		Revenue Return £'000	Capital Return £'000	Total £'000
Investment holding gains	8	–	446	446
Income	2	20	–	20
Investment management fee	3	(9)	(26)	(35)
Other operating expenses	4	(123)	–	(123)
(Loss)/profit on ordinary activities before taxation		(112)	420	308
Taxation on ordinary activities	5	–	–	–
(Loss)/profit on ordinary activities after taxation		(112)	420	308
Return per ordinary share – basic	7	(3.0)p	11.3p	8.3p

The total column of this statement represents the Company's Income Statement.

The supplementary revenue return and capital return columns are both prepared in accordance with the Association of Investment Companies' ("AIC") Statement of Recommended Practice ("SORP").

No operations were acquired or discontinued during the period.

All items in the above statement derive from continuing operations.

There were no recognised gains or losses other than those passing through the Income Statement.

The notes on pages 35 to 47 form an integral part of these Accounts.

Reconciliation of Movements in Shareholders' Funds for the period from 1 February 2010 to 28 February 2011

	Share Capital £'000	Share Premium Account £'000	Special Reserve £'000	Capital Reserve Realised £'000	Capital Reserve Unrealised £'000	Revenue Reserve £'000	Total £'000
For the period to 28 February 2011							
1 February 2010	–	–	–	–	–	–	–
(Loss)/profit for the period	–	–	–	(26)	446	(112)	308
Issue of redeemable non-voting shares	50	–	–	–	–	–	50
Redemption of redeemable non-voting shares	(50)	–	–	–	–	–	(50)
Increase in share capital in issue	47	4,740	–	–	–	–	4,787
Expenses of share issues	–	(259)	–	–	–	–	(259)
Share premium cancelled during period	–	(3,729)	3,729	–	–	–	–
28 February 2011	47	752	3,729	(26)	446	(112)	4,836

The notes on pages 35 to 47 form an integral part of these Accounts.

Balance Sheet as at 28 February 2011

	Note	28 February 2011 £'000
Fixed assets		
Investments designated at fair value through profit or loss	8	4,488
Current assets		
Debtors	9	214
Cash at bank and on deposit		326
		540
Creditors: amounts falling due within one year		
Creditors	10	(176)
		(176)
Net current assets		364
Non-current liabilities		
IFA trail commission		(16)
Total net assets		4,836
Capital and reserves		
Called-up share capital	11	47
Share premium account	12	752
Special reserve	12	3,729
Capital reserve – realised	12	(26)
Capital reserve – unrealised	12	446
Revenue reserve	12	(112)
Equity shareholders' funds		4,836
Net asset value per ordinary share	13	102.1p

These Accounts were approved by the Board of Directors and were authorised for issue on 23 May 2011 and were signed on its behalf by:

Michael O'Higgins
Chairman

Registered No. 07142153 England & Wales

The notes on pages 35 to 47 form an integral part of these Accounts.

Cash Flow Statement

for the period from 1 February 2010 to 28 February 2011

	Note	Period Ended 28 February 2011 £'000
Operating activities		
Investment income received		7
Deposit interest received		6
Investment management fees		(24)
Other cash payments		(169)
Cash expended from operations	14	(180)
Cash flow from investing activities		
Purchase of investments		(4,042)
Net cash outflow from investing activities		(4,042)
Net cash outflow before financing		(4,222)
Cash flow from financing activities		
Redeemable non-voting shares issued		50
Redemption of redeemable non-voting shares		(50)
Shares issued		4,787
Expenses of share issues		(239)
Net cash inflow from financing activities		4,548
Increase in cash at bank and on deposit		326

The notes on pages 35 to 47 form an integral part of these Accounts.

Notes to the Accounts

1. Accounting Policies

Basis of accounting

These Accounts cover the 13 month period from incorporation on 1 February 2010 to 28 February 2011, and have been prepared under the historical cost convention, except for the valuation of financial assets at fair value through profit or loss, in accordance with UK Generally Accepted Accounting Practice ("UK GAAP").

In determining the analysis of total income and expenses as between capital return and revenue return, the Directors have followed the guidance contained in the AIC SORP, as revised in 2009, and on the assumption that the Company maintains VCT status.

The Company's Accounts are presented in Sterling.

Investments at fair value through profit or loss

The Company aims to invest in a portfolio of Structured Products and Venture Capital Investments that will provide sufficient total returns to allow the Company to pay annual dividends and provide long-term capital returns for investors. As a result, all investments held by the Company are designated, upon initial recognition, as held at fair value through profit or loss, in accordance with Financial Reporting Standard 26 'Financial Instruments: Recognition and Measurement'. 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 portfolio is provided internally on this basis to the Board. Fair value is the amount for which an asset can be exchanged between knowledgeable, willing parties in an arm's length transaction. Investments held at fair value through profit or loss are initially recognised at cost, being the consideration given and excluding transaction or other dealing costs associated with the investment, which are expensed and included in the capital column of the Income Statement. Subsequently, investments are measured at fair value, with gains and losses on investments recognised in the Income Statement and allocated to capital. All purchases and sales of investments are accounted for on the trade date basis.

For investments actively traded in organised financial markets, fair value is generally determined by reference to quoted market bid, or last, prices depending on the convention of the exchange on which the investment is quoted, at the close of business on the Balance Sheet date.

Structured Products are valued by reference to the FTSE 100 Index with mid prices for the Structured Products provided by the product issuers. An adjustment is made to these prices to take into account any bid/offer spreads prevalent in the market at each valuation date. These spreads are either determined by the issuer or recommended by the Structured Products Manager, Investec Structured Products (a trading name of Investec Bank plc).

Returns are linked to the FTSE 100 Index by way of a fixed return that is payable as long as the Final Index Level is no lower than the Initial Index Level (Final Index Level and Initial Index Level being the closing (or average closing) level of the FTSE 100 Index at the end of the relevant Index Calculation Period (being the relevant period over which the Initial and Final Index Levels are determined in accordance with the terms of the Structured Product) for a Structured Product). All of the investments in Structured Products in respect of the ordinary shares fund will either be capital protected or capital at risk on a one-to-one basis where the FTSE 100 Index falls by more than 50 per cent. and the Final Index Level is below the Initial Index Level. If the FTSE 100 Index does fall by more than 50 per cent. at any time during the investment period and fails to recover at maturity, the capital will be at risk on a maximum one-to-one basis (i.e. if the FTSE 100 Index falls by more than 50 per cent. during the investment period and on maturity is down 25 per cent., capital within that Structured Product will be reduced by 25 per cent.).

The majority of the Structured Products are designed to produce capital appreciation.

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 International Private Equity and Venture Capital Association ("IPEVCA") guidelines. Primary indicators of fair value are derived from earnings multiples, recent arm's length market transactions, net assets or, where appropriate, at cost for recent investments or the valuation as at the previous reporting date.

Notes to the Accounts (continued)

1. Accounting Policies (continued)

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 is recognised using the effective interest rate method. Interest receivable on bank deposits is included in the Accounts on an accruals basis.

The gains and losses arising on investments in Structured Products are allocated between revenue and capital according to the nature of each Structured Product. This is dependent on the extent to which the return on the Structured Product is capital or revenue based.

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

Expenses

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

- expenses, except as stated below, are charged to the revenue column of the Income Statement;
- expenses incurred in the acquisition or disposal of an investment are taken to the capital column of the Income Statement;
- expenses are charged to the capital column of the Income Statement where a connection with the maintenance or enhancement of the value of the investments can be demonstrated. In this respect management fees have been allocated 75 per cent. to the capital column and 25 per cent. to the revenue column of 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; and
- expenses associated with the issue of shares are deducted from the share premium account. Annual IFA trail commission to 14 December 2015 has been provided for in the Accounts as, due to the nature of the fund, 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 the gross amount raised from the offer for subscription of ordinary shares for the 2009/2010 and 2010/2011 tax years (excluding irrecoverable VAT, annual trail commission and performance incentive fees), can be clawed back from Investec Structured Products until 14 December 2015 (the interim return date for the ordinary shares). Any claw back is treated as a credit against the expenses of the Company.

Investment management and performance fees

Calculus Capital, as Investment Manager of the VCT qualifying portfolio, will receive an annual investment management fee of an amount equivalent to 1.0 per cent. of the net assets of the Company.

Investec Structured Products, as Investment Manager of the Structured Products portfolio, will not receive any annual management fees from the Company. Investec Structured Products is entitled to an arrangement fee from the providers of Structured Products as detailed in note 17.

The Investment Managers will each receive a performance incentive fee payable in cash of an amount equal to 10 per cent. of dividends and distributions paid (including the relevant distribution being offered) to holders of ordinary shares over and above 105 pence per ordinary share (this being a 50 per cent. return on an initial net investment of 70 pence per ordinary share taking into account upfront income tax relief) provided holders of ordinary shares have received or been offered an interim return of at least 70 pence per share for payment on or before 14 December 2015. Such performance incentive fees will be paid within 10 business days of the date of payment of the relevant dividend or distribution.

1. Accounting Policies (continued)

Capital reserve

The capital return component of the return for the period is taken to the non-distributable capital reserves within the Reconciliation of Movements in Shareholders' Funds.

Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Balance Sheet date where transactions or events that result in an obligation to pay more tax in the future have occurred at the Balance Sheet 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 Accounts.

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 substantially 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.

Dividends

Dividends to shareholders are accounted for in the period in which they are paid or approved in general meetings. Dividends payable to equity shareholders are recognised in the Reconciliation of Movements in Shareholders' Funds when they are paid, or have been approved by shareholders in the case of a final dividend and become a liability of the Company.

2. Income

	Period Ended 28 February 2011 £'000
UK unfranked loan stock interest	14
Bank interest	6
	20
 Total income comprises:	
Interest	20
	20

3. Management Fee

	Period Ended 28 February 2011		
	Revenue £'000	Capital £'000	Total £'000
Investment management fee	9	26	35

No performance fee was paid during the period.

Notes to the Accounts (continued)

4. Other Expenses

	Period Ended 28 February 2011 £'000
Directors' fees	73
Secretarial and accounting fees	60
Auditor's remuneration – audit services	17
– interim review	13
– reporting accountant on launch	10
– reporting accountant on issue of ordinary shares	7
– tax	5
Other	123
Clawback of expenses in excess of 3% cap	(185)
	123

Further details of Directors' fees can be found in the Directors' Remuneration Report.

5. Taxation

	Period Ended 28 February 2011		
	Revenue £'000	Capital £'000	Total £'000
(Loss)/profit on ordinary activities before tax	(112)	420	308
Theoretical tax at UK Corporation Tax rate of 28%	(31)	118	87
Timing differences: Loss not recognised, carried forward	31	–	31
Effects of non-taxable gains/(losses)	–	(118)	(118)
Tax on (loss)/profit for the period	–	–	–

6. Dividends

	Period Ended 28 February 2011 £'000
Proposed final dividend: 5.25p per ordinary share	249

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

7. Return per Ordinary Share

	Period Ended 28 February 2011		
	Revenue pence	Capital pence	Total pence
Return per ordinary share	(3.0)	11.3	8.3

Revenue return per ordinary share is based on the net revenue loss on ordinary activities after taxation of £112,000, and on 3,721,530 ordinary shares, being the weighted average number of ordinary shares in issue during the period.

7. Return per Ordinary Share (continued)

Capital return per ordinary share is based on the net capital gain for the period of £420,000, and on 3,721,530 ordinary shares, being the weighted average number of ordinary shares in issue during the period.

Total return per ordinary share is based on the net gain for the period of £308,000, and on 3,721,530 ordinary shares, being the weighted average number of ordinary shares in issue during the period.

8. Investments

	Period Ended 28 February 2011			
	Structured Product Investments £'000	Unquoted Investments £'000	Other Investments £'000	Total £'000
Movements in period:				
Purchases at cost	2,443	549	1,050	4,042
Increase in unrealised appreciation	439	7	–	446
Closing valuation	2,882	556	1,050	4,488
Closing bookcost	2,443	549	1,050	4,042
Closing unrealised appreciation	439	7	–	446
	2,882	556	1,050	4,488

Note 16 provides a detailed analysis of investments held at fair value through profit and loss in accordance with Financial Reporting Standard 29 'Financial Instruments: Disclosures'.

During the period the Company incurred no transaction costs on purchases in respect of ordinary shareholder activities.

9. Debtors

	Period Ended 28 February 2011 £'000
Prepayments and accrued income	29
Clawback of expenses in excess of 3% cap	185
	214

10. Creditors

	Period Ended 28 February 2011 £'000
IFA trial commission	4
Management fees	10
Audit fees	17
Directors' fees	13
Administration fees	10
Other creditors	122
	176

Notes to the Accounts (continued)

11. Share Capital

		28 February 2011
	Number	£'000
Ordinary shares of 1p each		
As at 1 February 2010	20	—
Issue of ordinary shares	4,738,443	47
	4,738,463	47
Redeemable non-voting shares of 1p each		
As at 1 February 2010	—	—
Issue of redeemable shares	5,000,000	50
Redemption of redeemable shares	(5,000,000)	(50)
	—	—

The Company was incorporated on 1 February 2010 with 20 subscriber shares.

Under the Articles of Association, a resolution for the continuation of the Company as a Venture Capital Trust 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.

12. Reserves

	Share Premium Account £'000	Special Reserve £'000	Capital Reserve Realised £'000	Capital Reserve Unrealised £'000	Revenue Reserve £'000
Premium on issue of ordinary shares	4,740	—	—	—	—
Cancellation of share premium	(3,729)	3,729	—	—	—
Expenses of share issues	(259)	—	—	—	—
Unrealised net increase in value of investments	—	—	—	446	—
Management fee capitalisation	—	—	(26)	—	—
Revenue return on ordinary activities after tax	—	—	—	—	(112)
Closing balance	752	3,729	(26)	446	(112)

During the period, the Company was an investment company under section 833 of the Companies Act 2006. On 18 May 2011 investment company status was revoked. This was done in order to pay dividends to shareholders using the Special Reserve.

The Special Reserve was created by the cancellation of Share Premium on 20 October 2010. 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 ordinary shares, make distributions and/or for other corporate purposes.

13. Net Asset Value per Share

		28 February 2011
Total net assets		£4,836,000
Number of shares in issue		4,738,463
Net asset value per ordinary share		102.1p

The basic net asset value per ordinary share is based on net assets (including current period revenue) of £4,836,000 and on 4,738,463 ordinary shares, being the number of ordinary shares in issue at the end of the period.

14. Reconciliation of Net Profit before Tax to Cash Expended from Operating Activities

	Period Ended 28 February 2011 £'000
Profit on ordinary activities before taxation	308
Gains on investments	(446)
Increase in debtors	(214)
Increase in creditors	172
Cash expended from operating activities	(180)

The increase in creditors shown above does not agree with the movement shown in the Balance Sheet principally because of the effect of the short-term liability for trail commission of £4,000 included in creditors at the year end, which is not part of operating activities.

15. Financial Commitments

At 28 February 2011 the Company did not have any financial commitments which had not been accrued for.

16. Financial Instruments

The Company's objective is to create two portfolios to produce ongoing capital gains and income that will provide investment returns sufficient to maximise annual dividends and to fund a special dividend or cash offer in year 6 sufficient to bring distributions per share to 70p.

Initially, a minimum of 66.5 per cent. of the monies raised by the Company has been invested in a portfolio of Structured Products. The balance has been invested in cash or near cash assets (as directed by the Board) and it will then be available to invest in Venture Capital Investments, as well as to fund expenses.

In order to qualify as a VCT, at least 70 per cent. of the Company's investments must be invested in Venture Capital Investments within approximately three years of the relevant funds being raised. Thus, there will be a phased reduction in the Structured Products portfolio and corresponding build up in the portfolio of Venture Capital Investments to achieve and maintain this 70 per cent. threshold along the following lines:

Average Exposure per Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6+
Structured Products and cash/near cash assets	85%	75%	35%	25%	25%	0%
Venture Capital Investments	15%	25%	65%	75%	75%	100%

Notes to the Accounts (continued)

16. Financial Instruments (continued)

As at 28 February 2011, the Company's investment portfolio comprised 64 per cent. Structured Products and 12 per cent. Qualifying Investments, by market value.

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
- Credit risk
- Liquidity risk

The Company does not have exposure to foreign currency risk.

With many years experience of managing the risks involved in investing in Structured Products and Venture Capital Investments respectively, both the Investec Structured Products team and the Calculus Capital team, together with the Board, have designed the Company's structure and its investment strategy to reduce risk as much as possible. The policies for managing these risks are summarised below and have been applied throughout the period under review.

a) Market price risk

Structured Products

The return and valuation of the Company's investments in Structured Products is linked to the FTSE 100 Index by way of a fixed return that is payable as long as the Final Index Level is no lower than the Initial Index Level.

All of the investments in Structured Products in respect of the ordinary shares fund will either be capital protected or capital at risk on a one-to-one basis where the FTSE 100 Index falls by more than 50 per cent. and the Final Index Level is below the Initial Index Level. If the FTSE 100 Index does fall by more than 50 per cent. at any time during the investment period and fails to recover at maturity, the capital will be at risk on a maximum one-to-one basis (Capital at Risk ("CAR")) (e.g if the FTSE 100 Index falls by more than 50 per cent. during the investment period and on maturity is down 25 per cent., capital within that Structured Product will be reduced by 25 per cent.). The table below provides details of the Initial Index Level at the date of investment and the maturity date for each of the Structured Products. As at 28 February 2011, the FTSE 100 Index closed at 5,994.0. As at 19 May 2011 being the last practical date prior to the publication of these Accounts, the Index had decreased 0.6 per cent. to close at 5,956.0.

Issuer	Strike Date	Initial Index Level	Maturity Date	Return/CAR
The Royal Bank of Scotland	05/05/2010	5,341.93	12/05/2015	162.5% if FTSE 100 higher; CAR if FTSE 100 falls by more than 50%
Investec Bank	14/05/2010	5,262.85	19/11/2015	185% if FTSE 100 higher; CAR if FTSE 100 falls by more than 50%
Santander Global Banking and Markets (Abbey National Treasury Services)	25/05/2010	4,940.68	18/11/2015	185% if FTSE 100 higher; CAR if FTSE 100 falls by more than 50%
Nomura Bank International	28/05/2010	5,188.43	20/02/2013	137% if FTSE 100 higher; CAR if FTSE 100 falls by more than 50%
Morgan Stanley	10/06/2010	5,132.50	17/12/2012	134% if FTSE 100 higher; CAR if FTSE 100 falls by more than 50%
HSBC Bank	01/07/2010	4,805.75	06/07/2012	125.1% if FTSE 100 higher; CAR if FTSE 100 falls by more than 50%

16. Financial Instruments (continued)

The Final Index Level is calculated using 'averaging', meaning that the average is taken of the closing levels of the FTSE 100 on each Business Day over the last two to six months of the Structured Product plan term (the length of the averaging period differs for each plan).

The Investment Manager of the Structured Products portfolio and the Board review this risk on a regular basis and the use of averaging to calculate the return can reduce adverse effects of a falling market or sudden market falls shortly before maturity. Equally, it can reduce the benefits of an increasing market or sudden market rises shortly before maturity.

As at 28 February 2011, the value of the Company's investments in Structured Products was valued at £2,882,000. A 10 per cent. increase in the level of the FTSE 100 Index, at 28 February 2011 given that all other variables remained constant, would have increased net assets by £158,000. A 10 per cent. decrease would likewise have reduced net assets by £211,000. A 10 per cent. increase would increase the investment management fee due to Calculus Capital by £1,185; a 10 per cent. decrease would reduce the fee by £1,582.

In recent years, the performance of the FTSE 100 Index has been volatile and the Directors consider that an increase or decrease in the aggregate value of investments by 10 per cent. or more is reasonably possible.

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 on page 1. Investments in unquoted companies, AIM-traded and PLUS Markets-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 do not materially impact upon the value of the Qualifying Investments as the investee companies have no external debt and the loan stock instruments contain fixed interest rates. The main risk arising on the loan stock instruments is credit risk. The Company does not have any interest bearing liabilities.

As required by Financial Reporting Standard 29 'Financial Instruments: Disclosures' (the "Standard") an analysis of financial assets and liabilities, which identifies the risk of the Company's holding of such items is provided. The Company's financial assets comprise equity, loan stock, cash and debtors. The interest rate profile of the Company's financial assets is given in the table below:

	As at 28 February 2011	
	Fair Value Interest Rate Risk £'000	Cash Flow Interest Rate Risk £'000
Loan stock	450	—
Money market funds	—	1,050
Cash	—	326
	450	1,376

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 0.5 per cent. as at 28 February 2011.

Any movement in interest rates is deemed to have an insignificant effect on the Structured Products.

Notes to the Accounts (continued)

16. Financial Instruments (continued)

b) Credit risk

Structured Products

The failure of a counterparty to discharge its obligations under a transaction could result in the Company suffering a loss. In its role as the Investment Manager of the Structured Products portfolio and to diversify counterparty risk, Investec Structured Products will only invest in Structured Products issued by approved issuers. In addition, the maximum exposure to any one counterparty will be limited to 15 per cent. of the assets of the Company at the time of investment.

As at 28 February 2011, the Company's credit risk exposure, by credit rating of the Structured Product issuer, was as follows:

Credit Risk Rating (Moody's unless otherwise indicated)	28 February 2011	
	£'000	% of Portfolio
A2	577	12.9%
Aa2	580	13.0%
Aa3	738	16.5%
A – (Standard & Poor's)	405	9.0%
Baa3	582	13.0%
	2,882	64.4%

Qualifying Investments

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The Investment Manager has in place a monitoring procedure in respect of counterparty risk which is reviewed on an ongoing basis. The carrying amount of financial assets best represents the maximum credit risk exposure at the balance sheet date.

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 or PLUS Markets are held by Rensburg Sheppards, 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.

c) Liquidity risk

The Company's liquidity risk is managed on an ongoing basis by the Investment Managers. 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.

Structured Products

If Structured Products are redeemed before the end of the term, the Company may get back less than the amount originally invested. The value of the Structured Products will be determined by the price at which the investments can actually be sold on the relevant dealing date. The Board does not consider this risk to be significant as the planned investment periods in Structured Products will range from six months to five and a half years and there is a planned transition from Structured Products to Qualifying Investments as detailed earlier in this note.

16. Financial Instruments (continued)

There may not be a liquid market in the Structured Products and there may never be two competitive market makers, making it difficult for the Company to realise its investment. Risk is increased further where there is a single market maker who is also the issuer. The Board has sought to mitigate this risk by only investing in approved issuers of Structured Products, and by limiting exposure to any one 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 the aggregate amount paid on all shares issued by the Company (together with any share premium thereon). As at 28 February 2011 the Company had no borrowings.

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.

d) 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.

e) Fair value hierarchy

Investments held at fair value through profit and loss are valued in accordance with IPEVCA 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 IPEVCA 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. An active market is one in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis. The Company's investments in money market funds are recognised 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. The Company's investments in Structured Products are classified within this category.

Notes to the Accounts (continued)

16. Financial Instruments (continued)

e) Fair value hierarchy (continued)

- 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 IPEVCA guidelines.

The table below shows movements in the assets measured at fair value based on Level 3 valuation techniques for which any significant input is not based on observable market data. During the period there were no transfers between levels 1, 2 or 3.

	Financial Assets at Fair Value through Profit or Loss At 28 February 2011			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Structured Products	–	2,882	–	2,882
Unquoted equity	–	–	106	106
Money market funds	1,050	–	–	1,050
Loan stock	–	–	450	450
	1,050	2,882	556	4,488

The Standard requires disclosure, by class of financial instruments, if the effect of changing one or more inputs to reasonably possible alternative assumptions would result in a significant change to the fair value measurement. The information used in determination of the fair value of Level 3 investments is chosen with reference to the specific underlying circumstances and position of the investee company. The portfolio has been reviewed and both downside and upside reasonable possible alternative assumptions have been identified and applied to the valuation of the unquoted investments. For Terrain, the assumed oil price used within the valuation model has been increased/decreased by 10 per cent. Applying the downside alternatives, the value of the unquoted investment portfolio would be £8,928 or 1.6 per cent. lower. Using the upside alternatives, the value of the unquoted investment portfolio would be increased by £8,482 or 1.5 per cent.

17. Related Party Transactions

Investec Structured Products is a related party in respect of its appointment as an Investment Manager to the Company and is entitled to a performance incentive fee. Investec Structured Products will receive an arrangement fee of 0.75 per cent. of the amount invested in each Structured Product. This arrangement fee shall be paid to Investec Structured Products by the issuer of the relevant Structured Product. No arrangement fee will be paid to Investec Structured Products in respect of any decision to invest in Investec-issued Structured Products. Investec Structured Products has agreed not to earn an annual management fee from the Company.

As at 28 February 2011, £81,000 was payable to Investec Structured Products in relation to the initial fee of 5 per cent. of the gross funds raised pursuant to the original ordinary share offer. In addition, £185,000 was owed by Investec Structured Products as claw back of costs in excess of the agreed expenses cap of 3 per cent.

Calculus Capital is regarded as a related party in respect of its appointment as an Investment Manager to the Company. For the period ended 28 February 2011, fees of £35,000 were payable to Calculus Capital, of which £10,000 were outstanding as at 28 February 2011. Calculus Capital is also entitled to a performance incentive fee.

John Glencross, a Director of the Company, has an interest in Calculus Capital and is a director of Terrain Energy Limited and Lime Technology Limited, companies in which the Company has invested.

17. Related Party Transactions (continued)

In the period ended 28 February 2011, Calculus Capital received an arrangement fee of £7,500 as a result of the Company's investment in Terrain Energy Limited. Calculus Capital also receives an annual fee from Terrain Energy Limited for the provision of John Glencross as a director, as well as an annual monitoring fee which also covers the provision of certain administrative support services. In the period ended 28 February 2011, the amount paid to Calculus Capital which was attributable to the investment made by the Company was £2,713 (excluding VAT).

In the period ended 28 February 2011, Calculus Capital received an arrangement fee of £8,233 as a result of the Company's investment in Lime Technology Limited. Calculus Capital also receives an annual fee from Lime Technology Limited for the provision of John Glencross as a director, as well as an annual monitoring fee. In the period ended 28 February 2011, the amount paid to Calculus Capital which was attributable to the investment made by the Company was £1,626 (excluding VAT).

No incentive fee accrued to either Investment Manager during the period.

The following Directors are considered to be related parties due to their connection with one of the Investment Managers: Ian Wohlman is a director of Investec Bank plc (of which Investec Structured Products is a trading division), and John Glencross is a director of Calculus Capital. Both Directors have agreed not to receive any remuneration from the Company. Steven Meeks received consulting fees from Investec Bank plc during the period.

Ian Wohlman applied for £30,000 of C shares under the offer for subscription launched in January 2011. 30,000 C shares were allotted to Mr Wohlman on 1 April 2011 at a price of 100p per C share.

Kate Cornish-Bowden subscribed for £10,000 of C shares under the offer for subscription. 10,000 C shares were allotted to Ms Cornish-Bowden on 4 May 2011 at a price of 100p per C share.

18. Post Balance Sheet Events

In January 2011 an offer for subscription for C shares was launched. Since the period end the following shares have been issued:

- 1,644,826 C shares at 100p per share on 1 April 2011;
- 187,679 C shares at 100p per share on 5 April 2011; and
- 98,590 C shares at 100p per share on 4 May 2011.

The offer for subscription closed on 30 April 2011.

Please refer to Developments Since the Period End within the Chairman's Statement on page 3 for details of investments made post year end.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the first ANNUAL GENERAL MEETING of Investec Structured Products Calculus VCT plc (the "Company") will be held at the offices of Investec Structured Products, 2 Gresham Street, London EC2V 7QP at 11.00 am on Thursday, 30 June 2011 to consider and, if thought fit, pass the following resolutions, of which resolutions 1 to 12 will be proposed as ordinary resolutions and resolutions 13 to 16 will be proposed as special resolutions:

1. To receive and adopt the Reports of the Directors and Auditors and the Accounts for the period ended 28 February 2011.
2. To receive and approve the Directors' Remuneration Report for the period ended 28 February 2011.
3. To declare a final dividend of 5.25p per ordinary share of 1p each.
4. To elect Mr Michael O'Higgins as a director.
5. To elect Ms Kate Cornish-Bowden as a director.
6. To elect Mr John Glencross as a director.
7. To elect Mr Steven Meeks as a director.
8. To elect Mr Mark Rayward as a director.
9. To elect Mr Philip Swatman as a director.
10. To re-appoint Grant Thornton UK LLP as auditor to the Company to hold office until the conclusion of the next annual general meeting of the Company.
11. To authorise the directors to determine the remuneration of the auditor.
12. THAT, (i) in substitution for existing authorities and (ii) subject to the passing of the resolutions to be proposed at the separate meeting of the holders of ordinary shares of 1p each ("Ordinary Shares") and the separate meeting of the holders of C ordinary shares of 1p each ("C Shares") respectively to be held on 30 June 2011 following the annual general meeting of the Company to be held on the same day ("Separate Class Meetings"), the directors of the Company be and hereby are generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company ("Rights") up to an aggregate nominal amount of £206,700, provided that the authority conferred by this resolution shall expire on the fifth anniversary of the date of the passing of this resolution (unless renewed, varied or revoked by the Company in a general meeting), save that the Company shall be entitled to make offers or agreements before the expiry of such authority offers or agreements which would or might require shares to be allotted or Rights to be granted after such expiry and the directors shall be entitled to allot shares and grant Rights pursuant to any such offer or agreement as if this authority had not expired.
13. THAT, in substitution for existing authorities, the directors be and hereby are empowered pursuant to sections 570 and 573 of the Act to allot equity securities (which expression shall have the meaning ascribed to it in section 560(1) of the Act) for cash pursuant to the authority conferred by Resolution 13 above or by way of a sale of treasury shares, as if section 561(1) of the Act did not apply to such allotment, provided that the power provided shall be limited to:
 - (a) the allotment and issue of equity securities with an aggregate nominal amount of up to but not exceeding £100,000 by way of an issue of ordinary shares of 1p each ("Ordinary Shares") and/or £100,000 by way of an issue of C ordinary shares of 1p each ("C Shares"), in each case pursuant to offer(s) for subscription; and
 - (b) the allotment and issue of equity securities with an aggregate nominal value of up to but not exceeding an amount equal to 10 per cent. of the issued Ordinary Share capital and/or 10 per cent. of the issued C Share capital, in each case from time to timein each case, 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 of the Company to be held in 2012, 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.

14. THAT, (i) in substitution for existing authorities and (ii) subject to the passing of the resolutions to be proposed at the Separate Class Meetings, 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 and/or C Shares which may be purchased shall not exceed 710,295 and 289,471 respectively;
- (b) the minimum price which may be paid per share is 1p, the nominal value thereof;
- (c) 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 (of the relevant class) 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;
- (d) the authority conferred by this resolution shall expire on the conclusion of the annual general meeting of the Company to be held in 2012, unless such authority is renewed prior to such time; and
- (e) 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.

15. 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.

16. THAT, subject to the passing of the resolutions to be proposed at the Separate Class Meetings, the articles of association of the Company be and hereby are amended by the addition of " , save that if a meeting of any class of Shares is adjourned there shall be no minimum period of notice for the adjourned meeting and at such adjourned meeting the quorum will be any one member present in person or by proxy" at the end of the first sentence of article 49.

By Order of the Board
Capita Sinclair Henderson Limited
Secretary
23 May 2011

Registered office:
Beaufort House
51 New North Road
Exeter EX4 4EP

Notice of Annual General Meeting (continued)

Note 1

A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend, speak and vote instead of him/her, provided that each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. A proxy need not be a member of the Company but must attend the meeting to represent the member. Details of how to appoint the chairman of the meeting or another person as a proxy are set out in the notes on the form of proxy. If a member wishes a proxy to speak on his/her behalf at the meeting, the member will need to appoint their own choice of proxy (not the chairman) and give their instructions directly to them. Lodgement of the form of proxy will not preclude a shareholder from attending the meeting and voting in person.

A form of proxy is enclosed for use in connection with the business set out above. To be valid, the form of proxy should be completed and sent, together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy of such power or authority), to reach the Company's registrars, Capita Registrars, at the address printed on the form of proxy not less than 48 hours (excluding weekends and bank holidays) before the time of the meeting or any adjournment thereof. A member may return a proxy form in their own envelope with the address **FREEPOST RSBH-UXKS-LRBC, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU**.

As an alternative to returning the hard-copy form of proxy by post, you can appoint a proxy by sending the form by fax to Investec Structured Products FAO: Mike Newman/Pascalle Ferreira on 020 7597 4950. For the proxy appointment to be valid, your form must be received in such time as it can be transmitted to the Company's registrar so as to be received no later than 48 hours before the time appointed for the meeting or any adjourned meeting.

The termination of the authority of a person to act as proxy must be notified to the Company in writing. Amended instructions must be received by the Company's registrar by the deadline for receipt of proxies.

Ordinary Shares and C 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.

To appoint more than one proxy, shareholders 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.

In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the register of members in respect of the joint holding (the first-named being the most senior).

Note 2

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 in accordance with Regulation 41 of the Uncertificated Securities Regulations 2001), members must be registered in the register of members of the Company as at 6.00 pm on 28 June 2011. Changes to entries on the relevant register of members after the specified time shall be disregarded in determining the rights of any person to attend or vote at the meeting. If the meeting is adjourned to a time not more than 48 hours after the specified time applicable to the original meeting, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned meeting. If, however, the meeting is adjourned for a longer period then, to be so entitled, members must be entered on the Company's register of members at the time which is 48 hours before the time fixed for the adjourned meeting or, if the Company gives notice of the adjourned meeting, at the time specified in that notice.

Note 3

A person to whom this notice is sent who is a person nominated under section 146 of the Act to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right 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, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

The statements of the rights of members in relation to the appointment of proxies in Note 1 above do not apply to a Nominated Person. The rights described in Note 1 can only be exercised by registered members of the Company.

Note 4

As at the date of this notice, the Company's issued share capital and total voting rights amounted to 6,669,558 shares, being 4,738,463 Ordinary Shares and 1,931,095 C Shares, each carrying one vote each.

Note 5

If a corporate shareholder has appointed a corporate representative, the corporate representative will have the same powers as the corporation could exercise if it were an individual member of the Company (provided, in the case of multiple corporate representatives of the same corporate shareholder, they are appointed in respect of different shares owned by the corporate shareholder or, if they are appointed in respect of the same shares, they vote those shares in the same way). To be able to attend and vote at the meeting, corporate representatives will be required to produce prior to their entry to the meeting evidence satisfactory to the Company of their appointment. On a vote on a resolution on a show of hands, each authorised person has the same voting rights to which the corporation would be entitled. 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.

Note 6

Any question relevant to the business of the meeting may be asked at the meeting by anyone permitted to speak at the meeting. You may alternatively submit your question in advance by letter addressed to the Company Secretary at the registered office. In accordance with section 319A of the Act, the Company must cause any question relating to the business being dealt with at the meeting put by a member attending the meeting to be answered. No such answer need be given if:

- a) to do so would:
 - (i) interfere unduly with the preparation for the meeting, or
 - (ii) involve the disclosure of confidential information;
- b) the answer has already been given on a website in the form of any answer to a question; or
- c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Note 7

Members should note that it is possible that, pursuant to requests made by members of the Company under section 527 of the Act, the Company may be required to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the Auditors' report and the conduct of the audit) that are to be laid before the Meeting; or (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Act. The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's Auditors not later than the time when it makes the statement available on the website. The business which may be dealt with at the Meeting includes any statement that the Company has been required under section 527 of the Act to publish on a website.

Note 8

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, www.calculuscapital.com.

Note 9

None of the directors has a contract of service with the Company. A copy of the letters of appointment of directors and the Register of Directors' Interests 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.

Notice of Separate Meeting of the Holders of Ordinary Shares

NOTICE IS HEREBY GIVEN that a SEPARATE MEETING of the holders of ordinary shares of 1p each in Investec Structured Products Calculus VCT plc (the "Company") will be held at the offices of Investec Structured Products, 2 Gresham Street, London EC2V 7QP at 11.10 am on Thursday, 30 June 2011 (or as soon as the annual general meeting of the Company convened for 11.00 am on that day shall have concluded) to consider and, if thought fit, pass the following resolution, which will be proposed as a special resolution:

THAT the holders of ordinary shares of 1p each in the Company ("Ordinary Shares") hereby approve and consent to the passing of resolutions 12, 14 and 16 set out in the notice of the annual general meeting of the Company convened for 11.00 am on 30 June 2011 (a copy of which is produced to the meeting and signed by the chairman for the purposes of identification) and any effect on, variation, abrogation, dealing with and/or deemed variation or abrogation of the rights and privileges attached to the Ordinary Shares which will, or may, result from the passing and carrying into effect of the said resolutions and notwithstanding that the passing and carrying into effect of such resolutions may affect the rights and privileges attached to such Ordinary Shares.

By Order of the Board
Capita Sinclair Henderson Limited
Secretary
23 May 2011

Registered office:
Beaufort House
51 New North Road
Exeter EX4 4EP

Note 1

Only holders of Ordinary Shares are entitled to vote at the meeting.

A holder of Ordinary Shares entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend, speak and vote instead of him/her, provided that each proxy is appointed to exercise rights attached to different Ordinary Shares. You may not appoint more than one proxy to exercise rights attaching to any one Ordinary Share. A proxy need not be a holder of Ordinary Shares but must attend the meeting to represent the member. Details of how to appoint the Chairman of the meeting or another person as a proxy are set out in the notes on the form of proxy. If a holder of Ordinary Shares wishes a proxy to speak on his/her behalf at the meeting, the shareholder will need to appoint their own choice of proxy (not the Chairman) and give their instructions directly to them. Lodgement of the form of proxy will not preclude an ordinary shareholder from attending the meeting and voting in person.

A form of proxy is enclosed for use in connection with the business of the meeting. To be valid, the form of proxy should be completed and sent, together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy of such power or authority), to reach the Company's registrar, Capita Registrars, at the address printed on the form of proxy not less than 48 hours (excluding weekends and bank holidays) before the time of the meeting or any adjournment thereof. A holder of Ordinary Shares may return a proxy form in their own envelope with the address **FREEPOST RSBH-UXKS-LRBC, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU.**

As an alternative to returning the hard-copy form of proxy by post, you can appoint a proxy by sending the form by fax to Investec Structured Products FAO: Mike Newman/Pascale Ferreira on 020 7597 4950. For the proxy appointment to be valid, your form must be received in such time as it can be transmitted to the Company's registrar so as to be received no later than 48 hours before the time appointed for the meeting or any adjourned meeting.

The termination of the authority of a person to act as proxy must be notified to the Company in writing. Amended instructions must be received by the Company's registrar by the deadline for receipt of proxies.

A holder of Ordinary Shares 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 Ordinary Share of which he/she is the holder.

To appoint more than one proxy, holders of Ordinary Shares 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 Ordinary Shares the proxy is appointed in relation to. A failure to specify the number of Ordinary Shares to which each proxy appointment relates or specifying an aggregate number of Ordinary Shares in excess of those held by the shareholder 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.

In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the register of members in respect of the joint holding (the first-named being the most senior).

Note 2

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 in accordance with Regulation 41 of the Uncertificated Securities Regulations 2001), holders of Ordinary Shares must be registered in the register of members of the Company as at 6.00 pm on 28 June 2011. Changes to entries on the register of members after the specified time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

The quorum requirement for the Meeting is for not less than two holders of Ordinary Shares to be present (in person or by proxy) holding or representing at least one-third of the nominal amount paid up on the Ordinary Shares. If a quorum is not present at the meeting, the meeting will be adjourned to 11.00 am on 12 July 2011 at the offices of Investec Structured Products, 2 Gresham Street, London EC2V 7QP. At the adjourned meeting, the quorum will be one person holding Ordinary Shares (whatever the number of Ordinary Shares held) who is present in person or by proxy.

Notice of Separate Meeting of the Holders of Ordinary Shares (continued)

Note 3

A person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 (the "Act") to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right 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, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

The statements of the rights of members in relation to the appointment of proxies in Note 1 above do not apply to a Nominated Person. The rights described in that Note can only be exercised by registered holders of Ordinary Shares of the Company.

Note 4

As at the date of this Notice, the Company's issued Ordinary Share capital amounted to 4,738,463 Ordinary Shares carrying one vote each.

Note 5

If a corporate shareholder has appointed a corporate representative, the corporate representative will have the same powers as the corporation could exercise if it were an individual member of the Company (provided, in the case of multiple corporate representatives of the same corporate shareholder, they are appointed in respect of different Ordinary Shares owned by the corporate shareholder or, if they are appointed in respect of the same Ordinary Shares, they vote those shares in the same way). To be able to attend and vote at the meeting, corporate representatives will be required to produce prior to their entry to the meeting evidence satisfactory to the Company of their appointment. On a vote on a resolution on a show of hands, each authorised person has the same voting rights to which the corporation would be entitled. 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 Ordinary 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.

Note 6

Any question relevant to the business of the meeting may be asked at the meeting by anyone permitted to speak at the meeting. You may alternatively submit your question in advance by letter addressed to the Company Secretary at the registered office. In accordance with section 319A of the Act, the Company must cause any question relating to the business being dealt with at the meeting put by a member attending the meeting to be answered. No such answer need be given if:

- a) to do so would:
 - (i) interfere unduly with the preparation for the meeting, or
 - (ii) involve the disclosure of confidential information;
- b) the answer has already been given on a website in the form of any answer to a question; or
- c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Note 7

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 date of this notice will be available on the website of Calculus Capital, www.calculuscapital.com.

Note 8

None of the directors has a contract of service with the Company. A copy of the letters of appointment of directors and the Register of Directors' Interests 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.

Notice of Separate Meeting of the Holders of C Shares

NOTICE IS HEREBY GIVEN that a SEPARATE MEETING of the holders of C ordinary shares of 1p each in Investec Structured Products Calculus VCT plc (the "Company") will be held at the offices of Investec Structured Products, 2 Gresham Street, London EC2V 7QP at 11.15 am on Thursday, 30 June 2011 (or as soon as the separate meeting of the holders of Ordinary Shares of the Company convened for 11.10 am on that day shall have concluded) to consider and, if thought fit, pass the following resolution, which will be proposed as a special resolution:

THAT the holders of C ordinary shares of 1p each in the Company ("C Shares") hereby approve and consent to the passing of resolutions 12, 14 and 16 set out in the notice of the annual general meeting of the Company convened for 11.00 am on 30 June 2011 (a copy of which is produced to the meeting and signed by the chairman for the purposes of identification) and any effect on, variation, abrogation, dealing with and/or deemed variation or abrogation of the rights and privileges attached to the C Shares which will, or may, result from the passing and carrying into effect of the said resolutions and notwithstanding that the passing and carrying into effect of such resolutions may affect the rights and privileges attached to such C Shares.

By Order of the Board
Capita Sinclair Henderson Limited
Secretary
23 May 2011

Registered office:
Beaufort House
51 New North Road
Exeter EX4 4EP

Notice of Separate Meeting of the Holders of C Shares (continued)

Note 1

Only holders of C Shares are entitled to vote at the meeting.

A holder of C Shares entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend, speak and vote instead of him/her, provided that each proxy is appointed to exercise rights attached to different C Shares. You may not appoint more than one proxy to exercise rights attaching to any one C Share. A proxy need not be a holder of C Shares but must attend the meeting to represent the member. Details of how to appoint the Chairman of the meeting or another person as a proxy are set out in the notes on the form of proxy. If a holder of C Shares wishes a proxy to speak on his/her behalf at the meeting, the shareholder will need to appoint their own choice of proxy (not the Chairman) and give their instructions directly to them. Lodgement of the form of proxy will not preclude a C shareholder from attending the meeting and voting in person.

A form of proxy is enclosed for use in connection with the business of the meeting. To be valid, the form of proxy should be completed and sent, together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy of such power or authority), to reach the Company's registrar, Capita Registrars, at the address printed on the form of proxy not less than 48 hours (excluding weekends and bank holidays) before the time of the meeting or any adjournment thereof. A holder of C Shares may return a proxy form in their own envelope with the address **FREEPOST RSBH-UXKS-LRBC, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU.**

As an alternative to returning the hard-copy form of proxy by post, you can appoint a proxy by sending the form by fax to Investec Structured Products FAO: Mike Newman/Pascale Ferreira on 020 7597 4950. For the proxy appointment to be valid, your form must be received in such time as it can be transmitted to the Company's registrar, Capita Registrars, so as to be received no later than 48 hours before the time appointed for the meeting or any adjourned meeting.

The termination of the authority of a person to act as proxy must be notified to the Company in writing. Amended instructions must be received by the Company's registrar by the deadline for receipt of proxies.

A holder of C Shares 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 C Share of which he/she is the holder.

To appoint more than one proxy, holders of C Shares 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 C Shares the proxy is appointed in relation to. A failure to specify the number of C Shares to which each proxy appointment relates or specifying an aggregate number of C Shares in excess of those held by the shareholder 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.

In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the register of members in respect of the joint holding (the first-named being the most senior).

Note 2

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 in accordance with Regulation 41 of the Uncertificated Securities Regulations 2001), holders of C Shares must be registered in the register of members of the Company as at 6.00 pm on 28 June 2011. Changes to entries on the register of members after the specified time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

The quorum requirement for the meeting is for not less than two holders of C Shares to be present (in person or by proxy) holding or representing at least one-third of the nominal amount paid up on the C Shares. If a quorum is not present at the meeting, the meeting will be adjourned to 11.05 am on 12 July 2011 at the offices of Investec Structured Products, 2 Gresham Street, London EC2V 7QP. At the adjourned meeting, the quorum will be one person holding C Shares (whatever the number of C Shares held) who is present in person or by proxy.

Note 3

A person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 (the "Act") to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right 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, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

The statements of the rights of members in relation to the appointment of proxies in Note 1 above do not apply to a Nominated Person. The rights described in that Note can only be exercised by registered holders of C Shares of the Company.

Note 4

As at the date of this Notice, the Company's issued C Share capital amounted to 1,931,095 C Shares carrying one vote each.

Note 5

If a corporate shareholder has appointed a corporate representative, the corporate representative will have the same powers as the corporation could exercise if it were an individual member of the Company (provided, in the case of multiple corporate representatives of the same corporate shareholder, they are appointed in respect of different C shares owned by the corporate shareholder or, if they are appointed in respect of the same C Shares, they vote those C Shares in the same way). To be able to attend and vote at the meeting, corporate representatives will be required to produce prior to their entry to the meeting evidence satisfactory to the Company of their appointment. On a vote on a resolution on a show of hands, each authorised person has the same voting rights to which the corporation would be entitled. 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 C 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.

Note 6

Any question relevant to the business of the meeting may be asked at the meeting by anyone permitted to speak at the meeting. You may alternatively submit your question in advance by letter addressed to the Company Secretary at the registered office. In accordance with section 319A of the Act, the Company must cause any question relating to the business being dealt with at the meeting put by a member attending the meeting to be answered. No such answer need be given if:

- a) to do so would:
 - (i) interfere unduly with the preparation for the meeting, or
 - (ii) involve the disclosure of confidential information;
- b) the answer has already been given on a website in the form of any answer to a question; or
- c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Note 7

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 date of this notice will be available on the website of Calculus Capital, www.calculuscapital.com.

Note 8

None of the Directors has a contract of service with the Company. A copy of the letters of appointment of directors and the Register of Directors' Interests 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

Annual General Meeting

This year's Annual General Meeting of the Company will be held at the offices of Investec Structured Products, 2 Gresham Street London EC2V 7QP on 30 June 2011 at 11.00 am.

Key Dates for 2011

Company's year end	28 February 2011
Annual results announced	May 2011
Annual General Meeting	30 June 2011
Dividend paid	29 July 2011
Company's half year end	31 August 2011
Half yearly results announced	October 2011

Payment of Dividends

Cash dividends will be sent by cheque to the first-named shareholder on the 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 0871 664 0300 (calls cost 10p per minute plus network extras. Lines are open from 8.30 am to 5.30 pm Monday to Friday) or by visiting the website at www.capitaregistrars.com/shareholders.

Price and Performance Information

The Company's ordinary shares and C ordinary shares are listed on the London Exchange and the prices of these shares are published in the *Financial Times* under "Investment Companies".

The Company's net asset value is announced monthly and can be viewed on the London Stock Exchange website: www.londonstockexchange.com.

Share Dealing

Investors wishing to purchase shares in the Company, or sell all or part of their existing holdings, may do so through a stockbroker. Most banks also offer this service.

Share Register Enquiries

The Company's Registrars, Capita Registrars, maintain the share register. In the event of queries regarding your shareholding, please contact the Registrars on 0871 664 0300 (calls cost 10p per minute plus network extras. Lines are open from 8.30 am to 5.30 pm Monday to Friday) or by visiting the website at www.capitaregistrars.com/shareholders.

Qualification as a VCT

To qualify as a VCT, a company must be approved as such by HM Revenue & Customs. To obtain such approval it must:

- (a) not be a close company;
- (b) have each class of its ordinary share capital listed on the London Stock Exchange;
- (c) derive its income wholly or mainly from shares or securities;
- (d) have at least 70 per cent. by VCT Value of its investments in shares or securities in Venture Capital Investments, of which 30 per cent. by VCT Value must be in eligible shares;
- (e) have at least 10 per cent. by VCT Value of each Venture Capital Investment in eligible shares;
- (f) not have more than 15 per cent. by VCT Value of its investments in a single company or group (other than a VCT or a company which would, if its shares were listed, qualify as a VCT); and
- (g) not retain more than 15 per cent. of its income derived from shares and securities in any accounting period.

The requirement set out in paragraph (d) above will be amended for funds raised from 6 April 2011, such that at least 70 per cent. by VCT Value of a VCT's investments in shares or securities in qualifying investments must be in eligible shares. For funds raised from 6 April 2011, 'eligible shares' means shares which do not carry any right to be redeemed or a preferential right to assets on a winding-up or to dividends (in respect of the latter, where the right to the dividend is cumulative or, where the amount or dates of payment of the dividend may be varied by the company, a shareholder or any other person).

Approval as a VCT

A VCT must be approved at all times by HM Revenue & Customs. Approval has effect from the time specified in the approval.

A VCT cannot be approved unless the tests detailed above are met throughout the most recent complete accounting period of the VCT and HM Revenue & Customs is satisfied that they will be met in relation to the accounting period of the VCT which is current when the application is made. However, where a VCT raises further funds, VCTs are given grace periods to invest those funds before such funds need to meet such tests.

However, to aid the launch of a VCT, HM Revenue & Customs may give provisional approval if satisfied that conditions (b), (c), (f) and (g) in paragraph 1 above will be met throughout the current or subsequent accounting period and condition (d) in paragraph 1 above will be met in relation to an accounting period commencing no later than three years after the date of provisional approval.

Withdrawal of Approval

Approval of a VCT (full or provisional) may be withdrawn by HM Revenue & Customs if the various tests set out above are not satisfied. The exemption from corporation tax on capital gains will not apply to any gain realised after the point at which VCT status is lost.

Withdrawal of full approval generally has effect from the time when notice is given to the VCT but, in relation to capital gains of the VCT only, can be backdated to not earlier than the first day of the accounting period commencing immediately after the last accounting period of the VCT in which all of the tests were satisfied.

Withdrawal of provisional approval has the effect as if provisional approval had never been given (including the requirement to pay corporation tax on prior gains).

The above is only a summary of the conditions to be satisfied for a company to be treated as a VCT.

Glossary of Terms

C Share Interim Return

The total of the C Shareholder Proceeds made or offered for payment on or before the C Share Interim Return Date.

C Share Interim Return Date

14 March 2017.

C Shares Fund

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

C Shareholder Proceeds

Amounts paid by way of dividends or other distributions, share buy backs and any other proceeds or value received by or offered to, or deemed to be received by or offered to, by C shareholders in the Company on or before the C Share Target Return Date, excluding any income tax relief on subscription.

C Share Target Return

The total of the C Shareholder Proceeds made or offered for payment on or before the C Share Target Return Date.

C Share Target Return Date

14 March 2019.

Final Index Level

The closing (or average closing) level of the relevant underlying indices at the end of the relevant Index Observation Period for a Structured Product.

Index Observation Period

The relevant period from when the Initial Index Level is observed to when the Final Index Level is observed for a Structured Product.

Initial Index Level

The closing (or average closing) level of the relevant underlying indices at the start of the relevant Index Observation period for a Structured Product.

IPEVCA Guidelines

The International Private Equity and Venture Capital Valuation Guidelines, 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).

Ordinary Share Interim Return

The total of Ordinary Shareholder Proceeds made or offered for payment on or before the Ordinary Share Interim Return Date.

Ordinary Share Interim Return Date

14 December 2015.

Ordinary Shares Fund

The net assets of the Company attributable to the ordinary shares (including any income and/or revenue arising from or relating to such assets)

Ordinary Shareholder Proceeds

Amounts paid by way of dividends or other distributions, share buy backs and any other proceeds or value received by or offered to, or deemed to be received by or offered to, by ordinary shareholders in the Company, excluding any income tax relief on subscription.

Structured Products

Notes and/or deposits and/or securities whose cash flow characteristics reflect the performance of an index or indices (which may or may not be linked to a market).

VCT Value

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

Venture Capital Investments or Qualifying Investments

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

Company Information

Directors

Michael O'Higgins (Chairman)
Kate Cornish-Bowden
Arthur John Glencross
Steven Guy Meeks
Mark Gary Rayward
Philip Hilary Swatman
Ian Robert Wohlman

Registered Office

Beaufort House
51 New North Road
Exeter EX4 4EP
Telephone: 01392 477 500

Company Number

07142153

Structured Products Investment Manager

Investec Structured Products
2 Gresham Street
London EC2V 7QP
Telephone: 020 7597 4000
Website: www.investecstructuredproducts.com

Venture Capital Investments Manager

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

Fund Administrator and

Company Secretary

Capita Sinclair Henderson Limited
(*Trading as Capita Financial Group – Specialist Fund Services*)
Beaufort House
51 New North Road
Exeter EX4 4EP

Auditors

Grant Thornton UK LLP
30 Finsbury Square
London EC2P 2YU

Solicitors and VCT Status Adviser

Martineau
No. 1 Colmore Square
Birmingham B4 6AA

Sponsor and Broker

Singer Capital Markets Limited
One Hanover Street
London W1S 1YZ

Registrars

Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
Telephone: 0871 664 0300

(Calls cost 10p per minute plus network extras.
Lines are open Monday to Friday 8.30am to 5.30pm)

Investec Structured Products is a trading name of Investec Bank plc, registered address 2 Gresham Street, London EC2V 7QP. Investec Bank plc is authorised and regulated by the Financial Services Authority. Registered under Financial Services Authority No. 172330.

Calculus Capital Limited, registered address 104 Park Street, London W1K 6NF, is authorised and regulated by the Financial Services Authority. Registered under Financial Services Authority No. 190854.