

Investec Structured Products Calculus VCT plc

Annual Report & Accounts
28 February 2013



Investment Objective

Investment Objective

The Company's principal objectives for investors are to:

- invest in a portfolio of Venture Capital Investments and Structured Products that will provide investment returns that are sufficient to allow the Company to maximise annual dividends and pay an interim return either by way of a special dividend or cash offer for shares on or before an interim return date;
- generate sufficient 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 in on pages 19 and 20.

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Financial Review

Ordinary Share Fund

	12 Months to 28 February 2013	12 Months to 29 February 2012
Total return		
Total return	£309,000	(£80,000)
Total return per ordinary share	6.5p	(1.7)p
Revenue		
Net loss after tax	(£46,000)	(£71,000)
Revenue return per ordinary share	(1.0)p	(1.5)p
Dividend		
Recommended final dividend	5.25p	5.25p

	As at 28 February 2013	As at 29 February 2012
Assets (investments valued at bid market prices)		
Net assets	£4,562,000	£4,501,000
Net asset value ("NAV") per ordinary share	96.3p	95.0p
Mid market quotation		
Ordinary shares	92.5p	97.5p
(Discount)/premium to NAV	(3.9)%	2.6%

C Share Fund

	12 Months to 28 February 2013	11 Months to 29 February 2012*
Total return		
Total return	£104,000	(£33,000)
Total return per C share	5.4p	(1.7)p
Revenue		
Net loss after tax	(£35,000)	(£45,000)
Revenue return per C share	(1.8)p	(2.3)p
Dividend		
Recommended final dividend	4.5p	4.5p

	As at 28 February 2013	As at 29 February 2012
Assets (investments valued at bid market prices)		
Net assets	£1,805,000	£1,788,000
NAV per C share	93.5p	92.6p
Mid market quotation		
C shares	90.0p	94.0p
(Discount)/premium to NAV	(3.7)%	1.5%

* The C shares were issued in three tranches, on 1 April 2011, 5 April 2011 and 4 May 2011.

Chairman's Statement

I am delighted to present your Company's results for the year ended 28 February 2013. The Investec Structured Products Calculus VCT plc (the "Company") 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) and Calculus Capital Limited, and brings together both Managers' award winning expertise in their respective fields of Structured Products and Venture Capital.

During the year, the majority of investments have been in Structured Products which do not produce an income but generate a capital return. The remainder of the investments are in qualifying growth companies of which only a proportion can be invested in loan stocks and redeemable preference shares which generate an income. Consequently, the Company has shown a negative revenue return and a strong positive capital return to produce an overall positive return in line with expectations.

The net asset value per ordinary share was 96.3 pence as at 28 February 2013 compared to 95.0 pence as at 29 February 2012. This is after paying a dividend to ordinary shareholders in 2012 of 5.25 pence per share.

The net asset value per C share was 93.5 pence as at 28 February 2013 compared to 92.6 pence as at 29 February 2012. This is after paying a dividend to C shareholders in 2012 of 4.50 pence per share.

The net asset values have subsequently risen to 99.7 pence per ordinary share and 93.7 pence per C share as at 30 April 2013.

Your Board and 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 2013, the Ordinary Share Fund held a portfolio of four Structured Products and the C share Fund held a portfolio of two 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. Up to 20 per cent. of the Structured Products portfolio of the C Share Fund will be able to be invested in other indices besides the FTSE 100 Index.

The Structured Products portfolio continues to perform well. As at 28 February 2013 the FTSE 100 was trading at 6,360.8. This means that while the level of the FTSE 100 will change, if all of the Structured Products in both the Ordinary Share Fund and C Share Fund were to mature at this level, they would yield the maximum payoff for investors in each share fund.

Venture Capital Investments

Calculus Capital manages the portfolio of VCT Qualifying Investments made by the Company. During the year the Company made 11 Qualifying Investments for the Ordinary Share Fund, investing a total of £1,700,000 and the Company has now met its requirement for the Ordinary Share Fund portfolio to be at least 70 per cent. invested in Qualifying Investments by 28 February 2013. The Company also made four Qualifying Investments totalling £280,000 for the C Share Fund. The combined portfolio is required to be 70 per cent. invested in qualifying holdings by 28 February 2014.

A detailed analysis of the new investments and the investment performance can be found in the Investment Manager's Review that follows 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 5.25 pence per ordinary share and 4.5 pence per C share which, subject to shareholder approval, will be paid on 24 July 2013 to ordinary shareholders and C shareholders on the register on 31 May 2013. This will take dividends paid to date to 15.75 pence per ordinary share and 9.0 pence per C share.

Developments since the Year End

Since the year end a further £50,000 has been invested for the C Share Fund in Benito's Hat, a Mexican-themed fast casual restaurant business. Horizon Discovery Limited, a translational genomics company, also received a £50,000 investment from the C Share Fund in mid-May.

Outlook

We believe that the Company's strategy is proving effective. The success of the Structured Products portfolio thus far provides the basis for dividend returns to shareholders whilst enabling the construction of a portfolio of companies to generate longer-term returns. Calculus Capital continues to find that there are a number of attractive investment opportunities available to the Company.

Michael O'Higgins
Chairman
22 May 2013

Investment Manager's Review (Qualifying Investments)

Portfolio Developments

Calculus Capital Limited manages the portfolio of Qualifying Investments made by the Company. To maintain its qualifying status as a Venture Capital Trust, each of the Ordinary Share Fund and the C Share Fund needs to be at least 70 per cent. invested in qualifying securities by the end of the relevant third accounting period. The relevant date for the ordinary shares was 28 February 2013 at which date the qualifying percentage for the ordinary shares was 71.4 per cent. The relevant date for the C shares is 28 February 2014.

During the year under review, the Company completed Qualifying Investments in nine unquoted companies as shown below:

Company	Sector	Amount Invested by Ordinary Shares £	Amount Invested by C Shares £
AnTech Limited	Oil services	270,000	–
Brigantes Energy Limited	Oil & gas exploration & production	125,000	–
Corfe Energy Limited	Oil & gas exploration & production	75,000	–
Dryden Human Capital Group Limited	Business services	100,035	–
Hampshire Cosmetics Limited	Manufacturing	250,000	–
Human Race Group Limited	Sports and leisure	300,000	150,000
Secure Electrans Limited	Information technology	100,000	50,000
Tollan Energy	Renewable energy	360,000	–
Venn Life Science Holdings plc	Healthcare	120,033	80,000

New Holdings

AnTech Limited (“AnTech”)

In late January 2013, £270,000 was invested in AnTech by the Ordinary Share Fund, of which £120,000 was ordinary equity and £150,000 was loan stock. Founded in 1994, Exeter based AnTech is a specialist engineering design and manufacturing company providing a range of products to the upstream oil and gas industry. The investment was made to support the roll-out of a new generation of directional drilling tools, primarily for use in wells drilled using coiled tubing. Coiled tubing drilling provides a lower cost approach to drilling shallower wells. The investment has been made in conjunction with an equity investment of £2 million by Saudi Aramco Equity Ventures, the venture investment arm of Saudi Aramco, the world's largest oil company measured by oil production and reserves. Thus, VCT (and EIS) investment has acted as a catalyst to secure significant inward investment by a major non-UK corporate.

Latest Audited Results	2012 £'000	2011 £'000	Investment Information	Ordinary Share Fund £'000	C Share Fund £'000
Year ended	31 Aug	31 Aug			
Turnover	1,548	1,188	Total cost	270	–
Pre-tax profit	230	223	Income recognised in year/period	1	–
Net assets	1,291	967	Equity valuation	120	–
			Loan stock valuation	150	–
Valuation basis: Cost			Total valuation	270	–
			Voting rights*	1.1%	–

* Other funds managed by Calculus Capital have combined voting rights of 16.8 per cent.

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

Brigantes Energy Limited ("Brigantes") and Corfe Energy Limited ("Corfe")

Brigantes and Corfe (details of which follow) were initially intended to be one investment but were split for structural efficiency reasons.

Brigantes and Corfe were originally each established to hold certain oil and gas exploration assets and spun out from InfraStrata Plc. Brigantes acquired an interest in InfraStrata's Northern Ireland exploration assets and Corfe acquired an interest in InfraStrata's exploration assets in Southern England.

Brigantes

In September 2011, Brigantes completed the purchase of a 5 per cent. working interest in UK onshore licence PEDL 070 which contains the producing Avington oil field. The field produces at an average rate of 60-70 bpd (barrels per day) and Brigantes' share in this field has entitled it to a total of 1,068.6 barrels since 1 June 2011. Brigantes' main prospect is a 40 per cent. working interest in the Northern Ireland onshore licence PL1/10 at Larne. Significant P50 prospective resources of 450 million barrels have been identified should all structures prove to be successful. An exploration well is planned for early 2014. The company has also participated at a 10 per cent. interest level in a Cairn Energy led licence application under the 27th Offshore Licensing Round in May. The results of this should be known within the next few months.

Latest Audited Results	2012 £'000	2011 £'000	Investment Information	Ordinary Share Fund £'000	C Share Fund £'000
Year ended	31 Jul	31 Jul			
Turnover	70	15	Total cost	125	–
Pre-tax loss	(920)	(126)	Income recognised in year/period	–	–
Net assets	1,131	1,310	Equity valuation	140	–
			Loan stock valuation	–	–
Valuation basis: Prospective resources			Total valuation	140	–
			Voting rights*	3.3%	–

* Other funds managed by Calculus Capital have combined voting rights of 26.6 per cent.

Corfe

In September 2011, Corfe also completed the purchase of a 5 per cent. working interest in the UK onshore licence PEDL 070 which contains the Avington oil field, with its interest commencing from 1 June 2011. The field produces at an average 60-70 bpd and Corfe's share in this field has entitled it to a total of 1,068.6 barrels since 1 June 2011.

In February, Corfe entered into an agreement with Egdon Resources plc and Celtique Energie Limited in relation to UK onshore licence PEDL 201. Under the terms of this agreement, Corfe will earn a 12.5 per cent. interest and test drilling is planned to commence in early 2013. Initially a relatively shallow oil prospect will be drilled, but the hope is that there will be reserves of up to 3.2 million barrels. The InfraStrata bidding group, in which Corfe is involved, has recently been awarded the P1918 licence over blocks 97/14, 97/15 and 98/11 under the 26th Offshore Licensing Round. Under the terms of the agreement, Corfe is entitled to be assigned a 12 per cent. interest in these blocks.

Latest Audited Results	2012 £'000	2011 £'000	Investment Information	Ordinary Share Fund £'000	C Share Fund £'000
Year ended	31 Jul	31 Jul			
Turnover	40	15	Total cost	75	–
Pre-tax profit	64	107	Income recognised in year/period	–	–
Net assets	2,006	1,329	Equity valuation	96	–
			Loan stock valuation	–	–
Valuation basis: Prospective resources			Total valuation	96	–
			Voting rights*	2.0%	–

* Other funds managed by Calculus Capital have combined voting rights of 27.3 per cent.

Dryden Human Capital Group Limited (“Dryden”)

Dryden is a global professional services recruitment and executive search group. Dryden's first business commenced operations in 1996 and it is now one of the leading international groups within the professional services recruitment market. Headquartered in the UK, it specialises in the actuarial, insurance and compliance recruitment sector and operates out of London, Zurich, Mumbai, Shanghai, Hong Kong, Sydney and New York. The group comprises of five businesses: Darwin Rhodes, a specialist recruiter operating globally within niche areas of the insurance and finance sectors; Drake Fleming, an executive search and recruitment consultancy specialising in HR, change and business transformation; Edison Morgan, a retained, executive search firm operating in the insurance and asset management sectors; Baker Noble, a search and selection consultancy specialising in senior appointments within private and institutional investment management; and MGM Search, an international search and selection consultancy specialising in recruitment and resourcing solutions for the professional staffing sector.

In April 2012, the group appointed a new CEO with extensive experience in the recruitment industry and the Asia Pacific markets. In addition, the group has invested in its team, with several new senior employees – principally to continue the growth of the business in Asia Pacific. The group's recent focus has been to develop existing businesses and potentially add complementary professional service business lines. It has done this through the newly launched Drake Fleming human resources, change management and business transformation business. Dryden has also invested in improved technical equipment across the business, providing a good platform for growth.

As part of a larger fund-raising in February 2013, the Ordinary Share Fund made an investment of £100,000 in the equity to help finance this development. Calculus Capital knows the business well, with our EIS funds having invested in the group in 2011.

Latest Audited Results (group)	2012 £'000	2011 £'000	Investment Information	Ordinary Share Fund £'000	C Share Fund £'000
(11 month) year ended	31 Mar	31 Mar			
Turnover	9,822	9,367	Total cost	100	–
Pre-tax profit	291	1,224	Income recognised in year/period	–	–
Net assets	5,143	4,313	Equity valuation	100	–
			Loan stock valuation	–	–
Valuation basis: Cost			Total valuation	100	–
			Voting rights*	2.9%	–

* Other funds managed by Calculus Capital have combined voting rights of 17.1 per cent.

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

Hampshire Cosmetics Limited ("Hampshire")

In December 2012, £250,000 was invested in Hampshire by the Ordinary Share Fund, of which £100,000 was ordinary equity and £150,000 was loan stock. Founded in the 1970s, Hampshire is an established company which develops and manufactures a comprehensive range of products covering fragrances, body treatments, skincare and shampoos. The business, trade and assets have been acquired by a management team that has previously been backed by Calculus Capital in a successful investment.

Latest Audited Results	2012 £'000	2011 £'000	Investment Information	Ordinary Share Fund £'000	C Share Fund £'000
Year ended	31 Mar	31 Mar			
Turnover	16,535	18,599	Total cost	250	–
Pre-tax (loss)/profit	(668)	428	Income recognised in year/period	2	–
Net assets	1,357	4,000	Equity valuation	100	–
			Loan stock valuation	150	–
Valuation basis: Cost			Total valuation	250	–
			Voting rights*	4.6%	–

* Other funds managed by Calculus Capital have combined voting rights of 80.4 per cent.

Human Race Group Limited ("Human Race") (formerly Participate Sport)

In April 2012, £175,000 was invested in Human Race by the Ordinary Share Fund, of which £100,000 was ordinary equity and £75,000 was 8 per cent. five year loan stock. The C Share Fund made an investment of £75,000, of which £50,000 was ordinary equity and £25,000 was loan stock. Following the increases in allowable investment limits, a follow on investment of £125,000 in 8 per cent. five year loan stock was made by the Ordinary Share Fund in July 2012. The C Share Fund also made a £75,000 follow on investment of 8 per cent. five year loan stock at this time. Human Race is the UK's largest and most diverse mass participation sports events company.

Human Race owns and delivers over 58 events in triathlon, cycling, running, duathlon, aquathlon and open water swimming for over 100,000 participants of all abilities and ages.

Latest Audited Results (group)	2012 £'000	Investment Information	Ordinary Share Fund £'000	C Share Fund £'000
Year ended	31 Dec			
Turnover	3,196	Total cost	300	150
Pre-tax profit	22	Income recognised in year/period	11	5
Net assets	2,032	Equity valuation	100	50
		Loan stock valuation	200	100
Valuation basis: Discounted cash flow and earnings multiple using comparable companies analysis		Total valuation	300	150
		Voting rights	1.86%	0.91%

Secure Electrans Limited (“Secure”)

Secure, founded in 2000, develops internationally patented systems that provide solutions to card payment fraud for ‘card not present’ (“CNP”) transactions. The adoption of chip and pin technology in retail environments has specifically reduced instore card fraud which has migrated to ‘CNP’ transactions. Secure’s solution takes chip and pin technology from the retail sector and applies it to internet-based CNP transactions. The company has developed an end-to-end payment and security infrastructure which incorporates chip and pin and has received certification from leading industry bodies and participants. In April 2012, the Ordinary Share Fund made an equity investment of £100,000 and the C Share Fund invested £50,000 in equity.

Latest Audited Results	2012 £'000	2011 £'000	Investment Information	Ordinary Share Fund £'000	C Share Fund £'000
Year ended	31 Dec	31 Dec			
Turnover	61	111	Total cost	100	50
Pre-tax loss	(1,953)	(2,146)	Income recognised in year/period	–	–
Net assets	(34)	259	Equity valuation	100	50
			Loan stock valuation	–	–
Valuation basis: Cost			Total valuation	100	50
			Voting rights*	0.46%	0.23%

* Other funds managed by Calculus Capital have combined voting rights of 14.5 per cent.

Tollan Energy Limited (“Tollan”)

In late January 2013, £300,000 was invested in Tollan by the Ordinary Share Fund, of which £150,000 was ordinary equity and £150,000 was loan stock. A £60,000 follow on investment was made by the Ordinary Share Fund in February 2013, all of which was loan stock. Tollan has been set up to generate electricity from renewable micro-generation facilities. In February 2013, Tollan entered into an agreement to acquire a portfolio of installed solar PV panels on residential and commercial roofs in Northern Ireland and will benefit from Northern Ireland Renewable Obligation Certificates (“NIROCs”).

Latest Audited Results	Investment Information	Ordinary Share Fund £'000	C Share Fund £'000
No results available			
	Total cost	360	–
	Income recognised in year/period	1	–
	Equity valuation	150	–
	Loan stock valuation	210	–
Valuation basis: Cost	Total valuation	360	–
	Voting rights	6.38%	–

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

Venn Life Science Holdings plc (formerly Armscote Investment Company Plc) ("Venn")

In December 2012, £120,000 was invested as ordinary equity in Venn by the Ordinary Share Fund, and £80,000 by the C Share Fund. Venn is a Clinical Research Organisation ("CRO") with operations in France, the Netherlands and Ireland and a branch office in Switzerland. The Company's near-term objective is the consolidation of a number of small European CROs to build a mid-sized CRO focused on the European market, offering clients a full service, multi-centred capability in Phase II-IV trials across a range of principal disease areas.

Latest Audited Results	Investment Information	Ordinary Share Fund £'000	C Share Fund £'000
No results available			
	Total cost	120	80
	Income recognised in year/period	–	–
	Equity valuation	120	80
	Loan stock valuation	–	–
Valuation basis: Bid	Total valuation	120	80
	Voting rights*	1.99%	1.33%

* Other funds managed by Calculus Capital have combined voting rights of 9.1 per cent.

Existing Holdings

Terrain Energy Limited ("Terrain")

Terrain was established in October 2009 to develop a portfolio of onshore oil and gas production and development assets, predominantly in the UK. Terrain has interests in six petroleum licences: Keddington, Kirklington, Dukes Wood, Kelham Hills and Burton on the Wolds in the East Midlands and Larne in Northern Ireland. Terrain is currently producing from wells at Keddington, Dukes Wood and Kirklington. On average 60 barrels of oil and 300,000 standard cubic feet of gas per day are being produced (gross). The company is currently in negotiations with several parties to acquire interests in additional onshore UK producing licences. In January, the company appointed Steve Jenkins as non-executive chairman. Steve was previously Chief Executive of Nautical Petroleum which was acquired by Cairn Energy in 2012. The company's most exciting prospect is the PL1/10 licence located in the Larne-Lough Neagh Basin, onshore Northern Ireland. It is estimated that the licence contains a total unrisks P50 prospective resource of 450 million barrels of oil should all structures prove to be successful (45 million barrels net to Terrain). An appraisal well is planned for early 2014.

Latest Audited Results	2011 £'000	2010 £'000	Investment Information	Ordinary Share Fund £'000	C Share Fund £'000
Year ended	31 Dec	31 Dec			
Turnover	308	271	Total cost	300	90
Pre-tax loss	(72)	(158)	Income recognised in year/period	14	3
Net assets	3,435	1,953	Equity valuation	113	47
			Loan stock valuation	200	45
Valuation basis: Discounted cash flow and comparable companies analysis			Total valuation	312	93
			Voting rights*	2.5%	1.1%

* Other funds managed by Calculus Capital have combined voting rights of 19.3 per cent.

MicroEnergy Generation Services Limited (“MicroEnergy”)

MicroEnergy owns a portfolio of small onshore wind turbines.

As at 31 March 2013, 154 turbines had been installed in East Anglia and Yorkshire (out of the entire fleet of 160 turbines). The portfolio will provide MicroEnergy with sufficient scale to mitigate against concerns of poor short-term performance at any particular site. The revenues from the fleet of installed turbines come from two sources, both of which are inflation protected, being directly linked to RPI. Firstly there is the Government backed feed-in tariff (“FIT”) paid by the electricity suppliers for every kilowatt of electricity generated for twenty years. Secondly there is the export tariff for any surplus electricity not used by the site owner that is exported to the grid.

Latest Audited Results	2011 £'000	Investment Information	Ordinary Share Fund £'000	C Share Fund £'000
Year ended	31 Mar			
Turnover	7	Total cost	300	–
Pre-tax loss	(107)	Income recognised in year/period	10	–
Net assets	1,623	Equity valuation	150	–
		Loan stock valuation	150	–
Valuation basis: Last price paid		Total valuation	300	–
		Voting rights*	5.1%	–

* Other funds managed by Calculus Capital have combined voting rights of 5.8 per cent.

Lime Technology Limited (“Lime Technology”)

The group comprises three main activities. ‘Projects’ which supplies panels for external wall construction. The main product is Hembuild which is sustainable and thermally efficient and is constructed of lime, hemp and linseed. Hembuild was recently used in the construction of the Science Museum’s archives in the West of England. Lime Technology supplies proprietary lime mortars and renders and has an External Wall Insulation (“EWI”) business which addresses the insulation needs of the older existing housing stock. Hemp Technology operates a fibre processing plant for hemp and linseed, thus giving Lime Technology visibility over its supply chain from field to construction site. More recently, new markets, including the paper and automotive sectors have been developed. The group is going through a turnaround phase with a new management team, product lines and direction. Whilst the building products industry remains depressed, the ‘green’ sector shows a modest upward trend.

Latest Audited Results (group)	2012 £'000	2011 £'000	Investment Information	Ordinary Share Fund £'000	C Share Fund £'000
Year ended	31 Oct	31 Oct			
Turnover	5,997	4,507	Total cost	307	–
Pre-tax loss	(2,055)	(2,020)	Income recognised in year/period	20	–
Net assets	(499)	(157)	Equity valuation	8	–
			Loan stock valuation	250	–
Valuation basis: Last price paid			Total valuation	258	–
			Voting rights*	0.2%	–

* Other funds managed by Calculus Capital have combined voting rights of 3.9 per cent.

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

Metropolitan Safe Custody Limited ("Metropolitan") (formerly Viscount Safe Custody Services Limited)

Metropolitan provides safe custody services in central London. In February 2012, Calculus Capital invested £1.85m in Metropolitan. Metropolitan currently runs two safe custody sites, one in Knightsbridge, the other in St. Johns Wood. These profitable, stable businesses serve around 4,500 customers providing access to the vaults seven days a week. In June this year, Metropolitan purchased the trade and certain assets of London Safe Deposit ("LSD"), one of the oldest providers in Central London, which had closed due to the redevelopment of its site.

Latest Audited Results	2012 £'000	2011 £'000	Investment Information	Ordinary Share Fund £'000	C Share Fund £'000
Year ended	30 Jun	30 Jun			
Turnover	1,447	1,330	Total cost	190	90
Pre-tax profit	270	240	Income recognised in year/period	8	4
Net assets	4,118	800	Equity valuation	103	46
Valuation basis: Discounted cash flow and earnings multiple			Loan stock valuation	100	50
			Total valuation	203	96
			Voting rights*	2.0%	0.9%

* Other funds managed by Calculus Capital have combined voting rights of 35.3 per cent.

Qualifying Investments

At the beginning of May 2013, £50,000 was invested in Benito's Hat, a Mexican-themed fast casual restaurant. This investment will fund the roll-out of restaurant openings to reach new customers across London and the UK. In mid-May, a further £50,000 was invested in Horizon Discovery Limited, a translational genomics company. Both of these investments were for the C Share Fund.

Developments since the Year End

There have been no significant developments since the year end other than those disclosed above.

Outlook

Although the UK remains in a low growth environment and many high profile companies have found conditions challenging, we believe that the investments in the portfolio are well placed and can show good returns in the medium to longer term.

Calculus Capital Limited
22 May 2013

Investment Manager's Review (Structured Products)

Our non-Qualifying Investments are managed by Investec Structured Products. As at the date of this report, the Company held a portfolio of Structured Products based on the FTSE 100 Index. The products differ by duration and counterparty.

In line with the Company's strategy set out in the original offer documents, part of the initial cash raised has been used to build a portfolio of Structured Products. The portfolio of Structured Products was constructed with different issuers and differing maturity periods to minimise risk and create a diversified portfolio. Part of this portfolio has now reached full term; all products purchased which have reached maturity have returned their maximum payoff. The recent changes are listed below.

Over the last year, two of the investments reached full term within the Ordinary Share Fund: the HSBC investment matured on 6 July 2012 paying a 25.1 per cent. return, and the RBS Autocallable matured on 19 March 2012, paying 10.5 per cent. The Morgan Stanley product was sold on 31 October 2012 at a price of 132.2 per cent., resulting in a positive return of £161,200 on the original £500,000 investment. The product was sold to release cash flow for further Qualifying Investments.

Within the C Share Fund, the RBS Autocallable, paying 10.5 per cent., matured on 19 March 2012, paying out fully. The Nomura product, which was bought from the Ordinary Share Fund, matured on 20 February 2013, paying a return of 8.5 per cent. over the 11 months that the product was held.

The strong performance of the FTSE 100 has supported valuations in the Structured Products portfolio. The FTSE 100 has rallied since the New Year and is far above all of the products' strike levels. The highest strike level remaining in both the Ordinary and C Share Funds is 5,584.5 and as at 28 February the FTSE 100 was 6,360.8. Over the past three months, swap rates have remained low and market volatility has declined.

No new investments were made in Structured Products during the period.

The Structured Products will achieve their target return subject to the Final Index Level of the FTSE 100 being higher than the Initial Index Level. The capital is at risk on a one-for-one basis ("CAR") if the FTSE 100 Index falls more than 50 per cent at any time during the investment term and fails to fully recover at maturity such that the Final Index Level is below the Initial Index Level. As at 28 February 2013, the following investments had been made in Structured Products:

Ordinary Share Fund:

Issuer	Strike Date	FTSE 100 Initial Index Level	Notional Investment	Purchase Price	Price as at 28 February 2013	Maturity Date	Return/Capital at Risk (CAR)
The Royal Bank of Scotland plc	05/05/2010	5,341.93	£275,000	£0.96	£1.3977	12/05/2015	162.5% if FTSE 100* higher; CAR if FTSE 100 falls more than 50%
Investec Bank plc	14/05/2010	5,262.85	£500,000	£0.98	£1.4740	19/11/2015	185% if FTSE 100* higher; CAR if FTSE 100 falls more than 50%
Abbey National Treasury Services	25/05/2010	4,940.68	£350,000	£0.99	£1.5789	18/11/2015	185% if FTSE 100* higher; CAR if FTSE 100 falls more than 50%
Abbey National Treasury Services	03/08/2011	5,584.51	£50,000	£1.00	£1.1954	05/02/2014	126% if FTSE 100* higher; CAR if FTSE 100 falls more than 50%

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

Ordinary Share Fund (continued):

Matured/sold

Issuer	Strike Date	FTSE 100 Initial Index Level at Maturity	Notional Investment	Purchase Price	Price at Maturity/ Sale	Maturity Date/Date Sold	Return/Capital at Risk (CAR)
HSBC Bank plc	01/07/2010	4,805.75	£500,000	£1.00	£1.2510	06/07/2012	125.1% if FTSE 100* higher; CAR if FTSE 100 falls more than 50%
The Royal Bank of Scotland plc	18/03/2011	5,718.13	£50,000	£1.00	£1.1050	19/03/2012	Autocallable 10.5% p.a.; CAR if FTSE 100 falls more than 50%
Nomura Bank International**	28/05/2010	5,188.43	£350,000	£0.98	£1.2625	30/03/2012	137% if FTSE 100* higher; CAR if FTSE 100 falls more than 50%
Morgan Stanley International	10/06/2010	5,132.50	£500,000	£1.00	£1.3224	31/10/2012	134% if FTSE 100* higher; CAR if FTSE 100 falls more than 50%

The total valuation of the amount invested in Structured Products in the Ordinary Share Fund as at 28 February 2013 was £1,733,752.

C Share Fund:

Issuer	Strike Date	FTSE 100 Initial Index Level	Notional Investment	Purchase Price	Price as at 28 February 2013	Maturity Date	Return/Capital at Risk (CAR)
Investec Bank plc	05/08/2011	5,246.99	£328,000	£1.00	£1.3661	10/03/2017	182% if FTSE 100* higher; CAR if FTSE 100 falls more than 50%
Abbey National Treasury Services	03/08/2011	5,584.51	£200,000	£1.00	£1.1954	05/02/2014	126% if FTSE 100* higher; CAR if falls more than 50%

C Share Fund (continued):

Matured/sold

Issuer	Strike Date	FTSE 100 Initial Index Level at Maturity	Notional Investment	Purchase Price	Price at Maturity/ Sale	Maturity Date	Return/Capital at Risk (CAR)
The Royal Bank of Scotland plc	18/03/2011	5,718.13	£200,000	£1.00	£1.1050	19/03/2012	Autocallable 10.5% p.a.; CAR if FTSE 100 falls more than 50%
Nomura Bank International	28/05/2010	5,188.43	£350,000	£1.2625	£1.3700	20/02/2013	137% if FTSE 100* higher; CAR if FTSE 100 falls more than 50%

The total valuation of the amount invested in Structured Products in the C Share Fund as at 28 February 2013 was £687,147.

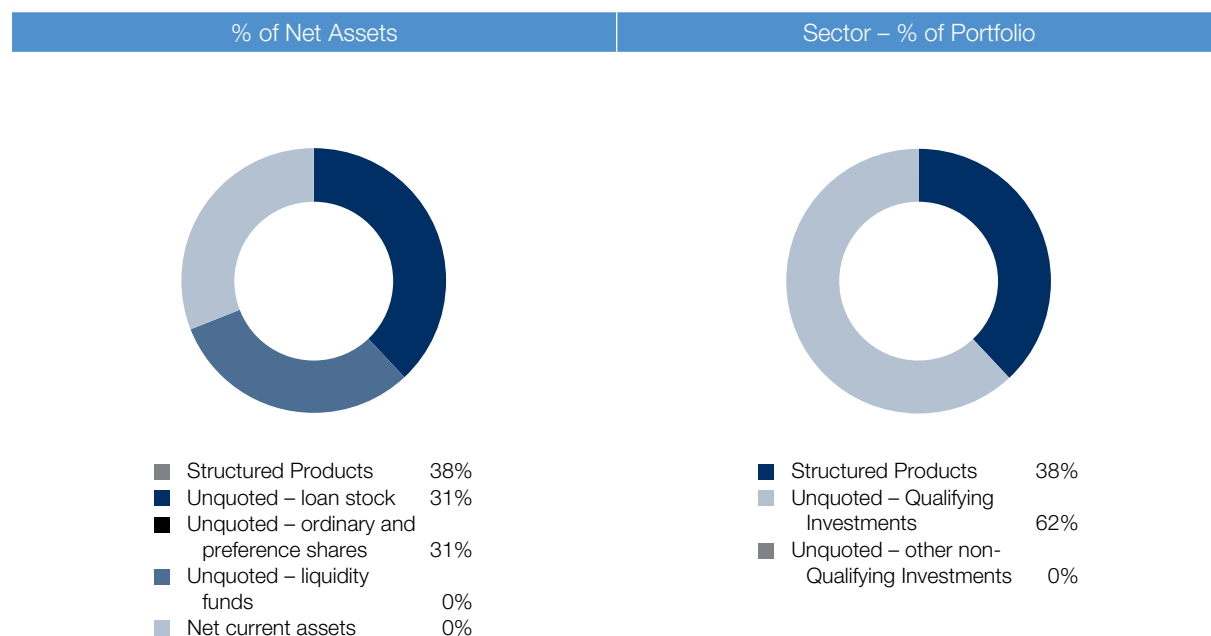
* The Final Index Level is calculated using 'averaging', meaning that the average of the closing levels of the FTSE 100 is taken on each Business Day over the last 2-6 months of the Structured Product plan term (the length of the averaging period differs for each plan). The use of averaging to calculate 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.

** The Nomura Structured Product was sold prior to maturity with a return on initial investment of 28.8 per cent. This was sold to the C Share Fund.

Investec Structured Products
22 May 2013

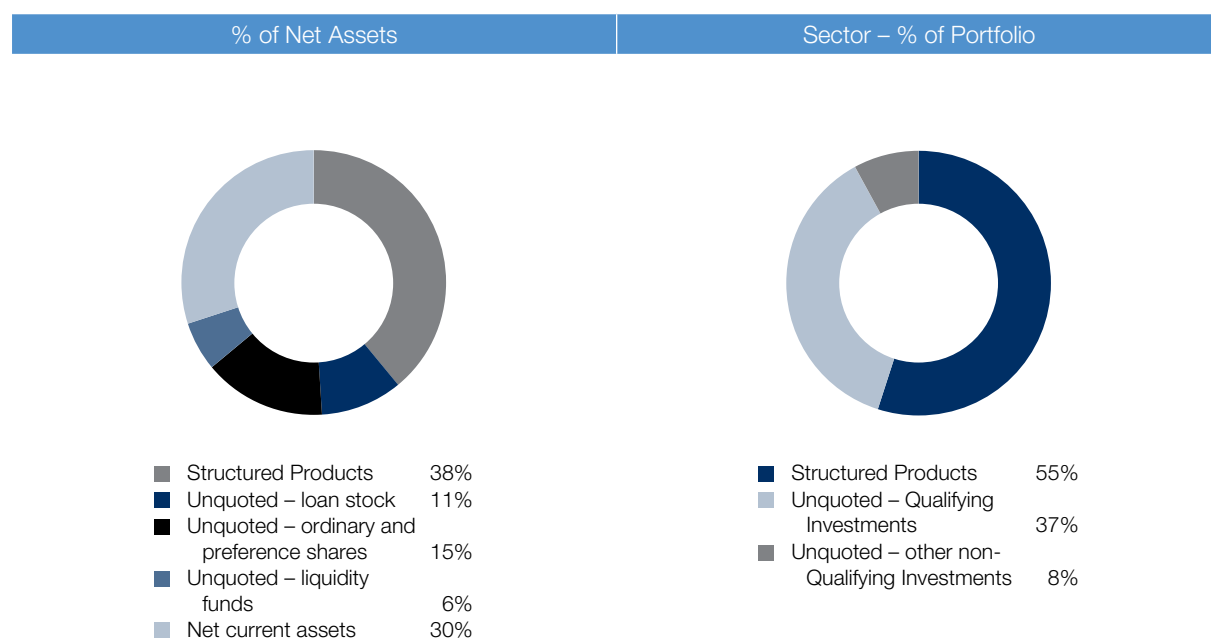
Investment Portfolio as at 28 February 2013

Ordinary Share Fund



Company	Nature of Business	Book Cost £'000	Valuation £'000	% of Net Assets	% of Portfolio
Structured Products					
Investec Bank plc	Banking	490	738	16%	16%
Abbey National Treasury Services	Banking	396	612	14%	14%
The Royal Bank of Scotland plc	Banking	264	384	8%	8%
Total Structured Products		1,150	1,734	38%	38%
Qualifying Investments					
Tollan Energy Limited	Energy	360	360	8%	8%
Terrain Energy Limited	Onshore oil and gas production	300	312	8%	8%
Human Race Group Limited	Leisure	300	300	7%	7%
MicroEnergy Services Limited	Energy	300	300	7%	7%
AnTech Limited	Oil services	270	270	7%	7%
Lime Technology Limited	Construction	307	258	6%	6%
Hampshire Cosmetics Limited	Cosmetics	250	250	5%	5%
Metropolitan Limited	Safe depository services	190	203	4%	4%
Brigantes Energy Limited	Oil and gas exploration and production	125	140	2%	2%
Venn Life Sciences Holdings plc	Clinical research	120	120	2%	2%
Dryden Human Capital Group Limited	Human resources	100	100	2%	2%
Secure Electrans Limited	E-commerce security	100	100	2%	2%
Corfe Energy Limited	Oil and gas exploration and production	75	96	2%	2%
Heritage House Limited	Publishing and media services	127	–	–	–
Total Qualifying Investments		2,924	2,809	62%	62%
Other non-Qualifying Investments					
Fidelity Liquidity Fund	Liquidity fund	1	1	–	–
Scottish Widows Liquidity Fund	Liquidity fund	1	1	–	–
Total Other non-Qualifying Investments		2	2	–	–
Total Investments		4,076	4,545	100%	100%
Net Current Assets less Creditors due after one year			17	–	
Net Assets			4,562	100%	

C Share Fund



Company	Nature of Business	Book Cost £'000	Valuation £'000	% of Net Assets	% of Portfolio
Structured Products					
Investec Bank plc	Banking	328	448	25%	36%
Abbey National Treasury Services	Banking	200	239	13%	19%
Total Structured Products		528	687	38%	55%
Qualifying Investments					
Human Race Group Limited	Leisure	150	150	9%	12%
Metropolitan Limited	Safe depository services	90	96	5%	8%
Terrain Energy Limited	Onshore oil and gas production	90	93	5%	7%
Venn Life Sciences plc	Clinical research	80	80	4%	6%
Secure Electrans Limited	E-commerce security	50	50	3%	4%
Heritage House Limited	Publishing and media services	64	–	–	–
Total Qualifying Investments		524	469	26%	37%
Other non-Qualifying Investments					
Fidelity Liquidity Fund	Liquidity fund	101	101	6%	8%
Scottish Widows Liquidity Fund	Liquidity fund	1	1	–	–
Total Other non-Qualifying Investments		102	102	6%	8%
Total Investments		1,154	1,258	70%	100%
Net Current Assets less Creditors due after one year			547	30%	
Net Assets			1,805	100%	

Board of Directors

The Board comprises four non-executive Directors, three of whom are independent of the Investment Managers. John Glencross is Chief Executive and a director of Calculus Capital, and is accordingly not independent. 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 (Chairman) (58)*

Michael has been chair of The Pensions Regulator since January 2011. He was chairman of the Audit Commission for the six years to September 2012 and of the charity Centrepont for eight years until December 2011. He became chairman of the NHS Confederation and a non-executive director of Network Rail in November 2012. Michael is also a non-executive director of HM Treasury and chair of the Treasury Group Audit Committee.

Previously, Michael was a Managing Partner with PA Consulting, (successively leading its Government and IT Consulting Groups), a Partner at Price Waterhouse (now PricewaterhouseCoopers), and a Principal Administrator at the OECD. He began his working career as an academic at LSE and the University of Bath, and more recently has been a Visiting Professor at both, as well as having held visiting appointments at Harvard University and the Australian National University.

Kate Cornish-Bowden (46)*

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 non-executive director of Scancell Holdings plc. She is a Chartered Financial Analyst (CFA) and holds a Masters in Business Administration (MBA).

John Glencross (59)

John co-founded Calculus Capital in 1999. In 2000, he structured and launched the UK's first HM Revenue & Customs approved Enterprise Investment Scheme ("EIS") fund with Susan McDonald. Since that time, he has successfully launched and closed three VCT issues (including the offer for subscription on launch of the Company) and eleven further EIS funds. He is also a director of Neptune-Calculus Income and Growth VCT plc, Terrain, Lime Technology and Human Race. Terrain, Lime Technology and Human Race are companies in which this Company 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 MA (Hons) from the University of Oxford.

Steve Meeks (55)*

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 £6 billion under management across 230 different structured products. Steve is also a former consultant to Investec, having assisted the Investec Structured Products team with the launch of the Company.

* independent of the Investment Managers

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 Financial Conduct Authority ("FCA"). 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 EIS fund approved by HM Revenue & Customs. Since that time, it has structured, launched and closed for subscription a further eleven EIS funds and three VCT offers for subscription (including the offer for subscription on the launch of the Company). 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 2011 and the Best EIS Investment Exit Award for 2012, 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 7,300 employees.

Investec focuses on delivering distinctive profitable solutions for its clients in three core areas of activity, namely Asset Management, Wealth & Investment and Specialist Banking (comprising Property Activities, Private Banking, Investment Banking and Capital Markets).

Since May 2008, Investec Structured Products has received investments from UK clients in excess of £3 billion into over 800 different Structured Products, and have been recognised as a leading provider of Structured Products being awarded the Professional Adviser Best Structured Products Provider Award in 2009, 2010, 2011, 2012 and 2013.

Directors' Report

The Directors present their Annual Report and Accounts for the year ended 28 February 2013.

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 ("VCT") and its affairs are conducted in a manner to satisfy the conditions to enable it to obtain approval as a VCT under sections 258–332 of the Income Tax Act 2007 ("ITA 2007"). Details of the Company's investment policy are set out below.

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

This Business Review should be read in conjunction with the Chairman's Statement on page 2, the Investment Managers' Reviews on pages 3 to 13 and the portfolio analysis on pages 14 and 15.

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 maintain its VCT status. These tests are set out on page 75. The Company has received provisional approval as a VCT from HM Revenue & Customs.

The financial performance of the Company is set out below:

	Year Ended 28 February 2013	Year Ended 29 February 2012
Ordinary Share Fund		
Fair value		
portfolio valuation	£4.5m	£4.4m
Total return/(loss) (after tax)	£309,000	(£80,000)
Total return/(loss) per ordinary share	6.5p	(1.7)p
NAV per ordinary share	96.3p	95.0p
Ordinary share price	92.5p	97.5p
Ordinary share price (discount)/premium to NAV	(3.9)%	2.6%
C Share Fund		
Fair value		
portfolio valuation	£1.3m	£1.7m
Total return/(loss) (after tax)	£104,000	(£33,000)
Total return/(loss) per C share	5.4p	(1.7)p
NAV per C share	93.5p	92.6p
C share price	90.0p	94.0p
C share price (discount)/premium to NAV	(3.7)%	1.5%

To maintain its qualifying status as a VCT, each of the Ordinary Share Fund and the C Share Fund needs to be at least 70 per cent. invested in Qualifying Investments by the end of the relevant third accounting period. The relevant date for the ordinary shares was 28 February 2013, at which date the qualifying percentage was 71.4 per cent. The relevant date for the C shares is 28 February 2014; the qualifying percentage for the C shares as at 28 February 2013 was 30.8 per cent.

Dividend

The Directors are recommending final dividends of 5.25p per ordinary share and 4.5p per C share. Subject to approval by shareholders at the Annual General Meeting, these dividends will be paid on 24 July 2013 to shareholders on the register on 31 May 2013.

Share capital

At the year end and at the date of this report, the issued share capital comprised 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). No shares were held in Treasury.

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.

There are no restrictions concerning the transfer of securities in the Company; no restrictions on voting rights; 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 to which the Company is party 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 Annual General Meeting held on 17 July 2012, the Directors were granted authority to allot shares up to an aggregate nominal amount of £206,700, and this authority will expire at the Annual General Meeting to be held in 2017.

The Directors were also authorised to issue shares for cash (without rights of pre-emption applying) (i) up to £100,000 of each class of share by way of offer for subscription and (ii) up to 10 per cent. of each class of share for general purposes, and to buy back up to 14.99 per cent. of each of the ordinary and C shares in issue. The Board's proposals for the renewal of these authorities are detailed on page 25.

Investment policy

At launch, 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 being used to meet initial costs and invested in cash or near cash assets (as directed by the Board) and will be available to invest in Venture Capital Investments and 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 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 is 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 long-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 Structured Products may also be collateralised whereby notes are issued by one issuer (such as Investec Bank plc) but with the underlying investment risk being linked to more than one issuer (as approved by the Board) reducing insolvency risks, creating diversity and potentially increasing returns for shareholders. If the Company invests in a collateralised Structured Product, the amount of the exposure to an underlying issuer will be taken into account when reviewing investments for diversification. The maximum exposure to any one issuer (or underlying issuer) will be limited, in aggregate, 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 has agreed to make a market in the Structured Products, should this be required by the Company.

Directors' Report (continued)

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 the investment).

The Board and its 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, the Company has the ability to borrow a maximum amount equal to 25 per cent. of the gross assets of the Company. 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; and
- 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.

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 15 to the Accounts.

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

Loss of approval as a VCT 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 Share Fund, 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.

Directors' Report (continued)

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 Investec Wealth & Investments acts as custodian.

C shares versus ordinary shares

The assets relating to the C shares are 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 monitors the performance of each separate fund as well as requirements at a company level to reduce the risk of this occurring.

Future developments

As set out in the Chairman's Statement, the Directors believe that the Company's strategy is proving effective. The success of the Structured Products portfolio thus far provides the basis for dividend returns to shareholders whilst enabling the construction of a portfolio of companies to generate longer-term returns. Calculus Capital continues to find that there are a number of attractive investment opportunities available to the Company.

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.

Corporate Governance

A formal statement on Corporate Governance and the Company's compliance with the UK Corporate Governance Code is set out on pages 27 to 30, and forms part of this Directors' Report.

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	17 July 2012
Philip Swatman	22 February 2010	17 July 2012

Mark Rayward and Philip Swatman retired as Directors at the Annual General Meeting held on 17 July 2012.

Kate Cornish-Bowden will retire by rotation at the forthcoming Annual General Meeting and, being eligible, will stand for re-election.

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

Formal performance evaluation of the Directors and the Board has been carried out and the Board considers that all of the Directors contribute effectively and have the skills and experience relevant to the future leadership and direction of the Company. Biographical notes on the Directors are given on page 16.

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

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

None of the other Directors or any persons connected with them had a material interest in the Company's transactions, arrangements or agreements during the year.

The rules concerning the appointment and replacement of Directors are contained in the Company's Articles of Association and discussed on page 27.

Directors' Interests

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

	28 February 2013 Ordinary Shares	28 February 2013 C Shares	29 February 2012 Ordinary Shares	29 February 2012 C Shares
Michael O'Higgins	205,500	–	205,500	–
Kate Cornish-Bowden	–	10,000	–	10,000
John Glencross	25,000	–	25,000	–
Steve Meeks	20,550	–	20,550	–

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

There have been no changes in the Directors' interests between 28 February 2013 and the date of this 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.

Management agreements

Calculus Capital was appointed as Investment Manager pursuant to an agreement dated 2 March 2010; a supplemental agreement was entered into on 7 January 2011 in relation to the management of the C Share Fund (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 Share Fund and 1 per cent. of the net asset value of the C Share Fund, both calculated and payable quarterly in arrears.

Investec Structured Products was appointed as Investment Manager pursuant to an agreement dated 2 March 2010; a supplemental agreement was entered into on 7 January 2011 in relation to the management of the C Share Fund (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, until the Ordinary Share Interim Return Date of 14 December 2015.

The management agreements dated 2 March 2010 are for an initial period up to the Ordinary Share Interim Return Date, 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.

Directors' Report (continued)

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.

Performance agreement – ordinary shares

A Performance Incentive Agreement between the Company, Calculus Capital and Investec Structured Products dated 2 March 2010 in relation to the Ordinary Share 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 ordinary 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.

Performance agreement – C shares

A Performance Incentive Agreement between the Company, Calculus Capital and Investec Structured Products dated 7 January 2011 in relation to the C Share 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 105p up to and including Proceeds of 115p per C share, such amount to be paid within ten business days of the date of payment of the relevant dividend or distribution pursuant to which a return of 115p per C share is satisfied; and

- 10 per cent. of C Shareholder Proceeds in excess of 115p per C share, such amounts to be paid within ten business days of the date of payment of the relevant dividend or distribution;

provided in each case that C shareholders have received or been offered the C Share Interim Return of at least 70p per C share on or before 14 March 2017 and at least a further 45p per C share having being received or offered for payment on or before the 14 March 2019. In addition, performance incentive fees in respect of the C Share 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 Share 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 Investment Managers under continual review. A formal review of their performance and the terms of their engagement has been carried out and the Board are of the opinion that the continuing appointment of Calculus Capital and Investec Structured Products as Investment Managers is in the interests of shareholders as a whole. The Board is satisfied with the performance of the Company to date. Performance of the Structured Products portfolio is very satisfactory, exceeding initial expectations, and there is a steady stream of Qualifying Investments being made, the principal benefits of which will accrue in later years. The Company has met the VCT qualifying tests for the ordinary shares, and the Board is confident that the VCT qualifying tests will be met for the C Shares.

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 in respect of the year ended 28 February 2013 of £79,285 (2012: £71,607) 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.

Going Concern

After making enquiries, in view of the liquidity of the Structured Products portfolio, 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 the Accounts.

Substantial Shareholdings

As at 28 February 2013, the Company had been advised of the following notifiable interests in the voting rights of the Company:

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

There have been no changes to the above between 28 February 2013 and the date of this report.

Payment of Suppliers

The Company does not follow any code or standard on payment practice. 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 2013 (2012: £nil).

Annual General Meeting

A formal notice convening the third Annual General Meeting of the Company to be held on 2 July 2013 can be found on pages 67 to 69. Shareholders will be 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 year ended 28 February 2013, the receipt and approval of the Directors' Remuneration Report, the declaration of final dividends per ordinary and C share, the re-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 disapplication of pre-emption rights for certain issues of shares, the purchase by the Company of its own shares, and the holding of general meetings on not less than 14 clear days' notice. Resolutions 1 to 8 will be proposed as ordinary resolutions and resolutions 9 to 11 will be proposed as special resolutions.

Resolution 9 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 2014.

The Board's authorities to issue shares will only be used if they are in the interests of shareholders as a whole, and shares will only be issued at a price above the prevailing net asset value of the relevant share class.

Resolution 10 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 2014.

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 shareholders as a whole and shares will only 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.

Directors' Report (continued)

Resolution 11 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 2014, 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 meeting 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.

Separate Meetings

Notices convening Separate Meetings of holders of ordinary shares and holders of C shares can be found on pages 70 to 73.

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 resolution 10 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 2 July 2013, that meeting will be adjourned 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

The full text of the above resolutions is 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 of 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 23.

Auditor

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

Audit Information

The Directors who held office at the date of approval of the Report of the Directors confirm that, so far as they are aware, there is no relevant audit information of which the Company's Auditor is unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

By order of the Board
Capita Sinclair Henderson Limited
Secretary
22 May 2013

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 UK Corporate Governance Code (the "Code") issued by the Financial Reporting Council ("FRC") in June 2010, a copy of which can be found at www.frc.org.uk.

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

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

The Board

The Board comprises four 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.

Michael O'Higgins is Chairman. The Board considers him to be independent and to have no conflicting relationships. Mr O'Higgins is chair of The Pensions Regulator and chairman of the NHS Confederation, a non-executive director of Network Rail and of HM Treasury and chair of the Treasury Group Audit Committee. As shown in his biography on page 16, there have been some changes to his other responsibilities over the last year, but these have not impacted his commitment to, or ability to act as chairman of, the Company, and 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 terms of their appointment provide that Directors shall retire and be subject to election at the first Annual General Meeting after their appointment. Directors are thereafter obliged to retire by rotation, and to stand for re-election by shareholders at least every three years after that. Directors who have served on the Board for more than nine years must offer themselves for re-election on an annual basis. The terms also provide that, a Director may be removed on not less than three months written notice. Compensation will not be made upon early termination of appointment.

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 three Directors are fully independent of the Investment Managers.

John Glencross is Chief Executive and a director of Calculus Capital Limited, and is accordingly not deemed to be independent. In accordance with the Listing Rules, Mr Glencross will stand for annual re-election by shareholders.

Steve Meeks was until April 2010 a consultant to Investec Structured Products. As he has neither carried out any consultancy work for, nor received any remuneration from, Investec Structured Products since this date, the Board has determined that he is independent.

Corporate Governance Statement (continued)

Board Operation

Board meetings are held at least quarterly and additional meetings are arranged as necessary. Directors' attendance at meetings during the year was as follows:

	Scheduled Board Meetings		Audit Committee Meetings	
	Number entitled to attend	Number attended	Number entitled to attend	Number attended
Michael O'Higgins	4	4	2	2
Kate Cornish-Bowden	4	4	2	2
John Glencross	4	4	n/a	n/a
Steve Meeks	4	4	2	2

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. A separate evaluation of the Chairman was also carried out, led by Kate Cornish-Bowden. 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.

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 keeps under review the composition and balance of skills, knowledge and experience of the Directors and will make recommendations to shareholders for the election or re-election of Directors at the Annual General Meeting. The Board also keeps the levels of remuneration of the Directors under review to ensure that they reflect time commitment and responsibilities of the role and are broadly in-line with industry standards.

Audit Committee

An Audit Committee has been established and operates within clearly defined terms of reference, copies of which are available from the Secretary. The Committee comprises solely the independent Directors. The non-independent Director is, however, invited to attend meetings of the Audit Committee as he is intimately involved in the Company's affairs and his financial knowledge brings value to the discussions.

Kate Cornish-Bowden is Chairman of the Audit Committee. The Audit Committee members are considered to have sufficient recent and relevant financial experience to discharge their duties. 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, to make recommendations to the Board in relation to the appointment/re-appointment and remuneration of the external Auditor and to keep under review and monitor the provision of non-audit services by the external Auditor.

The Audit Committee has reviewed and accepted reports from the Auditor on its procedures for ensuring that its 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 regard 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. As set out in note 4 to the Accounts, non-audit services provided by the external Auditor during the year amounted to £4,000 in connection with taxation services (2012: £4,000 for taxation services) and the Committee does not consider that this affects the Auditor's independence.

Following consideration of the performance of the Auditor, the service provided and a review of its independence and objectivity, the Audit Committee recommended to the Board the re-appointment 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 of 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 its website. Calculus Capital has a policy of voting all shares held in an investee company at all meetings, and will normally be supportive of the management teams, but will vote against resolutions if it is believed that the proposals are not in the best interests of investors.

The Company Secretary

The Board has direct access to the advice and services of the Company Secretary, 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. An ongoing process, in accordance with the guidance supplied by the FRC on internal controls, has been established for identifying, evaluating and managing the risks faced by the Company. This process, together with key procedures established with a view to providing effective financial control, was in place throughout the year and up to the date of the signing of this report. The internal control systems are designed to ensure that proper accounting records are maintained, that the financial information on which business decisions are made and which are issued for publication is reliable and that the assets of the Company are safeguarded. The risk management process and systems of internal control are designed to manage rather than eliminate risk, and such systems can provide only reasonable rather than absolute assurance against material misstatement or loss.

Corporate Governance Statement (continued)

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

The Board reviews the performance of the Investment Managers, Administrator, Company Secretary, Custodian and Registrar on at least an annual basis.

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

Shareholder Relations

The Annual General Meeting is an important forum for the Board to communicate with shareholders and the Board consequently encourages shareholders to attend and vote at the Annual General Meeting. 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 67 to 69 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 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Accounts; and
- prepare the Accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Under applicable law and regulations, the Directors are also responsible for preparing a 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 Conduct Authority.

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 this website 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
22 May 2013

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 comprises solely 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 2014 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 year ended 28 February 2013 were at a level of £20,000 per annum for the Chairman and £15,000 per annum for the other Directors.

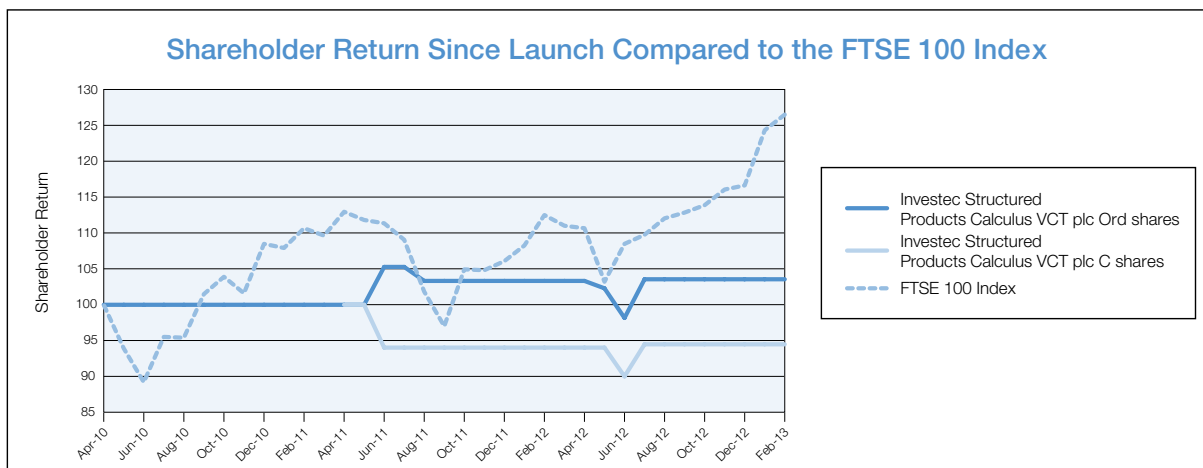
Directors' Service Contracts

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

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

Company Performance

The graph on page 33 compares the total return (assuming all dividends are reinvested) to holders of ordinary shares since 8 April 2010 and to holders of C shares since 5 April 2011 (when the ordinary shares and C shares respectively were first admitted to the Official List of the UK Listing Authority) 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' Emoluments for the Year (audited)

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

Director	2013 Fees £'000	2012 Fees £'000
Michael O'Higgins (Chairman)	20	20
Kate Cornish-Bowden	15	15
John Glencross	—	—
Steven Meeks	15	15
Mark Rayward*	8	15
Philip Swatman*	8	15
	66	80

* resigned as a Director on 17 July 2012.

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

Approval

The Directors' Remuneration Report was approved by the Board on 22 May 2013.

On behalf of the Board

Michael O'Higgins
Chairman

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 year ended 28 February 2013. These Accounts consist of, for each of the Company's two funds (the Ordinary Share Fund and the C Share Fund) and for the Company as a whole, 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 31, 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 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on Other Matters Prescribed by the Companies Act 2006

In our opinion:

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

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 25, in relation to going concern;
- the part of the Corporate Governance Statement relating to the Company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review; 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

22 May 2013

Income Statement

for the year ended 28 February 2013

	Note	Year Ended 28 February 2013			Year Ended 29 February 2012		
		Revenue Return £'000	Capital Return £'000	Total £'000	Revenue Return £'000	Capital Return £'000	Total £'000
Investment holding (losses)/gains	8	–	(3)	(3)	–	26	26
Gain on disposal of investments	8	–	391	391	–	–	–
Income	2	71	–	71	48	–	48
Investment management fee	3	(11)	(33)	(44)	(12)	(35)	(47)
Other operating expenses	4	(106)	–	(106)	(107)	–	(107)
(Loss)/profit on ordinary activities before tax		(46)	355	309	(71)	(9)	(80)
Taxation on ordinary activities	5	–	–	–	–	–	–
(Loss)/profit for the year		(46)	355	309	(71)	(9)	(80)
Basic and diluted earnings per ordinary share	7	(1.0)p	7.5p	6.5p	(1.5)p	(0.2)p	(1.7)p

C Share Fund

Investment holding gains	8	–	80	80	–	24	24
Gain on disposal of investments	8	–	72	72	–	–	–
Income	2	13	–	13	7	–	7
Investment management fee	3	(4)	(13)	(17)	(4)	(12)	(16)
Other operating expenses	4	(44)	–	(44)	(48)	–	(48)
(Loss)/profit on ordinary activities before tax		(35)	139	104	(45)	12	(33)
Taxation on ordinary activities	5	–	–	–	–	–	–
(Loss)/profit for the year		(35)	139	104	(45)	(12)	(33)
Basic and diluted earnings per C share	7	(1.8)p	7.2p	5.4p	(2.3)p	0.6p	(1.7)p

The total column of these statements represents the Income Statement of the Ordinary Share Fund and C Share Fund. 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 year.

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 46 to 66 form an integral part of these Accounts.

		Year Ended 28 February 2013			Year Ended 29 February 2012		
		Revenue Return £'000	Capital Return £'000	Total £'000	Revenue Return £'000	Capital Return £'000	Total £'000
Note							
Total							
Investment holding gains	8	–	77	77	–	50	50
Gain on disposal of investments	8	–	463	463	–	–	–
Income	2	84	–	84	55	–	55
Investment management fee	3	(15)	(46)	(61)	(16)	(47)	(63)
Other operating expenses	4	(150)	–	(150)	(155)	–	(155)
(Loss)/profit on ordinary activities before tax		(81)	494	413	(116)	3	(113)
Taxation on ordinary activities	5	–	–	–	–	–	–
(Loss)/profit for the year		(81)	494	413	(116)	3	(113)
Basic and diluted earnings per ordinary share		7	(1.0)p	7.5p	6.5p	(1.5)p	(0.2)p
Basic and diluted earnings per C share		7	(1.8)p	7.2p	5.4p	(2.3)p	(1.7)p

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 AIC's SORP.

No operations were acquired or discontinued during the year.

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 46 to 66 form an integral part of these Accounts.

Reconciliation of Movements in Shareholders' Funds for the year ended 28 February 2013

	Share Capital £'000	Share Premium Account £'000	Special Reserve £'000	Capital Reserve Realised £'000	Capital Reserve Unrealised £'000	Revenue Reserve £'000	Total £'000
Ordinary Share Fund							
<i>For the year ended 28 February 2013</i>							
1 March 2012	47	–	4,226	(61)	472	(183)	4,501
Change in accrual of IFA trail commission	–	–	1	–	–	–	1
Investment holding losses	–	–	–	–	(3)	–	(3)
Gain on disposal of investments	–	–	–	391	–	–	391
Management fee allocated to capital	–	–	–	(33)	–	–	(33)
Revenue return on ordinary activities after tax	–	–	–	–	–	(46)	(46)
Dividend paid	–	–	(249)	–	–	–	(249)
Closing balance	47	–	3,978	297	469	(229)	4,562
<i>For the year ended 29 February 2012</i>							
1 March 2011	47	752	3,729	(26)	446	(112)	4,836
Cancellation of share premium	–	(747)	747	–	–	–	–
Expenses of share issue	–	(5)	(1)	–	–	–	(6)
Investment holding gains	–	–	–	–	26	–	26
Management fee allocated to capital	–	–	–	(35)	–	–	(35)
Revenue return on ordinary activities after tax	–	–	–	–	–	(71)	(71)
Dividend paid	–	–	(249)	–	–	–	(249)
29 February 2012	47	–	4,226	(61)	472	(183)	4,501

The notes on pages 46 to 66 form an integral part of these Accounts.

	Share Capital £'000	Share Premium Account £'000	Special Reserve £'000	Capital Reserve Realised £'000	Capital Reserve Unrealised £'000	Revenue Reserve £'000	Total £'000
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C Share Fund

For the year ended 28 February 2013

1 March 2012	19	–	1,802	(12)	24	(45)	1,788
Investment holding gains	–	–	–	–	80	–	80
Gain on disposal of investments	–	–	–	72	–	–	72
Management fee allocated to capital	–	–	–	(13)	–	–	(13)
Revenue return on ordinary activities after tax	–	–	–	–	–	(35)	(35)
Dividend paid	–	–	(87)	–	–	–	(87)
Closing balance	19	–	1,715	47	104	(80)	1,805

For the year ended 29 February 2012

1 March 2011	–	–	–	–	–	–	–
Increase in share capital in issue	19	1,912	–	–	–	–	1,931
Cancellation of share premium	–	(1,802)	1,802	–	–	–	–
Expenses of share issue	–	(110)	–	–	–	–	(110)
Investment holding gains	–	–	–	–	24	–	24
Management fee allocated to capital	–	–	–	(12)	–	–	(12)
Revenue return on ordinary activities after tax	–	–	–	–	–	(45)	(45)
29 February 2012	19	–	1,802	(12)	24	(45)	1,788

The notes on pages 46 to 66 form an integral part of these Accounts.

Reconciliation of Movements in Shareholders' Funds for the year ended 28 February 2013 (continued)

	Share Capital £'000	Share Premium Account £'000	Special Reserve £'000	Capital Reserve Realised £'000	Capital Reserve Unrealised £'000	Revenue Reserve £'000	Total £'000
Total							
<i>For the year ended 28 February 2013</i>							
1 March 2012	66	–	6,028	(73)	496	(228)	6,289
Change in accrual of IFA trail commission	–	–	1	–	–	–	1
Investment holding gains	–	–	–	–	77	–	77
Gain on disposal of investments	–	–	–	463	–	–	463
Management fee allocated to capital	–	–	–	(46)	–	–	(46)
Revenue return on ordinary activities after tax	–	–	–	–	–	(81)	(81)
Dividend paid	–	–	(336)	–	–	–	(336)
Closing balance	66	–	5,693	344	573	(309)	6,367
<i>For the year ended 29 February 2012</i>							
1 March 2011	47	752	3,729	(26)	446	(112)	4,836
Increase in share capital in issue	19	1,912	–	–	–	–	1,931
Cancellation of share premium	–	(2,549)	2,549	–	–	–	–
Expenses of share issue	–	(115)	(1)	–	–	–	(116)
Investment holding gains	–	–	–	–	50	–	50
Management fee allocated to capital	–	–	–	(47)	–	–	(47)
Revenue return on ordinary activities after tax	–	–	–	–	–	(116)	(116)
Dividend paid	–	–	(249)	–	–	–	(249)
29 February 2012	66	–	6,028	(73)	496	(228)	6,289

The notes on pages 46 to 66 form an integral part of these Accounts.

Balance Sheet

as at 28 February 2013

	Note	28 February 2013 £'000	29 February 2012 £'000
Ordinary Share Fund			
Fixed assets			
Investments	8	4,545	4,435
Current assets			
Debtors	9	110	119
Cash at bank and on deposit		4	28
		114	147
Creditors: amounts falling due within one year			
Creditors	10	(87)	(66)
Net current assets		27	81
Non-current liabilities			
IFA trail commission		(10)	(15)
Total net assets		4,562	4,501
Capital and reserves			
Called-up share capital	11	47	47
Share premium account		–	–
Special reserve		3,978	4,226
Capital reserve – realised		297	(61)
Capital reserve – unrealised		469	472
Revenue reserve		(229)	(183)
Equity shareholders' funds		4,562	4,501
Net asset value per ordinary share – basic	12	96.3p	95.0p

The notes on pages 46 to 66 form an integral part of these Accounts.

Balance Sheet

as at 28 February 2013 (continued)

	Note	28 February 2013 £'000	29 February 2012 £'000
C Share Fund			
Fixed assets			
Investments	8	1,258	1,691
Current assets			
Debtors	9	35	51
Cash at bank and on deposit		556	104
		591	155
Creditors: amounts falling due within one year			
Creditors	10	(36)	(48)
Net current assets		555	107
Non-current liabilities			
IFA trail commission		(8)	(10)
Total net assets		1,805	1,788
Capital and reserves			
Called-up share capital	11	19	19
Share premium account		–	–
Special reserve		1,715	1,802
Capital reserve – realised		47	(12)
Capital reserve – unrealised		104	24
Revenue reserve		(80)	(45)
Equity shareholders' funds		1,805	1,788
Net asset value per C share – basic	12	93.5p	92.6p

The notes on pages 46 to 66 form an integral part of these Accounts.

	Note	28 February 2013 £'000	29 February 2012 £'000
Total			
Fixed assets			
Investments	8	5,803	6,126
Current assets			
Debtors	9	145	170
Cash at bank and on deposit		560	132
		705	302
Creditors: amounts falling due within one year			
Creditors	10	(123)	(114)
Net current assets		582	188
Non-current liabilities			
IFA trail commission		(18)	(25)
Total net assets		6,367	6,289
Capital and reserves			
Called-up share capital	11	66	66
Share premium account		–	–
Special reserve		5,693	6,028
Capital reserve – realised		344	(73)
Capital reserve – unrealised		573	496
Revenue reserve		(309)	(228)
Equity shareholders' funds		6,367	6,289
Net asset value per ordinary share – basic	12	96.3p	95.0p
Net asset value per C share – basic	12	93.5p	92.6p

These Accounts were approved by the Board of Directors of Investec Structured Products Calculus VCT plc and were authorised for issue on 22 May 2013 and were signed on its behalf by:

Michael O'Higgins
Chairman

Registered No. 07142153 England & Wales

The notes on pages 46 to 66 form an integral part of these Accounts.

Cash Flow Statement

for the year ended 28 February 2013

	Note	28 February 2013 £'000	29 February 2012 £'000
Ordinary Share Fund			
Operating activities			
Investment income received		56	24
Deposit interest received		2	2
Investment management fees		(22)	(46)
Other cash payments		(85)	(104)
Cash expended from operations	13	(49)	(124)
Cash flow from investing activities			
Purchase of investments		(1,700)	(755)
Sale of investments		1,978	855
Net cash flow from investing activities		278	80
Net cash flow before financing		229	(44)
Cash flow from financing activities			
Expenses of share issues		(4)	(5)
Net cash flow from financing activities		(4)	(5)
Equity dividend paid		(249)	(249)
Decrease in cash at bank and on deposit		(24)	(298)
C Share Fund			
Operating activities			
Investment income received		8	4
Deposit interest received		–	–
Investment management fees		(9)	(12)
Other cash payments		(20)	(79)
Cash expended from operations	13	(21)	(87)
Cash flow from investing activities			
Purchase of investments		(722)	(2,594)
Sale of investments		1,307	928
Net cash flow from investing activities		585	(1,666)
Net cash flow before financing		564	(1,753)
Cash flow from financing activities			
Shares issued		–	1,931
Expenses of share issues		(25)	(74)
Net cash flow from financing activities		(25)	1,857
Equity dividend paid		(87)	–
Increase in cash at bank and on deposit		452	104

The notes on pages 46 to 66 form an integral part of these Accounts.

	Note	28 February 2013 £'000	29 February 2012 £'000
Total			
Operating activities			
Investment income received		64	28
Deposit interest received		2	2
Investment management fees		(31)	(58)
Other cash payments		(105)	(183)
Cash expended from operations	13	(70)	(211)
Cash flow from investing activities			
Purchase of investments		(2,422)	(3,369)
Sale of investments		3,285	1,783
Net cash flow from investing activities		863	(1,586)
Net cash flow before financing		793	(1,797)
Cash flow from financing activities			
Shares issued		–	1,931
Expenses of share issues		(29)	(79)
Net cash flow from financing activities		(29)	1,852
Equity dividend paid		(336)	(249)
Increase/(decrease) in cash at bank and on deposit		428	(194)

The notes on pages 46 to 66 form an integral part of these Accounts.

Notes to the Accounts

1. Accounting Policies

Basis of accounting

These Accounts cover the 12 month period 1 March 2012 to 28 February 2013, 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") and the Statement of Recommended Practice, Financial Statements of Investment Trust Companies and Venture Capital Trusts ("the SORP") issued by the Association of Investment Trust Companies ("AIC") in January 2009. These Accounts are prepared on the going concern basis.

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.

Expenses are allocated between the Ordinary Share Fund and the C Share Fund on the basis of the ratio of the number of shares held by the respective fund to the total number of ordinary and C shares where the expense is a shared expense. Where expenses are not shared in this proportion, they are applied on the basis of the most accurate method.

The Ordinary Share Fund and C Share Fund share bank accounts. Each funds' share of the bank accounts is based on actual receipts and payments. These cash flows are allocated according to the accounting policy for income and expenses respectively.

The Company has not prepared consolidated accounts and has accounted for its subsidiary, Investec SPV Limited, as an investment on the grounds that its results are immaterial to the Company.

The Company's Accounts are presented in Sterling.

Investments at fair value through profit or loss

The Company aims to invest in portfolios 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' and the AIC SORP. 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 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).

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 discounted cash flow valuation as at the previous reporting date.

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 on 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 covering a five year period since share allotment has been provided for in the Accounts as, due to the nature of the Company, it is probable that this will be payable. The commission is apportioned between current and non-current liabilities.

Expenses incurred by the Company in excess of the agreed cap, currently 3 per cent. of the gross amount raised from the offer for subscription of ordinary shares and C shares respectively for the 2009/2010, 2010/2011 and 2011/2012 tax years (excluding irrecoverable VAT, annual trail commission and performance incentive fees), can be clawed back from Investec Structured Products until the Ordinary Share Interim Return Date. Any clawback 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, receives an annual investment management fee of an amount equivalent to 1.0 per cent. of the net assets of the respective share fund.

Investec Structured Products, as Investment Manager of the Structured Products portfolio, does 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.

Notes to the Accounts (continued)

1. Accounting Policies (continued)

Investment management and performance fees (continued)

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

provided in each case that C shareholders have received or been offered the C Share Interim Return of at least 70p per C share on or before 14 March 2017 and at least a further 45p per C share having being received or offered for payment on or before the 14 March 2019.

Capital reserve

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

Special reserve

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

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

Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the 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

	Year Ended 28 February 2013 £'000	Year Ended 29 February 2012 £'000
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Ordinary Share Fund

UK unfranked loan stock interest	68	44
Liquidity fund interest	1	2
Bank interest	2	2
	71	48
Total income comprises:		
Interest	71	48
	71	48

C Share Fund

UK unfranked loan stock interest	12	4
Liquidity fund interest	1	3
	13	7
Total income comprises:		
Interest	13	7
	13	7

Total

UK unfranked loan stock interest	80	48
Liquidity fund interest	2	5
Bank interest	2	2
	84	55
Total income comprises:		
Interest	84	55
	84	55

3. Management Fee

	Year Ended 28 February 2013			Year Ended 29 February 2012		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000

Ordinary Share Fund

Investment management fee	11	33	44	12	35	47
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Notes to the Accounts (continued)

3. Management Fee (continued)

	Year Ended 28 February 2013			Year Ended 29 February 2012		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000

C Share Fund

Investment management fee	4	13	17	4	12	16
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Total

Investment management fee	15	46	61	16	47	63
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No performance fee was paid during the year.

4. Other Expenses

	Year Ended 28 February 2013 £'000	Year Ended 29 February 2012 £'000
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Ordinary Share Fund

Directors' fees	47	60
Secretarial and accounting fees	59	57
Auditor's remuneration – audit services	15	14
– taxation compliance services	3	3
Other	44	54
Clawback of expenses in excess of 3% cap	(62)	(81)
	106	107

C Share Fund

Directors' fees	19	20
Secretarial and accounting fees	24	19
Auditor's remuneration – audit services	6	5
– taxation compliance services	1	1
Other	22	52
Clawback of expenses in excess of 3% cap	(28)	(49)
	44	48

Total

Directors' fees	66	80
Secretarial and accounting fees	83	76
Auditor's remuneration – audit services	21	19
– taxation compliance services	4	4
Other	66	106
Clawback of expenses in excess of 3% cap	(90)	(130)
	150	155

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

5. Taxation

	Year Ended 28 February 2013			Year Ended 29 February 2012		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000

Ordinary Share Fund

(Loss)/profit on ordinary activities before tax	(46)	355	309	(71)	(9)	(80)
Theoretical tax at UK Corporation Tax rate of 24.2% (2012: 26.5%)	(11)	86	75	(19)	(2)	(21)
Timing differences: Loss not recognised, carried forward	11	8	19	19	9	28
Effects of non-taxable gains	–	(94)	(94)	–	(7)	(7)
Tax on (loss)/profit for the period	–	–	–	–	–	–

C Share Fund

(Loss)/profit on ordinary activities before tax	(35)	139	104	(45)	12	(33)
Theoretical tax at UK Corporation Tax rate of 24.2% (2012: 26.5%)	(9)	34	25	(12)	3	(9)
Timing differences: Loss not recognised, carried forward	9	3	12	12	3	15
Effects of non-taxable gains	–	(37)	(37)	–	(6)	(6)
Tax on (loss)/profit for the period	–	–	–	–	–	–

Total

(Loss)/profit on ordinary activities before tax	(81)	494	413	(112)	420	308
Theoretical tax at UK Corporation Tax rate of 24.2% (2011: 26.5%)	(20)	120	100	(31)	118	87
Timing differences: Loss not recognised, carried forward	20	11	31	31	–	31
Effects of non-taxable gains	–	(131)	(131)	–	(118)	(118)
Tax on (loss)/profit for the period	–	–	–	–	–	–

At 28 February 2013, the Company had £428,064 (29 February 2012: £298,783) of excess management expenses to carry forward against future taxable profits.

The Company's deferred tax asset of £103,591 (29 February 2012: £73,202) has not been recognised due to the fact that it is unlikely the excess management expenses will be set off in the foreseeable future.

Notes to the Accounts (continued)

6. Dividends

	Year Ended 28 February 2013 £'000	Year Ended 29 February 2012 £'000
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Ordinary Share Fund

Declared and paid: 5.25p per ordinary share in respect of the year ended 29 February 2012 (2012: 5.25p)	249	249
Proposed final dividend: 5.25p per ordinary share in respect of the year ended 28 February 2013	249	249

C Share Fund

Declared and paid: 4.5p per C share in respect of the period ended 29 February 2012	87	–
Proposed final dividend: 4.5p per C share in respect of the year ended 28 February 2013 (2012: 4.5p)	87	87

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

7. Return per Share

	Year Ended 28 February 2013			Year Ended 29 February 2012		
	Revenue pence	Capital pence	Total pence	Revenue pence	Capital pence	Total pence
Return per ordinary share	(1.0)	7.5	6.5	(1.5)	(0.2)	(1.7)
Return per C share	(1.8)	7.2	5.4	(2.3)	0.6	(1.7)

Ordinary Share Fund

Revenue return per ordinary share is based on the net revenue loss on ordinary activities after taxation of £46,000 (29 February 2012: £71,000) and on 4,738,463 ordinary shares (29 February 2012: 4,738,463), being the weighted average number of ordinary shares in issue during the year.

Capital return per ordinary share is based on the net capital gain for the year of £355,000 (29 February 2012: £9,000 loss) and on 4,738,463 ordinary shares (29 February 2012: 4,738,463), being the weighted average number of ordinary shares in issue during the year.

Total return per ordinary share is based on the total gain on ordinary activities after taxation of £309,000 (29 February 2012: £80,000 loss) and on 4,738,463 ordinary shares (29 February 2012: 4,738,463), being the weighted average number of ordinary shares in issue during the year.

7. Return per Share (continued)

C Share Fund

Revenue return per C share is based on the net revenue loss on ordinary activities after taxation of £35,000 (29 February 2012: £45,000) and on 1,931,095 C shares (29 February 2012: 1,919,142), being the weighted average number of C shares in issue during the year.

Capital return per C share is based on the net capital gain for the year of £139,000 (29 February 2012: £12,000) and on 1,931,095 C shares (29 February 2012: 1,919,142), being the weighted average number of C shares in issue during the year.

Total return per C share is based on the total gain for the year of £104,000 (29 February 2012: £33,000 loss) and on 1,931,095 C shares (29 February 2012: 1,919,142), being the weighted average number of C shares in issue during the year.

8. Investments

	Year Ended 28 February 2013			
	Structured Product Investments £'000	Unquoted Investments £'000	Other Investments £'000	Total £'000

Ordinary Share Fund

Opening bookcost	2,543	1,224	196	3,963
Opening unrealised appreciation/(depreciation)	613	(141)	–	472
Opening valuation	3,156	1,083	196	4,435
Movements in year:				
Purchases at cost	–	1,700	–	1,700
Sales proceeds	(1,784)	–	(194)	(1,978)
Realised gains on sales	391	–	–	391
(Decrease)/increase in unrealised appreciation	(29)	26	–	(3)
Movements in year	(1,422)	1,726	(194)	110
Closing valuation	1,734	2,809	2	4,545
Closing bookcost	1,150	2,924	2	4,076
Closing investment holding gains/(losses)	584	(115)	–	469
	1,734	2,809	2	4,545

Unquoted investments include unquoted shares valued at £nil (2012: £nil) in the Company's subsidiary, Investec SPV. These shares cost £1,834, resulting in an unrealised loss of £1,834 (2012: £1,834).

Notes to the Accounts (continued)

8. Investments (continued)

	Year Ended 28 February 2013			
	Structured Product Investments £'000	Unquoted Investments £'000	Other Investments £'000	Total £'000

C Share Fund

Opening bookcost	850	244	573	1,667
Opening unrealised appreciation/(depreciation)	85	(61)	–	24
Opening valuation	935	183	573	1,691
Movements in year:				
Purchases at cost	442	280	–	722
Sales proceeds	(836)	–	(471)	(1,307)
Realised gains on sales	72	–	–	72
Increase in unrealised appreciation	74	6	–	80
Movements in year	(248)	286	(471)	(433)
Closing valuation	687	469	102	1,258
Closing bookcost	528	524	102	1,154
Closing investment holding gains/(losses)	159	(55)	–	104
	687	469	102	1,258

Unquoted investments include unquoted shares valued at £nil (2012: £nil) in the Company's subsidiary, Investec SPV. The shares cost £917, resulting in an unrealised loss of £917 (2012: £917).

Total

Opening bookcost	3,393	1,468	769	5,630
Opening unrealised appreciation/(depreciation)	698	(202)	–	496
Opening valuation	4,091	1,266	769	6,126
Movements in year:				
Purchases at cost	442	1,980	–	2,422
Sales proceeds	(2,620)	–	(665)	(3,285)
Realised gains on sales	463	–	–	463
Increase in unrealised appreciation	45	32	–	77
Movements in year	(1,670)	2,012	(665)	(323)
Closing valuation	2,421	3,278	104	5,803
Closing bookcost	1,678	3,448	104	5,230
Closing investment holding gains/(losses)	743	(170)	–	573
	2,421	3,278	104	5,803

Note 15 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 year the Company incurred no transaction costs on purchases in respect of ordinary shareholder activities or C shareholder activities.

Investec SPV was incorporated on 29 November 2011. As at 28 February 2013, Investec SPV had share capital of £2,751 (2012: £2,751) and deficit and net loss of £2,751 (2012: £2,751) (note: this essentially values Investec SPV at £nil).

9. Debtors

	Year Ended 28 February 2013 £'000	Year Ended 29 February 2012 £'000
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Ordinary Share Fund

Prepayments and accrued income	48	38
Clawback of expenses in excess of 3% cap	62	81
	110	119

C Share Fund

Prepayments and accrued income	7	2
Clawback of expenses in excess of 3% cap	28	49
	35	51

Total

Prepayments and accrued income	55	40
Clawback of expenses in excess of 3% cap	90	130
	145	170

10. Creditors

	Year Ended 28 February 2013 £'000	Year Ended 29 February 2012 £'000
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Ordinary Share Fund

IFA trail commission	5	5
Management fees	33	11
Audit fees	16	14
Directors' fees	6	9
Administration fees	5	5
Other creditors	22	22
	87	66

C Share Fund

IFA trail commission	2	2
Management fees	13	4
Audit fees	7	6
Directors' fees	2	4
Administration fees	2	2
Other creditors	10	30
	36	48

Notes to the Accounts (continued)

10. Creditors (continued)

	Year Ended 28 February 2013 £'000	Year Ended 29 February 2012 £'000
Total		
IFA trail commission	7	7
Management fees	46	15
Audit fees	23	20
Directors' fees	8	13
Administration fees	7	7
Other creditors	32	52
	123	114

11. Share Capital

	28 February 2013		29 February 2012	
	Number	£'000	Number	£'000
Ordinary Share Fund				
Number of shares in issue	4,738,463	47	4,738,463	47
C Share Fund				
1 March	1,931,095	19	–	–
Shares issued in year	–	–	1,931,095	19
Number of shares in issue	1,931,095	19	1,931,095	19

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

12. Net Asset Value per Share

	28 February 2013	29 February 2012
Ordinary Share Fund		
Net asset value per ordinary share	96.3p	95.0p

The basic net asset value per ordinary share is based on net assets (including current period revenue) of £4,562,000 (29 February 2012: £4,501,000) and on 4,738,463 ordinary shares (29 February 2012: 4,738,463), being the number of ordinary shares in issue at the end of the year.

12. Net Asset Value per Share (continued)

	28 February 2013	29 February 2012
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C Share Fund

Net asset value per C share	93.5p	92.6p
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The basic net asset value per C share is based on net assets (including current period revenue) of £1,805,000 (29 February 2012: £1,788,000) and on 1,931,095 C shares (29 February 2012: 1,931,095), being the number of C shares in issue at the end of the year.

13. Reconciliation of Net (Loss)/Profit before Tax to Cash Expended from Operating Activities

	Year Ended 28 February 2013 £'000	Year Ended 29 February 2012 £'000
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Ordinary Share Fund

Gain/(loss) on ordinary activities before taxation	309	(80)
Gains on investments	(388)	(26)
Income reinvested	–	(1)
Decrease in debtors	9	95
Increase/(decrease) in creditors	21	(112)
Cash expended from operating activities	(49)	(124)

C Share Fund

Gain/(loss) on ordinary activities before taxation	104	(33)
Gains on investments	(152)	(24)
Income reinvested	–	(1)
Decrease/(increase) in debtors	16	(51)
Increase in creditors	11	22
Cash expended from operating activities	(21)	(87)

The movement in the prior year creditors shown above does not agree with the movement shown in the Balance Sheet principally because of the effect of the liability for share issue expenses of £23,000 as at 29 February 2012 which are not part of operating activities.

Notes to the Accounts (continued)

13. Reconciliation of Net (Loss)/Profit before Tax to Cash Expended from Operating Activities (continued)

	Year Ended 28 February 2013 £'000	Year Ended 29 February 2012 £'000
Total		
Gain/(loss) on ordinary activities before taxation	413	(113)
Gains on investments	(540)	(50)
Income reinvested	–	(2)
Decrease in debtors	25	44
Increase/(decrease) in creditors	32	(90)
Cash expended from operating activities	(70)	(211)

The movement in the prior year creditors shown above does not agree with the movement shown in the Balance Sheet principally because of the effect of the liability for share issue expenses of £23,000 as at 29 February 2012 which are not part of operating activities.

14. Financial Commitments

At 28 February 2013 the Company did not have any financial commitments which had not been accrued for.

15. Financial Instruments

The Company's objective is 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 70 pence.

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%

As at 28 February 2013, the Company's investment portfolio comprised 42 per cent. Structured Products and 56 per cent. Qualifying Investments, by market value. This is split 38 per cent. and 62 per cent. for the ordinary share portfolio and 55 per cent. and 37 per cent. for the C share portfolio. To note, the above does not equate to the qualifying percentage for VCT shares. This is detailed on page 18.

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.

15. Financial Instruments (continued)

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 currently 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 current investments in Structured Products 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 tables in the Investment Manager's Review (Structured Products) on pages 11 to 13 provide details of the Initial Index Level at the date of investment and the maturity date for each of the Structured Products. On 28 February 2013, the FTSE 100 Index closed at 6,360.81. By 20 May 2013 being the last practicable date prior to the publication of these Accounts, the Index had increased by 6.2 per cent. to close at 6,755.63.

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. 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 2013, the Company's investments in Structured Products were valued at £2,421,000 (Ordinary Share Fund: £1,734,000; C Share Fund: £687,000). A 10 per cent. increase in the level of the FTSE 100 Index at 28 February 2013, given that all other variables remained constant, would have increased net assets by £132,842 (Ordinary Share Fund: £85,900; C Share Fund: £46,942). A 10 per cent. decrease would have reduced net assets by £185,050 (Ordinary Share Fund: £122,154; C Share Fund: £62,896). A 10 per cent. increase would increase the investment management fee due to Calculus Capital by £1,328 (Ordinary Share Fund: £859; C Share Fund: £469); a 10 per cent. decrease would reduce the fee by £1,851 (Ordinary Share Fund: £1,222; C Share Fund: £629).

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 above. 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. The main risk arising on the loan stock instruments is credit risk. The Company does not have any interest bearing liabilities.

Notes to the Accounts (continued)

15. Financial Instruments (continued)

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 2013		As at 29 February 2012	
	Fair Value Interest Rate Risk £'000	Cash Flow Interest Rate Risk £'000	Fair Value Interest Rate Risk £'000	Cash Flow Interest Rate Risk £'000

Ordinary Share Fund

Loan stock	1,410	–	700	–
Money market funds	–	2	–	196
Cash	–	4	–	28
	1,410	6	700	224

C Share Fund

Loan stock	195	–	95	–
Money market funds	–	102	–	573
Cash	–	556	–	104
	195	658	95	677

Total

Loan stock	1,605	–	795	–
Money market funds	–	104	–	769
Cash	–	560	–	132
	1,605	664	795	901

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 2013.

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

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 (or underlying counterparty) will be limited to 15 per cent. of the assets of the Company at the time of investment.

15. Financial Instruments (continued)

b) Credit risk (continued)

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.

Qualifying Investments

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 Investec Wealth & Investments, 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.

As at 28 February 2013, 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 2013		29 February 2012	
	£'000	% of Portfolio	£'000	% of Portfolio
A1	–	–	518	11.7%
A2	612	13.5%	978	22.1%
Aa2	–	–	611	13.8%
A3	384	8.4%	–	–
A – (Standard & Poor's)	–	–	437	9.9%
Baa3	738	16.2%	612	13.8%
	1,734	38.1%	3,156	71.3%

Ordinary Share Fund

A1	–	–	518	11.7%
A2	612	13.5%	978	22.1%
Aa2	–	–	611	13.8%
A3	384	8.4%	–	–
A – (Standard & Poor's)	–	–	437	9.9%
Baa3	738	16.2%	612	13.8%
	1,734	38.1%	3,156	71.3%

C Share Fund

A1	–	–	207	12.2%
A2	239	19.0%	213	12.6%
Baa3	448	35.6%	515	30.5%
	687	54.6%	935	55.3%

Notes to the Accounts (continued)

15. Financial Instruments (continued)

b) Credit risk (continued)

Credit Risk Rating (Moody's unless otherwise indicated)	28 February 2013		29 February 2012	
	£'000	% of Portfolio	£'000	% of Portfolio
Total				
A1	–	–	725	11.8%
A2	851	14.7%	1,191	19.4%
Aa2	–	–	611	10.0%
A3	384	6.6%	–	–
A – (Standard & Poor's)	–	–	437	7.1%
Baa3	1,186	20.4%	1,127	18.4%
	2,421	41.7%	4,091	66.7%

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.

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 (or underlying issuer).

Qualifying Investments

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

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

Under its Articles of Association, the Company has the ability to borrow a maximum amount equal to 25 per cent. of its gross assets. As at 28 February 2013 the Company had no borrowings.

15. Financial Instruments (continued)

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.

- 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 year there were no transfers between Levels 1, 2 or 3.

Notes to the Accounts (continued)

15. Financial Instruments (continued)

e) Fair value hierarchy (continued)

Ordinary Share Fund

	Financial Assets at Fair Value through Profit or Loss At 28 February 2013			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Structured Products	–	1,734	–	1,734
Unquoted equity	–	–	1,399	1,399
Money market funds	2	–	–	2
Loan stock	–	–	1,410	1,410
	2	1,734	2,809	4,545

	Financial Assets at Fair Value through Profit or Loss At 29 February 2012			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Structured Products	–	3,156	–	3,156
Unquoted equity	–	–	383	383
Money market funds	196	–	–	196
Loan stock	–	–	700	700
	196	3,156	1,083	4,435

C Share Fund

	Financial Assets at Fair Value through Profit or Loss At 28 February 2013			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Structured Products	–	687	–	687
Unquoted equity	–	–	274	274
Money market funds	102	–	–	102
Loan stock	–	–	195	195
	102	687	469	1,258

	Financial Assets at Fair Value through Profit or Loss At 29 February 2012			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Structured Products	–	935	–	935
Unquoted equity	–	–	88	88
Money market funds	573	–	–	573
Loan stock	–	–	95	95
	573	935	183	1,691

15. Financial Instruments (continued)

e) Fair value hierarchy (continued)

Total

	Financial Assets at Fair Value through Profit or Loss At 28 February 2013			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Structured Products	–	2,421	–	2,421
Unquoted equity	–	–	1,673	1,673
Money market funds	104	–	–	104
Loan stock	–	–	1,605	1,605
	104	2,421	3,278	5,803

	Financial Assets at Fair Value through Profit or Loss At 29 February 2012			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Structured Products	–	4,091	–	4,091
Unquoted equity	–	–	471	471
Money market funds	769	–	–	769
Loan stock	–	–	795	795
	769	4,091	1,266	6,126

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.

Applying the downside alternatives, the value of the unquoted investment portfolio for the Ordinary Share Fund would be £121,399 or 4.3 per cent. lower (2012: £21,601 or 2.0 per cent. lower), for the C Share Fund it would be £31,964 or 6.8 per cent. lower (2012: £6,211 or 3.4 per cent. lower), and in total it would be £153,363 or 4.7 per cent. lower (2012: £27,812 or 2.2 per cent. lower).

Using the upside alternatives, the value of the unquoted investment portfolio for the Ordinary Share Fund would be increased by £132,073 or 4.7 per cent. (2012: £19,581 or 1.8 per cent.), for the C Share Fund it would be increased by £28,918 or 6.2 per cent. (2012: £6,900 or 3.8 per cent.), and in total it would be increased by £160,991 or 4.9 per cent. (2012: £26,481 or 21.0 per cent.).

16. Transactions with Related Parties

John Glencross is considered to be a related party due to his position as Chief Executive and a director of Calculus Capital, one of the Company's Investment Managers. He does not receive any remuneration from the Company. He is a director of Terrain, Lime Technology and Human Race, companies in which the Company has invested.

Notes to the Accounts (continued)

17. Transactions with Investment Managers

Investec Structured Products, an Investment Manager to the Company, 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 2013, £nil was payable by the C Share Fund (2012: £23,000) 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, £90,000 (2012: £130,000) was owed by Investec Structured Products as claw back of costs in excess of the agreed expenses cap of 3 per cent. (£62,000 to the Ordinary Share Fund and £28,000 to the C Share Fund).

Calculus Capital, an Investment Manager to the Company, is also entitled to a performance incentive fee. For the year ended 28 February 2013, fees of £61,000 (2012: £63,000) were payable to Calculus Capital (£44,000 payable by the Ordinary Share Fund and £17,000 by the C Share Fund), of which £46,000 (2012: £15,000) were outstanding (£33,000 by the Ordinary Share Fund and £13,000 by the C Share Fund) as at 28 February 2013.

No incentive fee accrued to either Investment Manager during the year (2012: £nil).

Calculus Capital receives an annual fee from Terrain, Lime Technology and Metropolitan for the provision of a director, as well as an annual monitoring fee which also covers the provision of certain administrative support services. Calculus Capital also receives an annual monitoring fee from MicroEnergy. In the year ended 28 February 2013, the amount payable to Calculus Capital which was attributable to the investment made by the Company was £3,951 (2012: £3,542) from Terrain, £5,695 (2012: £3,865) from Lime Technology, £2,899 (2012: £220) from Metropolitan and £2,728 (2012: £2,833) from MicroEnergy (all excluding VAT).

Calculus Capital receives an annual fee from Brigantes and Corfe for the provision of a director. The amount payable to Calculus Capital in the year ended 28 February 2013 which was attributable to the investment made by the Company was £378 (2012: £nil) from Brigantes and £223 (2012: £nil) from Corfe (excluding VAT).

In the year ended 28 February 2013, Calculus Capital received arrangement fees as a result of the Company's new investments. Calculus Capital received an arrangement fee of £8,100 (2012: £nil) as a result of the Company's investment in AnTech Limited, £3,001 (2012: £nil) for the investment in Dryden, £7,500 (2012: £nil) for the investment in Secure and £10,800 (2012: £nil) for the investment in Tollan.

In the year ended 28 February 2013, Calculus Capital received an arrangement fee of £7,501 (2012: £nil) as a result of the Company's investment in Hampshire. Calculus Capital also receives an annual fee from Hampshire for monitoring services and for the provision of a director. In the year ended 28 February 2013, the amount payable to Calculus Capital which was attributable to the investment made by the Company was £112 (2012: £nil).

In the year ended 28 February 2013, Calculus Capital received an arrangement fee of £13,500 (2012: £nil) as a result of the Company's investment in Human Race. Calculus Capital also receives an annual fee from Human Race for monitoring services and for the provision of a director. In the year ended 28 February 2013, the amount payable to Calculus Capital which was attributable to the investment made by the Company was £2,662 (2012: £nil).

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the third 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 Tuesday, 2 July 2013 to consider and, if thought fit, pass the following resolutions, of which resolutions 1 to 8 will be proposed as ordinary resolutions and resolutions 9 to 11 will be proposed as special resolutions:

1. To receive and adopt the Reports of the Directors and Auditors and the Accounts for the year ended 28 February 2013.
2. To receive and approve the Directors' Remuneration Report for the year ended 28 February 2013.
3. To declare a final dividend of 5.25p per ordinary share of 1p each.
4. To declare a final dividend of 4.5p per C share of 1p each.
5. To re-elect Ms Kate Cornish-Bowden as a Director.
6. To re-elect Mr John Glencross as a Director.
7. 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.
8. To authorise the Directors to determine the remuneration of the Auditor.
9. THAT, in substitution for existing authorities, the Directors be and hereby are empowered pursuant to sections 570 and 573 of the Companies Act 2006 (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 the resolution passed at the annual general meeting of the Company held on 17 July 2012 which authorised the Directors to allot shares in accordance with section 551 of the Act 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 2014, 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.
10. 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 2014, 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.

Notice of Annual General Meeting (continued)

11. THAT the Company be and is hereby generally and unconditionally authorised to hold general meetings (other than annual general meetings) on 14 clear days' notice.

By order of the Board
Capita Sinclair Henderson Limited
Secretary
22 May 2013

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

1. To be entitled to attend and vote at the meeting (and for the purposes of the determination by the Company of the votes they may cast), members must be registered in the Register of Members of the Company at 6.00 pm on 28 June 2013 (or, in the event of any adjournment, 48 hours before the time of the adjourned meeting). Changes to the Register of Members of the Company after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend, speak and vote on his or her behalf. A proxy need not also be a member, but must attend the meeting to represent you. Details of how to appoint the Chairman of the meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
3. To appoint more than one proxy, you will need to complete a separate proxy form in relation to each appointment (you may photocopy the proxy form), stating clearly on each proxy form how many shares the proxy is appointed in relation to. A failure to specify the number of shares to which each proxy appointment relates or specifying an aggregate number of shares in excess of those held by the member will result in the proxy appointment being invalid. Please indicate if the proxy instruction is one of multiple instructions being given. All proxy forms must be signed and should be returned together in the same envelope.
4. A personalised form of proxy is enclosed with shareholders' copies of this document. To be valid, it should be lodged with the Company's registrars, Capita Registrars, at the address printed on the proxy form so as to be received not later than 48 hours (excluding weekends and bank holidays) before the time appointed for the meeting or any adjourned meeting or, in the case of a poll taken subsequent to the date of the meeting or adjourned meeting, so as to be received no later than 24 hours before the time appointed for taking the poll. A member may return a proxy form in their own envelope with the address FREEPOST RSBHUXKS-LRBC, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU.
5. As an alternative to returning the hard copy form of proxy by post, you may appoint a proxy by sending the form by fax to Investec Structured Products FAO: Mike Newman/Kate Morgenstern 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 (excluding weekends and bank holidays) before the time appointed for the meeting or any adjourned meeting.
6. Appointment of a proxy will not preclude a member from subsequently attending and voting at the meeting should the member subsequently decide to do so. A member may only appoint a proxy using the procedures set out in these notes and the notes to the proxy card. The termination of the authority of a person to act as a proxy must be notified to the Company in writing. Amended instructions must be received by the Company's registrars by the deadline for receipt of proxies.
7. 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.
8. A person authorised by a corporation is entitled to exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company. On a vote on a resolution on a show of hands, each authorised person has the same voting rights as the corporation would be entitled to. On a vote on a resolution on a poll, if more than one authorised person purports to exercise a power in respect of the same shares: if they purport to exercise the power in the same way, the power is treated as exercised; if they do not purport to exercise the power in the same way, the power is treated as not exercised.
9. Any person receiving a copy of this Notice as a person nominated by a member to enjoy information rights under section 146 of the Companies Act 2006 (a "Nominated Person") should note that the provisions in Notes 2 and 3 above concerning the appointment of a proxy or proxies to attend the meeting in place of a member, do not apply to a Nominated Person as only shareholders have the right to appoint a proxy. However, a Nominated Person may have a right under an agreement between the Nominated Person and the member by whom he or she was nominated to be appointed, or to have someone else appointed, as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right under such an agreement to give instructions to the member as to the exercise of voting rights at the meeting.
10. Nominated persons should also remember that their main point of contact in terms of their investment in the Company remains the member who nominated the Nominated Person to enjoy information rights (or, perhaps the custodian or broker who administers the investment on their behalf). Nominated Persons should continue to contact that member, custodian or broker (and not the Company) regarding any changes or queries relating to the Nominated Person's personal details and interest in the Company (including any administrative matter). The only exception to this is where the Company expressly requests a response from a Nominated Person.

11. 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.
12. Section 319A of the Companies Act 2006 requires the Directors to answer any question raised at the meeting which relates to the business of the meeting, although no answer need be given (a) if to do so would interfere unduly with the preparation of the meeting or involve disclosure of confidential information; (b) if the answer has already been given on the Company's website; or (c) if it is undesirable in the best interests of the Company or the good order of the meeting. You may alternatively submit your question in advance by letter addressed to the Company Secretary at the registered office.
13. Members satisfying the thresholds in section 527 of the Companies Act 2006 may require the Company to publish a statement on its website setting out any matter relating to (a) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (b) any circumstances connected with an auditor of the Company ceasing to hold office since the last Annual General Meeting, that the members propose to raise at the meeting. The Company cannot require the members requesting the publication to pay its expenses. Any statement required to be placed on the website must also be sent to the Company's auditors no later than the time it makes its statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required to publish on its website.
14. By attending the meeting, members and their proxies and representatives are understood by the Company to have agreed to receive any communications relating to the Company's shares made at the meeting.
15. 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.
16. None of the Directors has a contract of service with the Company. A copy of the letters of appointment of the Directors will be available for inspection at the registered office of the Company during usual business hours on any weekday (except weekends and public holidays) until the date of the meeting and at the place of the meeting for a period of fifteen minutes prior to and during the meeting.

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 Tuesday, 2 July 2013 (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 resolution 10 set out in the notice of the Annual General Meeting of the Company convened for 11.00 am on 2 July 2013 (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 resolution and notwithstanding that the passing and carrying into effect of such resolution may affect the rights and privileges attached to such ordinary shares.

By order of the Board
Capita Sinclair Henderson Limited
Secretary
22 May 2013

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

1. Only holders of ordinary shares are entitled to vote at the meeting.
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), holders of ordinary shares must be registered in the Register of Members of the Company at 6.00 pm on 28 June 2013 (or, in the event of any adjournment, 48 hours before the time of the adjourned meeting). Changes to the Register of Members of the Company after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
3. 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 11.40 am on 2 July 2013 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.
4. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend, speak and vote on his or her behalf. A proxy need not also be a member, but must attend the meeting to represent you. Details of how to appoint the Chairman of the meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
5. To appoint more than one proxy, you will need to complete a separate proxy form in relation to each appointment (you may photocopy the proxy form), stating clearly on each proxy form how many 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 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.
6. A personalised form of proxy is enclosed with shareholders' copies of this document. To be valid, it should be lodged with the Company's registrars, Capita Registrars, at the address printed on the proxy form so as to be received not later than 48 hours (excluding weekends and bank holidays) before the time appointed for the meeting or any adjourned meeting or, in the case of a poll taken subsequent to the date of the meeting or adjourned meeting, so as to be received no later than 24 hours before the time appointed for taking the poll. A member may return a proxy form in their own envelope with the address FREEPOST RSBHUXKS-LRBC, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU.
7. As an alternative to returning the hard copy form of proxy by post, you may appoint a proxy by sending the form by fax to Investec Structured Products FAO: Mike Newman/ Kate Morgenstern 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 (excluding weekends and bank holidays) before the time appointed for the meeting or any adjourned meeting.
8. Appointment of a proxy will not preclude a member from subsequently attending and voting at the meeting should the member subsequently decide to do so. A member may only appoint a proxy using the procedures set out in these notes and the notes to the proxy card. The termination of the authority of a person to act as a proxy must be notified to the Company in writing. Amended instructions must be received by the Company's registrars by the deadline for receipt of proxies.

9. 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 share of which he/she is the holder.
10. A person authorised by a corporation is entitled to exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company. On a vote on a resolution on a show of hands, each authorised person has the same voting rights as the corporation would be entitled to. On a vote on a resolution on a poll, if more than one authorised person purports to exercise a power in respect of the same shares: if they purport to exercise the power in the same way, the power is treated as exercised; if they do not purport to exercise the power in the same way, the power is treated as not exercised.
11. Any person receiving a copy of this Notice as a person nominated by a member to enjoy information rights under section 146 of the Companies Act 2006 (a "Nominated Person") should note that the provisions in Notes 4 and 5 above concerning the appointment of a proxy or proxies to attend the meeting in place of a member, do not apply to a Nominated Person as only shareholders have the right to appoint a proxy. However, a Nominated Person may have a right under an agreement between the Nominated Person and the member by whom he or she was nominated to be appointed, or to have someone else appointed, as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right under such an agreement to give instructions to the member as to the exercise of voting rights at the meeting.
12. Nominated persons should also remember that their main point of contact in terms of their investment in the Company remains the member who nominated the Nominated Person to enjoy information rights (or, perhaps the custodian or broker who administers the investment on their behalf). Nominated Persons should continue to contact that member, custodian or broker (and not the Company) regarding any changes or queries relating to the Nominated Person's personal details and interest in the Company (including any administrative matter). The only exception to this is where the Company expressly requests a response from a Nominated Person.
13. 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.
14. Section 319A of the Companies Act 2006 requires the Directors to answer any question raised at the meeting which relates to the business of the meeting, although no answer need be given (a) if to do so would interfere unduly with the preparation of the meeting or involve disclosure of confidential information; (b) if the answer has already been given on the Company's website; or (c) if it is undesirable in the best interests of the Company or the good order of the meeting. You may alternatively submit your question in advance by letter addressed to the Company Secretary at the registered office.
15. By attending the meeting, members and their proxies and representatives are understood by the Company to have agreed to receive any communications relating to the Company's shares made at the meeting.
16. The Annual Report incorporating this notice of meeting will be available on the website of Calculus Capital, www.calculuscapital.com.
17. None of the Directors has a contract of service with the Company. A copy of the letters of appointment of the Directors will be available for inspection at the registered office of the Company during usual business hours on any weekday (except weekends and public holidays) until the date of the meeting and at the place of the meeting for a period of fifteen minutes prior to and during the meeting.

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 Tuesday, 2 July 2013 (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 resolution 10 set out in the notice of the Annual General Meeting of the Company convened for 11.00 am on 2 July 2013 (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 resolution and notwithstanding that the passing and carrying into effect of such resolution may affect the rights and privileges attached to such C shares.

By order of the Board
Capita Sinclair Henderson Limited
Secretary
22 May 2013

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

1. Only holders of C shares are entitled to vote at the meeting.
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), holders of C shares must be registered in the Register of Members of the Company at 6.00 pm on 28 June 2013 (or, in the event of any adjournment, 48 hours before the time of the adjourned meeting). Changes to the Register of Members of the Company after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
3. 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 11.45 am on 2 July 2013 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.
4. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend, speak and vote on his or her behalf. A proxy need not also be a member, but must attend the meeting to represent you. Details of how to appoint the Chairman of the meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
5. To appoint more than one proxy, you will need to complete a separate proxy form in relation to each appointment (you may photocopy the proxy form), stating clearly on each proxy form how many 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 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.
6. A personalised form of proxy is enclosed with shareholders' copies of this document. To be valid, it should be lodged with the Company's registrars, Capita Registrars, at the address printed on the proxy form so as to be received not later than 48 hours (excluding weekends and bank holidays) before the time appointed for the meeting or any adjourned meeting or, in the case of a poll taken subsequent to the date of the meeting or adjourned meeting, so as to be received no later than 24 hours before the time appointed for taking the poll. A member may return a proxy form in their own envelope with the address FREEPOST RSBHUXKS-LRBC, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU.
7. As an alternative to returning the hard copy form of proxy by post, you may appoint a proxy by sending the form by fax to Investec Structured Products FAO: Mike Newman/ Kate Morgenstern 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 (excluding weekends and bank holidays) before the time appointed for the meeting or any adjourned meeting.
8. Appointment of a proxy will not preclude a member from subsequently attending and voting at the meeting should the member subsequently decide to do so. A member may only appoint a proxy using the procedures set out in these notes and the notes to the proxy card. The termination of the authority of a person to act as a proxy must be notified to the Company in writing. Amended instructions must be received by the Company's registrars by the deadline for receipt of proxies.

9. 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 share of which he/she is the holder.
10. A person authorised by a corporation is entitled to exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company. On a vote on a resolution on a show of hands, each authorised person has the same voting rights as the corporation would be entitled to. On a vote on a resolution on a poll, if more than one authorised person purports to exercise a power in respect of the same shares: if they purport to exercise the power in the same way, the power is treated as exercised; if they do not purport to exercise the power in the same way, the power is treated as not exercised.
11. Any person receiving a copy of this Notice as a person nominated by a member to enjoy information rights under section 146 of the Companies Act 2006 (a "Nominated Person") should note that the provisions in Notes 4 and 5 above concerning the appointment of a proxy or proxies to attend the meeting in place of a member, do not apply to a Nominated Person as only shareholders have the right to appoint a proxy. However, a Nominated Person may have a right under an agreement between the Nominated Person and the member by whom he or she was nominated to be appointed, or to have someone else appointed, as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right under such an agreement to give instructions to the member as to the exercise of voting rights at the meeting.
12. Nominated persons should also remember that their main point of contact in terms of their investment in the Company remains the member who nominated the Nominated Person to enjoy information rights (or, perhaps the custodian or broker who administers the investment on their behalf). Nominated Persons should continue to contact that member, custodian or broker (and not the Company) regarding any changes or queries relating to the Nominated Person's personal details and interest in the Company (including any administrative matter). The only exception to this is where the Company expressly requests a response from a Nominated Person.
13. 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.
14. Section 319A of the Companies Act 2006 requires the Directors to answer any question raised at the meeting which, relates to the business of the meeting, although no answer need be given (a) if to do so would interfere unduly with the preparation of the meeting or involve disclosure of confidential information; (b) if the answer has already been given on the Company's website; or (c) if it is undesirable in the best interests of the Company or the good order of the meeting. You may alternatively submit your question in advance by letter addressed to the Company Secretary at the registered office.
15. By attending the meeting, members and their proxies and representatives are understood by the Company to have agreed to receive any communications relating to the Company's shares made at the meeting.
16. The Annual Report incorporating this notice of meeting will be available on the website of Calculus Capital, www.calculuscapital.com.
17. None of the Directors has a contract of service with the Company. A copy of the letters of appointment of the Directors will be available for inspection at the registered office of the Company during usual business hours on any weekday (except weekends and public holidays) until the date of the meeting and at the place of the meeting for a period of fifteen minutes prior to and during the meeting.

Shareholder Information

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 2 July 2013 at 11.00 am.

Key Dates for 2013

Company's year end	28 February 2013
Annual results announced	May 2013
Annual General Meeting	2 July 2013
Dividends payable	24 July 2013
Company's half year end	31 August 2013
Half yearly results announced	October 2013

Payment of Dividends

Cash dividends will be sent by cheque to the first-named shareholder on the share register at his/her 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 shares are listed on the London Exchange and share prices can be found on its website, www.londonstockexchange.com. The Company's net asset value is announced monthly and can also be viewed on the London Stock Exchange website or the Calculus Capital website, www.calculuscapital.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 has been 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) above will be met throughout the current or subsequent accounting period and condition (d) 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 Share 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 Share Fund

The net assets of the Company attributable to them 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

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

VCT Status Adviser

PricewaterhouseCoopers LLP
1 Embankment Place
London WC2N 6RH

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 by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Registered under Financial Conduct Authority No. 172330.

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