

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT ABOUT WHAT ACTION YOU SHOULD TAKE, YOU ARE RECOMMENDED TO SEEK YOUR OWN FINANCIAL ADVICE IMMEDIATELY FROM YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT FINANCIAL ADVISER AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000.

This document constitutes a registration document (the "**Registration Document**") dated 18 January 2016 issued by Foresight VCT plc (the "**Company**"), prepared in accordance with the prospectus rules made under Section 84 of the Financial Services and Markets Act 2000 ("**FSMA**") and has been approved by the Financial Conduct Authority ("**FCA**") in accordance with FSMA. Additional information relating to the Company is contained in a securities note (the "**Securities Note**") issued by the Company of even date herewith. A brief summary written in non-technical language and conveying the essential characteristics and risks associated with the Company and the Ordinary Shares of one penny each in the capital of the Company (the "**Offer Shares**") which are being offered for subscription (the "**Offer**") is contained in a summary issued by the Company of even date herewith (the "**Summary**"). The Summary, Securities Note and this Registration Document together comprise a prospectus (the "**Prospectus**") which has been filed with the FCA in accordance with the Prospectus Rules and you are advised to read the Prospectus in full.

The Company and the Directors (whose names are set out on page 6) accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

**Offer for Subscription
to raise up to
£30,000,000
by issues of
Ordinary Shares of one penny each by
FORESIGHT VCT PLC**

Registered in England and Wales under company number 03421340

Sponsored by BDO LLP

In connection with the Offer, BDO LLP ("**BDO**") is acting for the Company and for no-one else and will not (subject to the responsibilities and liabilities imposed by FSMA or the regulatory regime established thereunder) be responsible to anyone other than the Company for providing the protections afforded to customers of BDO nor for providing advice in relation to the Offer. BDO is authorised and regulated in the United Kingdom by the FCA.

In connection with the Offer, Foresight Group LLP and Foresight Group CI Limited (together "**Foresight**"), the promoter of the Offer and manager of the Company respectively, are acting for the Company and no-one else and will not be responsible to anyone other than the Company for providing the protections afforded to customers of Foresight nor for providing advice in relation to the Offer. Foresight Group LLP is authorised and regulated in the United Kingdom by the FCA and Foresight Group CI Limited is licensed by the Guernsey Financial Services Commission.

Applications will be made to the UK Listing Authority for the Ordinary Shares offered for subscription pursuant to the Prospectus to be admitted to the premium segment of the Official List of the UK Listing Authority. Application will also be made to the London Stock Exchange for such Offer Shares to be admitted to trading on its main market for listed securities. It is expected that admission will become effective and that trading in the Offer Shares will commence three Business Days following allotment. The Company's existing issued Ordinary Shares are traded on the London Stock Exchange's market for listed securities.

The Offer is conditional upon the approval of the Shareholders of the Company at the general meeting of the Company to be held in the first quarter of 2016.

Copies of this Registration Document, the Securities Note and the Summary are available (and any supplementary prospectus published by the Company will be available) free of charge from the offices of the Promoter, Foresight Group LLP, The Shard, 32 London Bridge Street, London SE1 9SG and BDO, 55 Baker Street, London W1U 7EU and from the Foresight website at www.foresightgroup.eu and from the offices of BDO at 55 Baker Street, London W1U 7EU. Additionally, this Securities Note and the Circular (when available) will be delivered by post to existing Shareholders.

Your attention is drawn to the Risk Factors on pages 3 to 5. An investment in the Company is only suitable for investors who are capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss that might result from such investment.

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PART ONE

RISK FACTORS

Although the tax benefits available to investors in Offer Shares are significant, there are a number of risks which investors should consider carefully in addition to the other information presented in the Prospectus as a whole. The risks relating specifically to the Offer Shares, as opposed to the Company more generally, are set out in the Securities Note.

If any of the risks described below were to materialise, it could have a material effect on the Company's business, financial condition or results of operations. The risks and uncertainties described below are not the only ones the Company, the Board or investors in the Company will face. Additional risks not currently known to the Company or the Board, or that the Company or the Board currently believe are not material, may also adversely affect the Company's business, financial condition and results of operations. The value of Shares could decline due to any of these risk factors, and investors could lose part or all of their investment. Investors who are in any doubt should consult their independent financial adviser. The attention of prospective investors is drawn to the following risks.

- The past performance of the Company or other funds managed by Foresight Group CI Limited, the manager of the Company, and Foresight Group LLP is no indication of the future performance of the Company. The return received by investors will be dependent on the performance of the underlying investments. The value of such investments, and interest income and dividends therefrom, may rise or fall.
- The Finance (No. 2) Act 2015 introduced a number of changes to the VCT Rules, which took effect from 18 November 2015 which restrict the investments which can be made by VCTs and the use of the invested funds by investee companies. Companies whose first commercial sale was more than seven years ago are no longer eligible for VCT investment save where they received a qualifying state aided risk finance investment in their first seven years of trading or where the invested amount is greater than 50% of average of the company's turnover for the previous five years and the company is entering a new product or geographical market. To be a qualifying VCT holding, investee companies must employ monies received from a VCT for the purposes of promoting growth and development. The prohibition on employing VCT funding on the purchase of shares was also extended to include business acquisitions structured as purchases of assets or goodwill. Non-qualifying investments by VCTs are also now restricted to a narrower range of investment categories intended to facilitate liquidity management. Furthermore, the Finance (No. 2) Act 2015 introduced a lifetime limit on the amount of qualifying state aided risk-financed investment a single company can receive of £12 million (£20 million for 'knowledge intensive' companies). These changes will restrict the pipeline of potential investee companies available to the Company, the structure of those investments and the ability to make follow on investments in certain portfolio companies. They will also affect the profile of the Company's new investments, increasing the focus on earlier stage growth capital deals which have a higher risk profile than older, better established businesses. Some existing investee companies in the portfolios of the Company (which includes some of those acquired from Foresight 2 VCT plc as a result of the Merger), may be unable to receive further VCT investment or the amount of such follow on investment may be restricted. The Company is likely to face greater competition for a smaller number of available investment opportunities going forward as a result of these legislative changes.
- Investee companies may incur unplanned costs and delays (i) as a result of statutory and regulatory requirements, including those imposed by environmental, safety, labour and other regulatory and political authorities; (ii) where construction operations do not proceed as planned, certain constrictions materials such as asbestos are involved or where insurance or reserves prove inadequate; (iii) where force majeure events

including terrorist actions occur; or (iv) due to the materialisation of other, unforeseen, operational risks.

- An investor who subscribes for Offer Shares and disposes of those shares within five years will be subject to clawback by HMRC of any income tax relief obtained on subscription.
- Interest income received by the Company can only be sheltered from corporation tax to the extent that the total interest income received by the Company does not exceed total revenue expenditure available for offset in the calculation of its tax liabilities. If total interest income exceeds total revenue expenditure the Company will be liable to pay corporation tax.
- While it is the intention of the Directors that the Company will be managed so as to continue to qualify as a Venture Capital Trust, there can be no guarantee that this status will be maintained. A failure to meet the qualifying requirements 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 capital gains.
- The information, including tax rules, contained in this document is based on existing legislation. The tax rules or their interpretation in relation to an investment in the Company and/or the rates of tax, or other statutory provisions to which the Company is subject, may change during the life of the Company and such changes could be retrospective.
- Although the Company may receive conventional venture capital rights in connection with its investments, as a minority investor it will not be in a position fully to protect its interests.
- Investment in smaller and unquoted companies is likely to involve a higher degree of risk than investment in larger companies and those traded on the main market of the London Stock Exchange. Smaller companies generally have limited product lines, markets or financial resources and may be more dependent on their management or key individuals than larger companies. Investments in smaller companies are often less liquid, and this may cause difficulties in valuing and disposing of equity holdings in such companies. Full information for determining the value of the Company's underlying investments may not always be available. Confidential or inside information which might have a bearing on the prospects of a particular investment may exist from time to time but may not yet be in the public domain. In such circumstances an individual valuation may have to be based on historic information not incorporating full disclosure which might otherwise have enabled a more precise valuation.
- Realisation of investments in unquoted companies can be difficult and may take considerable time. There may also be constraints imposed on the realisation of investments in order to maintain the VCT status of the Company which may restrict the Company's ability to obtain maximum value from its investments or to achieve the intended timing of Distributions.
- Where more than one Foresight Fund wishes to participate in an investment opportunity, allocations will generally be made in proportion to the net cash raised for each such fund, other than where investments are proposed to be made in a company where one or more Foresight Funds has a pre-existing investment where the incumbent investor will have priority. Implementation of this policy will be subject to the availability of monies to make the investment and other portfolio considerations such as portfolio diversity and the requirement to achieve or maintain a minimum of 70% of the Company's portfolio in Qualifying Companies. This may mean that the Company may receive a greater or lesser allocation than would otherwise be the case under the Manager's normal co-investment policy.

- Where the Company invests in companies in which other Foresight Funds have invested or subsequently invest, conflicts of interest may arise. In such a scenario, the Manager will apply its conflicts policy in order to reconcile the conflict in the first instance and thereafter, if required, the Directors will exercise their independent judgement, so far as they are able, to protect the interest of Shareholders.

CORPORATE INFORMATION

Directors (Non-executive)

John Gregory (Chairman)
Peter Dicks
Jocelin Harris
Gordon Humphries

Registered Office and Head Office

The Shard
32 London Bridge Street
London
SE1 9SG

Company Registration Number

03421340

Website

www.foresightgroup.eu

Telephone Number

020 3667 8110

Company Secretary and Administrator

Foresight Fund Managers Limited
The Shard
32 London Bridge Street
London
SE1 9SG

Registrars

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZY

Manager

Foresight Group CI Limited
Dorey Court
Admiral Park
St Peter Port
Guernsey GY1 2HT

Promoter

Foresight Group LLP
The Shard
32 London Bridge Street
London
SE1 9SG

Solicitors

RW Blears LLP
125 Old Broad Street
London EC2N 1AR

Broker

Panmure Gordon (UK) Limited
One New Change
London
EC4M 9AF

Sponsor

BDO LLP
55 Baker Street
London W1U 7EU

Receiving Agent

The City Partnership (UK) Limited
Thistle House
21-23 Thistle Street
Edinburgh EH2 1DF

Bankers

Barclays Bank plc
54 Lombard Street
London EC3P 3AH

Auditors

KPMG LLP
Saltire Court
20 Castle Terrace
Edinburgh EH1 2EG

DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

AIM	the Alternative Investment Market
Articles	the current articles of association of the Company
BDO	BDO LLP, which is authorised and regulated by the FCA as a UKLA registered sponsor
Board or Directors	the board of directors of the Company
Business Days	any day (other than a Saturday or Sunday) on which clearing banks are open for normal banking business in sterling
CA 1985	the Companies Act 1985 (as amended)
CA 2006 or the Act	the Companies Act 2006 (as amended)
Circular	the circular to Shareholders of the Company to be dispatched early in 2016 in order to, inter alia, convene the General Meeting
Company or Foresight VCT	Foresight VCT plc
Distributions	amounts paid by way of dividends, tender offers, share buy-backs, proceeds on a sale or liquidation of the Company and any other proceeds or value received, or deemed to be received, by Shareholders in the Company in respect of Shares, excluding any income tax relief on subscription
Execution-Only (Investor)	a transaction which is executed by an FCA authorised firm upon the specific instructions of a client where the firm does not give advice relating to the merits of the transaction or make a personal recommendation (and " Execution Only Investor " shall mean an investor who subscribes for Offer Shares in such manner
F2	Foresight 2 VCT plc
FCA	the Financial Conduct Authority
Foresight Funds	investment funds managed or advised by Foresight
FSMA	the Financial Services and Markets Act 2000, as amended
General Meeting	the meeting of the members of the Company to be convened in accordance with the notice to be set out in the Circular
Infrastructure Share Fund	the aggregate of the capital raised by subscriptions for Infrastructure Shares issued by the Company, all income and assets derived therefrom and all expenses and liabilities attributable thereto
Infrastructure Shares	the infrastructure shares of one penny each in the capital of the Company
Listing Rules	the listing rules of the UK Listing Authority

London Stock Exchange	London Stock Exchange plc
Manager or Foresight Group	Foresight Group CI Limited, the Company's manager, which is licensed by the Guernsey Financial Services Commission
Merger	the merger of Foresight VCT 2 plc with the Company effected by means of placing Foresight VCT 2 plc into members voluntary liquidation pursuant to Section 110 of the Insolvency Act 1986, the acquisition by the Company of all of Foresight 2 VCT's assets and liabilities and the issue of new Shares in the Company to the shareholders of Foresight VCT 2 plc
NAV or Net Asset Value	the net asset value attributable to the Shares calculated in accordance with the Company's normal accounting policies in force at the date of calculation
Net Asset Base Value	means the NAV attributable to the Ordinary Shares as determined from the audited annual accounts to the end of a preceding financial year
Offer	the offer for subscription to raise in aggregate up to £30,000,000 by issues of Ordinary Shares, pursuant to the Prospectus published on 18 January 2016, of which this Registration Document forms part, prepared in accordance with the Prospectus Rules made under Section 84 of FSMA and approved by the FCA in accordance with FSMA
Offer Shares	the new Ordinary Shares being made available for subscription pursuant to the Offer
Official List	the official list of the UK Listing Authority maintained in accordance with section 74(1) of FSMA
Ordinary Share fund	the aggregate of the capital raised by subscriptions for Ordinary Shares issued by the Company, (including under the Offer) all income and assets derived therefrom and all expenses and liabilities attributable thereto
Ordinary Shares	ordinary shares of one penny each in the capital of the Company
Planned Exit Share fund	the aggregate of the capital raised by subscriptions for Planned Exit Shares issued by the Company, all income and assets derived therefrom and all expenses and liabilities attributable thereto
Planned Exit Shares	the planned exit shares of one penny each in the capital of the Company
Professional Client Investor	an investor who is provided with advice or guidance as to the merits of making an investment in the Company by an independent financial adviser, where that independent financial adviser classifies the investor as a professional client for the purposes of the FCA Rules
Prohibited Period	any Close Period or any period when there exists any matter which constitutes Inside Information in relation to either or both of the Company or its underlying investments

Promoter	Foresight Group LLP, the promoter of the Offer, which is authorised and regulated by the FCA
Prospectus	together this Registration Document, the Securities Note and the Summary
Prospectus Rules	the prospectus rules of the UK Listing Authority made under section 84 of FSMA
Qualifying Company	an unquoted (including an AIM-listed) company which satisfies the requirements of Part 4 of Chapter 6 of the Tax Act
Qualifying Investments	shares in, or securities of, a Qualifying Company held by a venture capital trust which meets the requirements described in Parts 3 and 4 of Chapter 6 of the Tax Act
Receiving Agent	The City Partnership (UK) Limited
Registrar	Computershare Investor Services plc
Registration Document	this document
Retail Client Investor	an investor who is provided with advice or guidance as to the merits of making an investment in the Company by an independent financial adviser, where that independent financial adviser classifies the investor as a retail client for the purposes of the FCA Rules
Securities Note	the securities note issued by the Company dated 18 January 2016 in connection with the Offer and which forms part of the Prospectus
Scheme	the scheme for the merger of the Company with F2 as set out in the prospectus published by the Company on 13 November 2015
Shareholder	a holder of Shares in the Company
Shares	Ordinary Shares and/or Planned Exit Shares and/or Infrastructure Shares as the context dictates
Summary	the summary issued by the Company dated 18 January 2016, which forms part of the Prospectus
Tax Act	the Income Tax Act 2007 (as amended from time to time)
UK Listing Authority or UKLA	the FCA acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000
UK	the United Kingdom of Great Britain and Northern Ireland
VCT Rules	the legislation, rules and HMRC interpretation and practice regulating the establishment and operation of venture capital trusts
VCT Value	the value of an investment calculated in accordance with Section 278 of the Tax Act
Venture Capital Trust or VCT	a venture capital trust as defined in Section 259 of the Tax Act

THE DIRECTORS AND THE MANAGER

As required by the Listing Rules, the Directors are independent of the Manager except for Peter Dicks who is considered non-independent by virtue of the fact that he is a director of several other funds managed by Foresight.

(A) THE DIRECTORS

1. Directors of Foresight VCT plc

John Gregory (67) (Chairman)

John Gregory is a chartered accountant with a broad experience of banking, corporate finance and fund management. He was an executive director of Noble Fund Managers Limited until 2004. Currently, he is senior independent director of Sphere Medical Holding plc, an AIM listed medical devices company, non-executive Chairman of Social Impact VCT and a non-executive director or Chairman of a number of private companies. His earlier career was in the City of London and included positions as an executive director of Singer & Friedlander Holdings Limited and, before that, managing director of Henry Ansbacher & Co Limited. John was appointed to the Board on 30 July 2010.

Peter Dicks (73)

Peter Dicks was a founder director of Abingworth plc, a successful venture capital company. He is currently a director of a number of quoted and unquoted companies, including Private Equity Investor plc where he is chairman, and Graphite Enterprise Trust plc. In addition, he has been a director of the Company since its launch in 1997 and is a director of Foresight 2 VCT plc (in liquidation), Foresight 3 VCT plc and Foresight 4 VCT plc. He is also chairman of Unicorn AIM VCT plc. Peter was appointed to the Board on 22 August 1997.

Jocelin Harris (70)

Jocelin Harris is a qualified solicitor and since 1986 has run Durrington Corporation which provides finance and advice for small businesses. Before this he was at private bank Rea Brothers for 13 years where he was a director. He has personally invested in over 40 development stage companies over the last 35 years and is currently chairman or non-executive director of a number of them in the UK and USA. He is also a director of Unicorn AIM VCT plc, a director of Foresight 2 VCT plc (in liquidation) and a governor of St Paul's Way Trust School in London. Jocelin was appointed to the Board on 18 December 2015.

Gordon Humphries (54)

Gordon Humphries qualified as a chartered accountant with PricewaterhouseCoopers before moving into financial services, where he has over 25 years' experience. He was until recently head of investment companies at Standard Life Investments and before that he was deputy head of investment trusts at F&C Asset Management plc. Gordon is a director of R&H Fund Services Limited and a non-executive director of Maven Income and Growth VCT 5 plc. Gordon was appointed to the Board on 9 March 2007.

Each of the Directors has access to the advice and services of the company secretary, Foresight Fund Managers Limited. The Company Secretary provides the Board with full information on the Company's finances including its assets and liabilities and other relevant information requested by the Directors in advance of each Board meeting.

2. Current and Past Directorships

The Directors are currently or have been within the last 5 years, a member of the administrative, management or supervisory bodies or partners of the companies and partnerships mentioned below:

John Gregory	Current	Past 5 Years
	The Company Arctic Solar Limited Javelin Solar Limited Meaujo Tug Limited Meaujo Bell Limited Tixal Limited Resilient Solar Limited Sphere Medical Holding plc Social Impact VCT plc DP Leisure GB Ltd	Enterprise VCT plc Epic VCT plc Foresight 3 VCT plc IS Pharma Limited Local Allotments plc Sinclair IS Pharma plc The 1855 Club plc (dissolved)
Peter Dicks	Current	Past 5 Years
	The Company Foresight 2 VCT plc (in liquidation) Foresight 3 VCT plc Foresight 4 VCT plc Foresight Solar Fund Limited Graphite Enterprise Trust plc Interactive Investor plc Mears Group plc Mercia Fund 1 General Partner Limited Miton UK Microcap Trust plc Private Equity Investor plc SVM UK Emerging Fund plc Unicorn AIM VCT plc	Committed Capital VCT plc (dissolved) Daniel Stewart Securities plc Enterprise Capital Trust plc (dissolved) Foresight 5 VCT plc (dissolved) Foresight Clearwater VCT plc (dissolved) GFT Dealing Limited (dissolved) London Trust Productions Limited Miton Income Opportunities Trust plc (in liquidation) PCT Finance Limited (dissolved) Polar Capital Technology Trust plc Second London American Trust plc (dissolved) Sportingbet plc Standard Microsystems Corporation (USA)
Gordon Humphries	Current	Past 5 Years
	The Company Maven Income & Growth VCT 5 plc R&H Fund Services Limited	

Jocelin Harris	Current	Past 5 Years
	Durrington Corporation Limited Tudor Roof Tile Co. Limited Roil Foods Limited Unipower Solutions Europe Limited (in liquidation) Serres Limited Halkin Secretaries Limited Millennium Mats Limited The St. Peter's College Foundation Unicorn AIM VCT plc Foresight 2 VCT plc (in liquidation) Roilvest Limited Mintec Limited Lightfoot Solutions Group Limited Lightfoot Solutions UK Limited Obillex Limited	The Webb Partnership Limited Brandbank Limited Obillex UK Ltd Queen Mary, University of London Foundation Keycom plc

(B) FORESIGHT GROUP LLP AND FORESIGHT GROUP CI LIMITED

The Manager is Foresight Group CI Limited. Foresight Group CI Limited is appointed as manager to the Company and also provides secretarial, administration and custodian services to the Company. Foresight Group CI Limited is a private company registered in Guernsey with number 51471 and was incorporated on 12 February 2010. Foresight Group CI Limited is licensed by the Guernsey Financial Services Commission with GFSC reference number 2006518.

The Manager has, as approved by the Board, and permitted under the same agreement, appointed Foresight Group LLP to provide investment advisory services to Foresight for the purposes of fulfilment of the provision of management obligations to the Company under the agreement and has sub-contracted the provision of administration services to Foresight Group LLP. Foresight Group LLP has delegated the provision of administration services to Foresight Fund Managers Limited, which is also the appointed Company secretary. Foresight Fund Managers Limited is a wholly owned subsidiary of Foresight Group LLP, which is a subsidiary undertaking of the Manager. Foresight Group LLP is registered in England and Wales as a limited liability partnership with registered number OC300878 and was incorporated 25 October 2001. Foresight Group LLP is authorised and regulated by the Financial Conduct Authority with registration number 198020.

MEMORANDUM AND ARTICLES OF ASSOCIATION

The Memorandum provides that the principal objects of the Company are to carry on business as a venture capital trust or as an investment company. The Companies Act 2006 (“**CA 2006**”) significantly reduced the constitutional significance of a company’s memorandum, providing that a memorandum will record only the names of subscribers and the number of shares each subscriber agreed to take in the company. The Company’s objects are set out in clause 4 of its Memorandum (now deemed to be part of the Articles under the CA 2006).

The material provisions of the Articles are as detailed below.

1. Rights attaching to shares

In addition to the following general powers relating to Shares, the following specific provisions apply in respect of each class of Share:

(a) Voting rights

The Ordinary Shares, Planned Exit Shares and Infrastructure Shares shall rank equally in all respects as to rights to attend and vote at any general meeting of the Company.

(b) Dividends

The rights of members to receive dividends are as follows:

- (i) The holders of Ordinary Shares shall be entitled to receive, in that capacity, any dividends paid out of the distributable reserves attributable to the Ordinary Shares;
- (ii) The holders of Planned Exit Shares shall be entitled to receive, in that capacity, any dividends paid out of distributable reserves attributable to the Planned Exit Shares; and
- (iii) The holders of Infrastructure Shares shall be entitled to receive, in that capacity, any dividends paid out of the distributable reserves attributable to the Infrastructure Shares.

(c) Distribution of assets on liquidation

On a winding up or return of capital, the capital and assets of the Company shall be applied as follows:

- (i) The net assets attributable to the Ordinary Shares (less such proportion of liabilities as shall reasonably be allocated to such shares) shall be divided amongst the holders of Ordinary Shares pro rata according to their holdings of Ordinary Shares;
- (ii) The net assets attributable to the Planned Exit Shares (less such proportion of liabilities as shall reasonably be allocated to such shares) shall be divided amongst the holders of Planned Exit pro rata according to their holdings of Planned Exit Shares; and
- (iii) The net assets attributable to the Infrastructure Shares (less such proportion of liabilities as shall reasonably be allocated to such shares) shall be divided amongst the holders of Infrastructure Shares pro rata according to their holdings of Infrastructure Shares.

(d) Class consents and variation of rights

The holders of each class of share in the Company shall be required to approve and, accordingly, without such approval, the special rights attached to each class of shares shall be varied, *inter alia*, by:

- (i) any alteration to the Memorandum or Articles;
- (ii) any consolidation, division, sub-division, cancellation, reduction or purchase by the Company of any issued share capital;
- (iii) any allotment or issue of any security convertible into or carrying a right to subscribe for any share capital of the Company or any other right to subscribe or acquire share capital in the Company other than pursuant to the exercise of subscription rights in accordance with the terms of any share options to be granted to the Manager; and
- (iv) the selection of any accounting reference date other than 31 December.

2. General meetings

- (a) An annual general meeting and any general meeting at which it is proposed to pass a special resolution or (except as provided by CA 2006) a resolution of which special notice has been given to the Company, must be called by at least 21 days notice in writing and any other general meeting by at least 14 days notice in writing. The period of notice must in each case be exclusive of the day in which the notice is served or deemed to be served and of the day in which the meeting is to be held provided that a general meeting shall, notwithstanding that it may have been called by a shorter notice than that specified above, be deemed to have been duly called if it is so agreed in accordance with CA 2006; provided also that the accidental omission to give notice to, or the non-receipt of notice by, any person entitled thereto shall not invalidate the proceedings at any general meeting.
- (b) Every notice calling a general meeting shall specify the place and the day and hour of the meeting and the general nature of the business to be transacted. There shall appear with reasonable prominence in every such notice a statement that a member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote instead of him and that a proxy need not be a member. In the case of an annual general meeting, the notice shall also specify the meeting as such.
- (c) Each member is entitled to attend and vote and to appoint one or more proxies to attend and vote, in the case of all companies, on a poll vote. A proxy need not be a member.
- (d) The accidental omission to give or send a notice of any meeting, or in cases where it is intended that it be sent out with the notice, an instrument of proxy, to, or the non-receipt of either by, any person entitled to receive the same, shall not invalidate the proceedings at the meeting.
- (e) No business shall be transacted at any general meeting unless a quorum is present. Two members present in person (or by representative) or by proxy and entitled to vote shall be a quorum.
- (f) If a quorum is not present or if during a meeting a quorum ceases to be present, the meeting, if convened on the requisition of members, shall be dissolved and in any other case shall stand adjourned to such day and to such time and place as may be determined by the chairman (which must be not less than 10 clear days thereafter). At such adjourned meeting a quorum shall be two members present in person or by proxy and entitled to vote. If a quorum is not present within half an hour from the time fixed for holding the adjourned meeting or if during the adjourned meeting a quorum ceases to be present, the meeting shall be dissolved. The Company shall give at least seven clear days' notice in writing of any meeting adjourned.
- (g) The Directors shall on the requisition of members in accordance with the CA 2006 but subject as therein provided: (a) give to the members who would, if an annual general meeting were then to be held, be entitled to receive notice thereof notice of any

resolution which may properly be moved and is intended to be moved at the meeting so requisitioned; and (b) circulate to such members any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution for the business to be dealt with at that meeting.

- (h) Pursuant to section 303 of the CA 2006, the Directors must, on a members' requisition, forthwith proceed duly to convene a general meeting of the Company. A members' requisition is a requisition of members of the Company holding at the date of the deposit of the requisition not less than one-tenth of such of the paid up capital of the Company as at that date carries the right of voting at general meetings of the Company. For these purposes the Company's paid up capital held as treasury shares would be disregarded. The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the registered office of the Company and may consist of several documents in like form, each signed by one or more requisitionists. If the Directors do not within 21 days from the date of the deposit of the requisition proceed duly to convene a meeting, the requisitionists or any of them representing more than one half of the total voting rights of all of them may themselves convene a meeting but any meeting so convened must not be held after the expiration of three months from that date. A meeting convened under this section by requisitionists must be convened in the same manner as nearly as possible as that in which meetings are to be convened by Directors.

3. Voting rights

- (a) Subject to any special rights which may apply to any class of shares that may have been issued or may from time to time be held, every member who is present in person, including any corporation present by its duly authorised representative, or by proxy, at a general meeting of the Company shall, on a show of hands, have one vote. On a poll every member present in person or by proxy shall have one vote for each share of which he is a holder.
- (b) Where shares are held jointly, the vote of the senior who has tendered a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the register of members of each company in respect of the holding.
- (c) Members will lose their right to vote at a general meeting or at any separate meeting of the holders of any class of share, whether in person or by proxy, unless all calls presently payable by them in respect of those shares, together with interest and expenses (if any) have been paid in full to the Company, even where those shares are jointly held. The right to vote, together with all other rights and benefits of membership, will also be lost where the member (or any other person claiming to have an interest in such shares) has been issued with a notice pursuant to section 793 of the CA 2006 (which requires the member or such other person to declare his interest in the shares) and has failed to give the required information to the Company within the prescribed period of 14 days.

4. Pre-emption rights

- (a) Subject to the CA 2006 in relation to authority, pre-emption rights and otherwise and of any resolution of the Company in general meeting passed pursuant thereto all unissued shares in the capital of the Company is at the disposal of the Directors and they may allot (with or without conferring a right of renunciation) grant warrants and options over or otherwise dispose of all unissued shares to such persons at such times and on such terms as they think proper provided that no share shall be issued at a discount except in accordance with the CA 2006.
- (b) There are no pre-emption rights in relation to the transfer of shares.

5. Right to share in profits

Subject to the rights of any shares which may be issued with special rights or privileges, the holders of the Company's shares alone are entitled to participate in the income and capital profits of the Company available for distribution.

6. Variation of class rights

Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class may, subject to CA 2006, be varied by the passing of a special resolution at a general meeting of such holders or the written consent of holders of three quarters in nominal value of the issued shares of the affected class). At such a meeting the necessary quorum shall be at least two members of the class holding (or representing by proxy) not less than one third in nominal value of the capital paid up on the issued shares of that class and at an adjourned meeting one person (whether present in person or by proxy) holding shares of that class in question.

7. Alteration of share capital

- (a) The Company may from time to time, by ordinary resolution, consolidate or subdivide its share capital.
- (b) The Company may also by resolution or as required by law reduce share capital or any capital redemption reserve or share premium or other undistributable reserve in any manner which is in accordance with and subject to any method and/or consent authorised or required by law.

8. Issue of shares

Subject to the provisions of the CA 2006 relating to authority, pre-emption rights and otherwise, and to any resolution of the Company in general meeting passed pursuant thereto, all unissued shares shall be at the disposal of the Directors, and they may allot or otherwise dispose of them to such persons, at such times and on such terms as they think fit.

9. Transfer of shares

- (a) A member may transfer any or all of his shares by instrument of transfer in writing in any usual or common form or in any other form acceptable to the Directors. The Directors may in their absolute discretion and without assigning any reason therefor refuse to register any transfer of shares where the shares in question are not fully paid up in respect of which the Company has a lien) where such refusal does not restrict dealings on an open and proper basis. The Directors may refuse to recognise an instrument of transfer unless the instrument of transfer is (a) in respect of only one class of share; (b) is in favour of not more than four transferees; and (c) is lodged at the transfer office accompanied by the relevant share certificates and any other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. The Board may also refuse to recognise a transfer of uncertificated shares in such circumstances as may be permitted by the Uncertificated Securities Regulations 2001.
- (b) No transfer will be registered where a member, or any other person appearing to be interested in the shares held by him has been served with a notice under section 793 of the CA 2006 and, at the end of the prescribed period, is in default in supplying the information thereby required provided that those shares represent at least 0.25% (calculated exclusively of treasury shares) in nominal value of the issued shares of any class and subject to the exceptions specified in the Articles relating to the disclosure of interests. These restrictions on transfers do not apply to a sale to a bona fide, unconnected, third party.

10. Dividends

- (a) The Directors shall, so far as it is prudent to do so, distribute to members all the accumulated and realised revenue and capital profits of the Company as soon as practicable rather than reinvesting the profits in further venture capital investments.
- (b) The Company may by ordinary resolution and subject to the provisions of the CA 2006 and of their Articles declare dividends to be paid to members according to their respective rights and interest in the profit of the Company, provided that no dividend shall exceed the amount recommended by the Directors.
- (c) The Directors may pay interim dividends if it appears to them that they are justified in so doing by the profits of the Company available for distribution.
- (d) Except as otherwise provided by the rights that attach to any class of share, dividends shall be apportioned and paid pro rata according to the amounts paid up on the shares on which the dividend is paid (except where those amounts are paid up in advance of calls).
- (e) If any dividend remains unclaimed after a period of twelve years from the date of the declaration of that dividend, it shall be forfeited and shall cease to remain owing by the Company.
- (f) The Directors may with the prior authority of an ordinary resolution of the Company, subject to such terms and conditions as the Directors may determine, offer to holders of shares the right to elect to receive shares credited as fully paid, instead of the whole (or some part, to be determined by the Directors) of any dividend specified by the ordinary resolution.

11. Borrowing power

- (a) The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.
- (b) The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries and subsidiary undertakings so as to secure (but as regards subsidiaries and subsidiary undertakings only insofar as by the exercise of such rights or powers of the Directors can secure) that the aggregate principal amount at any one time outstanding of all monies borrowed or secured by the Company and/or any of its subsidiaries or subsidiary undertakings shall not at any time without the previous sanction of the Company in general meeting exceed an amount equal to the Adjusted Capital and Reserves (as defined in 11(c) below) provided that prior to the publication of an audited balance sheet of the Company such aggregate principal amount shall be limited to 90 per cent of the amount paid up or credited as paid up (whether in respect of nominal value or premium) on the allotted or issued share capital of the Company.
- (c) The expression "Adjusted Capital and Reserves" means, as shown by a consolidation of the then latest audited balance sheets of the Company and its subsidiaries and subsidiary undertakings but subject to deductions and adjustments set out in the articles of association of the Company, a sum equal to the aggregate of (a) the amount paid up on the issued share capital of the Company; and (b) the amount standing to the credit of the reserves (including without limitation any share premium account, capital redemption reserve, tax equalisation account and credit balance on profit and loss account and any unappropriated balance of investment grants) of the Company and their subsidiaries and subsidiary undertakings.

12. Directors' and other interests

- (a) Directors may be interested directly or indirectly in any contract or arrangement or in any proposed contract or arrangement with the Company or with any other company in which the Company may be interested provided that they declare the nature of their interest at a meeting of the Directors.
- (b) Directors shall not vote or be counted in the quorum in relation to any resolution concerning any contracts, arrangements, transactions or any other proposal whatsoever to which the Company is to be a party and in which they has an interest which is, to their knowledge, a material interest unless the resolution concerns any of the following matters:
 - (i) the giving of any guarantee, security or indemnity in respect of money lent or obligations incurred by them or any other person at the request of or for the benefit of the Company or any of their subsidiary undertakings;
 - (ii) the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which they themselves has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
 - (iii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings for subscription or purchase in which offer they are or may be entitled to participate as a holder of securities or any underwriting or sub-writing of which they are to participate;
 - (iv) any proposal concerning any other body corporate in which they are interested directly, or indirectly and whether as an officer or shareholder or otherwise howsoever provided that they do not hold an interest (as the term is used in Part VI of the CA 2006) representing 1% or more of the issued equity share capital of any class of such body corporate or of the voting rights available to members of such body corporate;
 - (v) any proposal relating to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award them any privilege or benefit not generally awarded to the employees to whom such arrangement relates; or
 - (vi) any proposal concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons who include the Directors.
- (c) Provided that Directors have disclosed to the other Directors the nature and extent of any material interest (i) they may be party to or otherwise interested in any transaction or arrangement with the Company (or in which the Company has invested), (ii) they may be a member or director or other officer of, or employed by or a party to any transaction with, any company in which the Company is interested, (iii) they shall not be accountable to the Company for any benefit which they derive from any such transaction, arrangement, office, employment or interest and (v) they may by themselves or their firm act in a professional capacity for the Company for which they or their firm shall be entitled to receive remuneration.
- (d) The Board may authorise, to the fullest extent permitted by law, and on such terms and conditions as it thinks fit:
 - (i) any matter which would or might otherwise result in a Director infringing his duty to avoid a situation in which they have, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interest;

- (ii) a Director to accept or continue in any office, employment or position in addition to their office as a Director of the Company and may authorise the manner in which a conflict of interest arising out of such office, employment or position may be dealt with either before or at the time the conflict of interest exists;

provided that the authorisation is passed at a meeting where such is effective without the Director in question and any other interested Director being counted in the quorum or voting at the meeting at which the conflict of interest is authorised.

Where any such matter is authorised by the Board, the Director shall not be required to disclose any confidential information relating to such other office, employment or position and shall not be accountable to the Company for any benefit which he derives from such matter.

- (e) There shall be no less than two and not more than seven Directors in the Company.
- (f) The Directors shall not be required to hold any shares in the Company by way of qualification.
- (g) At each annual general meeting of the Company at least one third of the Directors (or, in the case of each Company if their number is not a multiple of three, then the nearest number to but not exceeding one third) shall retire from office by rotation. Subject to the provisions of the CA 2006, the Directors to retire in each case shall be those who have been longest in office since their last election, provided that no Director holding office as an executive director as provided for in the articles of association of the Company will be subject to retirement by rotation or be taken into account in determining the number of Directors to retire. Where two or more people were last reappointed on the same day, those who retire shall, unless they otherwise agree among themselves, be determined by lot. Any Director appointed by the Directors shall hold office only until the next annual general meeting, when he shall be eligible for re-election, but shall not be taken into account in determining the Directors to retire by rotation at the meeting.
- (h) The Directors shall be entitled (other than alternative directors) to receive by way of fees for their services as Directors such sum as the Remuneration Committee appointed from time to time by the Directors, shall in its discretion determine. The Directors are entitled to be repaid all such reasonable expenses as they may incur in attending or returning from any meetings of the Directors or any committee of the Directors or general meetings of the Company or otherwise in connection with the discharge of their duties as Directors.
- (i) The Directors may purchase and maintain insurance for, or for the benefit of, any persons who are or were Directors, officers or employees of the Company or of any other company which is a subsidiary or subsidiary undertaking of the Company or in which the Company has an interest, whether direct or indirect including without limitation insurance in relation to duties, power or offices in relation to any pension fund or employees share scheme.

13. Untraced Shareholders

- (a) The Company shall be entitled to sell at the best price reasonably obtainable the shares of a member or the shares to which a person is entitled by virtue of transmission if and provided that:
 - (i) during a period of 12 years at least three dividends (whether interim or final) have been paid in relation to such shares and no such dividends have been claimed and no cheque, order or warrant in respect of such shares has been cashed or claimed;
 - (ii) the Company has on or before the expiry of the said period of 12 years inserted advertisements in a national newspaper and a local newspaper circulated in the

area of the member or former member's last known address giving notice of its intention to sell the shares; and

- (iii) during the same period of 12 years and the period of 3 months following the publication of such advertisements the Company has received no communication from such member or person.
- (b) The net proceeds of sale will belong to the Company which shall account to the former member or other person entitled to the proceeds for the amount received. However, no trust shall be created in respect of the debt, no interest is payable on the amount of the debt and the Company shall not be required to account for any money earned on the net proceeds.

14. Non-United Kingdom Shareholders

There are no limitations in the Articles on the rights of non-United Kingdom Members to hold or to exercise voting rights attached to the Company's shares, however, non-United Kingdom Members are not entitled to receive notices of general meetings unless they have given an address in the United Kingdom to which such notices may be sent.

15. Capitalisation of profits and reserves

The Directors may, before recommending any dividend, but having regard to the Company's status as a venture capital trust, decide to reserve out of the profits of the Company such sums as they think fit and may apply such reserves at the discretion of the Directors for any proper purpose or invest such reserves in any investment the Directors may think fit. The reserves from unrealised profits are to be kept separate from reserves representing profits available for distribution. The Directors may also without placing the same to a reserve, carry forward any profits which they may think prudent not to distribute.

16. Distribution of realised profits

As long as the Company has given notice in the prescribed form to the Registrar of Companies of its intention to carry on business as investment company ("a relevant period") the Company shall be prohibited from distributing any capital profits (within the meaning of section 833 of the CA 2006) otherwise than by way of the redemption or purchase of any of the Company's own shares¹. The Directors will establish a reserve to be called the capital reserve and during a relevant period all surpluses arising from the realisation or revaluation of investments and all other monies realised on or derived from the realisation, payment of or other dealing with any capital asset in excess of the book value of that asset and all other monies which are considered by the Directors to be in the nature of the accretion of capital shall be credited to the capital reserves. Subject to the CA 2006, the Directors may determine whether any amount received by the Company is to be dealt with as income or capital, or partly one way and partly the other. During a relevant period, any loss realised on the realisation or other dealing with any investments or other capital asset and subject to the CA 2006 any expenses, liability, loss or provision therefor which the Directors consider to relate to a capital item or which they otherwise consider appropriate to be debited to the capital reserve shall be carried to the debit of the capital reserve. During a relevant period, all sums carried and standing to the credit of the capital reserve may be applied for any of the purposes for which sums standing to the credit of any revenue reserves are applicable except that no part of the capital reserve or any other money in the nature of a creditor of capital shall be transferred to the revenue reserves of the Company or be regarded or treated as profits of the Company available for distribution or be applied in paying dividends on any shares of the Company. In any other period other than a relevant period any amount standing to the credit of the capital reserve may be transferred to

¹ Shareholders should note that the Company revoked its status as an investment company in March 2000.

the revenue reserves of the Company or be regarded or treated as profits of the Company available for distribution or be applied in paying dividends of any shares of the Company.

17. Winding-up

The liquidator may, with the sanction of a special resolution and any other sanctions required by the CA 2006, divide amongst the members in specie the whole or any part of the assets of the Company in such manner as he may determine. In order for the future of the relevant Company to be considered by the members, the Directors of that Company shall procure that a resolution will be proposed at the annual general meeting of the relevant Company falling after the fifth anniversary of the last allotment (from time to time) of shares in the relevant Company and thereafter at five yearly intervals, to the effect that that Company shall continue as a venture capital trust.

18. Notifiable interests

Obligations of Members to disclose to the Company notifiable interests in its shares are stated in Part 22 of the CA 2006, sections 89A to 89L of the FSMA and the Disclosure & Transparency Rules. In accordance with the Articles, failure by any Member to provide the Company with the information as requested by any notice served in accordance with section 793 of CA 2006 may result in the Member being restricted in respect of their shareholdings (as detailed in paragraph 3(c) and 9(b) above) and, inter alia, the withholding of any dividends payable to them.

PART TWO

FORESIGHT VCT PLC

(A) GENERAL INFORMATION

1 Incorporation and registered office

1.1 The legal and commercial name of the Company is Foresight VCT plc.

- 1.2 The Company was incorporated and registered in England and Wales as a public company with limited liability on 19 August 1997 with registered number 03421340, under the name Backsight Technology VCT plc. The Company's name was changed to Foresight Technology VCT plc on 20 August 1997 and its name was subsequently changed to Foresight VCT plc on 16 January 2007. The Company was issued with a trading certificate under section 117 of the CA 1985 on 23 September 1997.
- 1.3 The principal legislation under which the Company operates is the CA 2006 and regulations made thereunder. The Company's objects are set out in clause 4 of its Memorandum (now deemed to be part of the Articles under the CA 2006). The Company's principal objects, as set out in its Memorandum, are to carry on the business of a venture capital trust or an investment company.
- 1.4 The Company's registered office and principal place of business is at The Shard, 32 London Bridge Street, London SE1 9SG. The Company is domiciled in England. The Company does not have, nor has it had since incorporation, any subsidiaries or employees.
- 1.5 HM Revenue & Customs has granted approval of the Company as a VCT under section 274 of the Tax Act. The business of the Company has been, and it is intended will be, carried on so as to continue to comply with that section to maintain full VCT approval.
- 1.6 In order for the future of the Company to be considered by the members, the Directors shall at the annual general meeting falling after the fifth anniversary of the last allotment (from time to time) of shares in the Company, and thereafter at five yearly intervals, invite the members to consider and debate the future of the Company (including, without limitation, whether the Company should be wound up, sold or unitized) and as soon as practicable following that meeting shall convene a general meeting to propose such resolution as the members attending the annual general meeting may by ordinary resolution require.
- 1.7 The Company revoked status as an investment company under section 266 of the CA 1985 (now section 833 of CA 2006) on 30 March 2000 for the purposes of paying a capital dividend and does not intend to re-apply for such status. The Company is not authorised and/or regulated by the FCA or an equivalent overseas regulator. The Company is subject to the requirements of VCTs and, as an entity listed on the main market of the London Stock Exchange, will be subject to the rules and regulations issued by the UK Listing Authority from time to time. The Company is not otherwise regulated.
- 1.8 The Company is an alternative investment fund ("**AIF**") for the purposes of the Alternative Investment Fund Managers Directive (2011/61/EU) ("**AIFMD**"). The Company is its own alternative investment fund manager ("**AIFM**") for the purposes of the AIFMD with the Manager appointed as its strategic adviser. The Company was registered with the FCA as an internally managed AIF on 6 August 2014.
- 1.9 The Company's Shares are/will be admitted to the Official List of the UK Listing Authority.

2. Share capital

- 2.1 On 9 November 2012, the Company passed a resolution approving, subject to the sanction of the High Court, the cancellation of an amount of £15,460,072 standing to the credit of the share premium account (such cancellation being subsequently confirmed by the High Court on 28 November 2012 and registered at Companies House on 28 November 2012).
- 2.2 On 30 October 2013, in relation to an offer for subscription for up to £20 million published in a prospectus dated 26 September 2013, the Company passed an ordinary resolution approving the allotment of Ordinary Shares up to a maximum nominal value of £250,000, a special resolution approving the disapplication of pre-emption rights in respect of such allotment and a further special resolution approving the reduction of the Company's share premium account of a subject to the sanction of the High Court.
- 2.3 On 8 December 2014, in relation to an offer for subscription for up to £20 million published in a prospectus dated 31 October 2014, the Company passed an ordinary resolution approving the allotment of Ordinary Shares up to a maximum nominal value of £275,000 (£250,000 in connection with the offer for subscription and £25,000 in connection with a dividend reinvestment scheme implemented by the Directors), a special resolution approving the disapplication of pre-emption rights in respect of such allotment and a further special resolution approving the reduction of the Company's share premium account subject to the sanction of the High Court.
- 2.4 The following resolutions, inter alia, were passed at the annual general meeting held on 28 May 2015 and, as required, at separate adjourned class meetings of the holders of Ordinary Shares, Planned Exit Shares and Infrastructure Shares held on 29 May 2015:
- (a) that, in substitution for existing authorities, the Directors were generally and unconditionally authorised in accordance with section 551 of the CA 2006 to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company ("Rights"):
- (i) in respect of the Ordinary Shares, up to an aggregate nominal amount of £180,000;
- (ii) in respect of the Planned Exit Shares, up to an aggregate nominal amount of £12,000;
- (iii) in respect of the Infrastructure Shares, up to an aggregate nominal amount of £33,000;
- in each case provided that this authority shall expire (unless renewed, varied or revoked by the Company in a general meeting) on the fifth anniversary of the date of passing of this resolution, 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 or Rights to be granted after such expiry and the Directors shall be entitled to allot shares and grant Rights pursuant to any such offer or agreement as if this authority had not expired;
- (b) that, in substitution for existing authorities, the Directors were empowered pursuant to section 570 and section 573 of the CA 2006 to allot equity securities (within the meaning of section 560 of that Act) for cash either pursuant to the authority conferred or by the resolution noted at (a) above or by way of a sale of treasury shares as if section 561(1) of that Act did not apply to any such allotment, provided that this power shall be limited to:
- (i) the allotment of equity securities with an aggregate nominal amount of up to but not exceeding £200,000 by way of an issue of Ordinary Shares and/or £100,000 by way of an issue of Planned Exit Shares and/or £100,000 by

way of an issue of Infrastructure Shares, in each case pursuant to offer(s) for subscription;

- (ii) the allotment of equity securities with an aggregate nominal amount of up to but not exceeding an amount equal to 10% of the issued Ordinary Share capital from time to time pursuant to dividend investment schemes operated by the Company;
- (iii) the allotment of equity securities with an aggregate nominal amount of up to but not exceeding £100,000 by way of an issue of Ordinary Shares and/or £100,000 by way of an issue of Planned Exit Shares and/or £100,000 by way of an issue of Infrastructure Shares, in each case pursuant to performance incentive arrangements with the Manager, such shares to be issued at nominal value; and
- (iv) the allotment (otherwise than pursuant to paragraphs 2.3(b)(i) to (iii) above) to any person or persons of equity securities up to an aggregate nominal amount of not exceeding an amount equal to 10% of the issued Ordinary Share capital and/or 10% of the issued Planned Exit Share capital from time to time and/or 10% of the issued Infrastructure Share capital from time to time,

in each case where the proceeds may be used in whole or in part to purchase shares in the capital of the Company and shall expire on the conclusion of the annual general meeting of the Company to be held in the year 2016, save that the Company shall be entitled to make offers or agreements before the expiry of such power which would or might require equity securities to be allotted after such expiry and the Directors shall be entitled to allot equity securities pursuant to any such offer or agreements as if the power conferred hereby had not expired; and

- (c) that, in substitution for existing authorities, the Company was empowered to make market purchases (within the meaning of section 693(4) of the CA 2006) of its own shares provided that:
 - (i) the aggregate number of shares to be purchased shall not exceed 6,668,324 Ordinary Shares or if lower such number of Ordinary Shares (rounded down to the nearest whole share) as shall equal 14.99% of the Ordinary Shares in issue at the date of the passing of this resolution;
 - (ii) the aggregate number of shares to be purchased shall not exceed 908,937 Planned Exit Shares or if lower such number of Planned Exit Shares (rounded down to the nearest whole share) as shall equal 14.99% of the Planned Exit Shares in issue at the date of the passing of this resolution;
 - (iii) the aggregate number of shares to be purchased shall not exceed 6,668,324 Infrastructure Shares or if lower such number of Infrastructure Shares (rounded down to the nearest whole share) as shall equal 14.99% of the Infrastructure Shares in issue at the date of the passing of this resolution;
 - (iv) the minimum price which may be paid for a share is 1 penny (the nominal value thereof);
 - (v) the maximum price which may be paid for Ordinary Shares, Planned Exit Shares or Infrastructure Shares is the higher of (1) an amount equal to 105% of the average of the middle market quotation for Ordinary Shares, Planned Exit Shares or Infrastructure Shares (as the case may be) taken from the London Stock Exchange daily official list for the five business days immediately preceding the day on which the Ordinary Shares, Planned Exit Shares or Infrastructure Shares (as the case may be) are purchased, and

(2) the amount stipulated by Article 5(1) of the BuyBack and Stabilisation Regulation 2003;

(vi) the authority conferred shall expire on the conclusion of the annual general meeting of the Company to be held in the year 2016 unless such authority is renewed prior to such time; and

(vii) the Company may make a contract to purchase Ordinary Shares, Planned Exit Shares or Infrastructure Shares (as the case may be) under the authority conferred 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 Ordinary Shares, Planned Exit Shares or Infrastructure Shares (as the case may be) pursuant to such contract.

2.5 As at 30 June 2015, the Company had allotted 127,873 Ordinary Shares under the Company's dividend reinvestment scheme and 19,497,801 Ordinary Shares pursuant to the prospectus offer on 31 October 2014. Since 30 June 2015, the Company has allotted no further Shares save as described at 2.8 below.

2.6 Since 30 June 2015, the Company has repurchased its own Shares for cancellation in the following amounts and classes:

Share Class	Shares bought back since 30 June 2015
Ordinary Shares	1,136,854
Planned Exit Shares	34,032
Infrastructure Shares	12,332

2.7 The following resolution was passed at the general meeting of the Company held on 10 December 2015:

That, subject to the Scheme becoming unconditional:

(i) the acquisition of the assets and liabilities of Foresight 2 VCT plc on the terms set out in the circular dated 13 November 2015 be and are hereby approved;

(ii) the directors of the Company be and hereby are generally authorised in accordance with section 551 of the Companies Act 2006 to exercise all of the powers of the Company to allot Shares in the capital of the Company up to an aggregate nominal value of £620,000 in connection with the Scheme provided that the authority conferred by this paragraph 2.7(ii) shall expire on the fifth anniversary of the date of the passing of this resolution unless renewed, varied or revoked by the Company in a general meeting.

2.8 On 18 December 2015, pursuant to the resolution noted at 2.7 above, the Company merged with Foresight 2 VCT plc ("F2") by acquiring F2's assets and liabilities in exchange for the issue of shares in the Company to the shareholders of F2. Pursuant to the Merger, the Company issued share capital increased as set out in the table below.

Shares Issued Pursuant to the Merger	
Ordinary Shares	28,590,057
Planned Exit Shares	5,535,509
Infrastructure Shares	15,975,510

2.9 The Company will be subject to the continuing obligations of the Listing Rules with regard to the issue of securities for cash and the provisions of section 561 of CA 2006 (which, confers on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash) will apply to the balance of the share capital of the Company which is not subject to the disapplication referred to in

paragraph 2.4(b) above or pursuant to the Resolutions to be proposed at the General Meeting.

- 2.10 No share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option. No shares of the Company represent anything other than capital. There are no convertible securities, exchangeable securities or securities with warrants attached to them currently in issue by the Company.
- 2.11 The Directors are not aware of any person who directly or indirectly is interested in 3% or more of the capital of the Company or who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.
- 2.12 As at 17 January 2016, the last practicable date prior to the publication of this document, the issued share capital of the Company was 86,593,790 Ordinary Shares, 11,527,087 Planned Exit Shares and 32,510,224 Infrastructure Shares.

3. Directors' and other interests

- 3.1 The Board comprises four non-executive directors, all of whom (except Peter Dicks) are independent. The Board has substantial experience of quoted and unquoted companies, as well as expertise in investment management. The Board has overall responsibility for the Company's affairs, including determining the investment policy and approving valuations of unquoted investments and net asset values. The Directors have delegated investment decisions to the Manager (save for where conflicts of interest and/or regulatory requirements require the Directors to make investment decisions).
- 3.2 The Directors' interests in the share capital of the Company as at the date of this document is as follows:

	Ordinary Shares	Planned Exit Shares	Infrastructure Shares
John Gregory	11,424	-	-
Peter Dicks	103,782	-	-
Gordon Humphries	9,224	-	-
Jocelin Harris	18,000	-	10,362

- 3.3 Biographical details for each of the Directors are set out on page 10.
- 3.4 Save as set out above, no Director, family member or any person connected with any Director (within the meaning of section 252 of the CA 2006) has any interest in the capital of the Company which is or would, immediately following the Offer, be required to be notified pursuant to section 809 of the CA 2006 or which is or would be required to be entered in the register maintained under section 809 of the CA 2006.
- 3.5 Peter Dicks was appointed as a Director on 22 August 1997, with Gordon Humphries being appointed as a Director on 9 March 2007 and John Gregory being appointed as a Director on 30 July 2010. Jocelin Harris was appointed as a Director pursuant to the Merger on 18 December 2015. None of the Directors has a service contract. The appointments may be terminated on written notice and all Directors are subject to retirement by rotation. Their appointment does not confer any right to hold office for any period or any right to compensation if they cease to be directors. For the year ending 31 December 2016, the total annual remuneration expected to be receivable by John Gregory as Chairman of the Company is £28,250; Peter Dicks is £21,000; Jocelin Harris is £21,000 and Gordon Humphries is £23,000, (plus in each case, if applicable, VAT and employers National Insurance Contributions). The office of non-executive director is also not pensionable. Aggregate Directors' emoluments for the year ended 31 December 2014 amounted to £72,250 (plus applicable VAT and employers National Insurance Contributions). Aggregate emoluments for the year ended 31 December

2015 were £73,055 (plus applicable VAT and employers National Insurance Contributions).

- 3.6 Save for in respect of Peter Dicks, who is a director of a number of VCTs managed by the Manager, there are no potential conflicts of interest between the duties of any Director and their private interests and/or duties.
- 3.7 Other than disclosed in this paragraph 3, no Director is or has been interested in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company and which was effected by the Company in the years ended 31 December 2012, 2013 and 2014 or in the year to 31 December 2015 or the current financial year or which was effected in an earlier financial year and remains in any respect outstanding or unperformed.
- 3.8 No loan or guarantee has been granted or provided by the Company to or for the benefit of any of the Directors.
- 3.9 The Company has taken out directors' and officers' liability insurance for the benefit of its directors, which is renewable on an annual basis.
- 3.10 The Directors are currently or have been within the last five years, a member of the administrative, management or supervisory bodies or partners of the companies and partnerships as set out on pages 11 and 12.
- 3.11 No Director has any convictions in relation to fraudulent offences during the previous five years.
- 3.12 Save as disclosed in this paragraph, in the five years prior to the publication of this document, there were no bankruptcies, receiverships or liquidations of any companies or partnership where any of the Directors were acting as (i) a member of the administrative, management or supervisory body, (ii) a partner with unlimited liability, in the case of a limited partnership with a share capital, (iii) a founder where the company had been established for fewer than five years nor (iv) a senior manager during the previous five years:
 - (a) John Gregory was a director of 1855 Club plc which was voluntarily struck off the Register of Companies and dissolved in February 2011.
 - (b) Jocelin Harris is a director of Unipower Solutions Europe Limited which was placed into administration on 14 June 2011 and into liquidation on 31 October 2013.
- 3.13 There has been no official public incrimination and/or sanction of any Director by statutory or regulatory authorities (including designated professional bodies) and no Director has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company.

4. Management and administration

- 4.1 The Directors are responsible for the determination of the Company's investment policy and have overall responsibility for its affairs. The Directors also retain responsibility for approving both the valuations of the portfolio and the net asset value of the Company. The Directors have delegated investment decisions to the Manager (save for where conflicts of interest and/or regulatory requirements require the Directors to make investment decisions) pursuant to the agreement described at paragraph 5.1.1 below.
- 4.2 As is customary in the VCT sector, the Manager may retain for its own benefit and without liability to account to the Company, subject to full disclosure having been made to the Directors, arrangement fees which it receives in connection with any unquoted investment made by the Company. It may also receive all directors' fees charged to

investee companies. The total aggregate arrangement fees paid to the Manager pursuant to investments made by the Company during the year ended 31 December 2014 was £79,000 and £148,000 was paid to VCF Partners (an associate of Foresight Group LLP that supplies services to investee companies) by underlying portfolio companies in respect of investment director's fees. Costs incurred on investment proposals which do not proceed to completion will be the responsibility of the Manager.

- 4.3 All unquoted investments will be valued in accordance with IPEVC Valuation Guidelines under which investments are not normally re-valued above cost within twelve months of acquisition and thereafter at fair value. Any AIM or other quoted investment will be valued at the bid price of its shares as derived from the Daily Official List of the London Stock Exchange, in accordance with general accepted accounting practice. The Company's net asset value will be calculated quarterly and published on an appropriate regulatory information service. In the event of any suspension of listing valuations are held at the suspended price and the view is taken with consideration to best market practice and information from advisers. The Directors do not anticipate any circumstances arising under which the calculation of the net asset value may be suspended. Should the determination of the net asset value differ from that set out above then this will be communicated to investors in the Company through a Regulatory Information Service provider.
- 4.4 The Company has appointed the Manager to provide company secretarial, accountancy and custodian services. The services to be provided will include all necessary secretarial, bookkeeping, accounting and custodian services required in connection with the business and operation of the Company.
- 4.5 While under the "custodian services" referred to in paragraph 4.4 above, Foresight Fund Managers Limited has physical custody of documents of title relating to the Company's equity investments, the Company has and will continue to have custody of its own assets, in that:
- The Company's monetary assets will be held in bank accounts and/or money market accounts in the Company's own name which are operated by the Manager the Promoter; and
 - The Company's investments in both quoted and unquoted investments and the corresponding share certificates will also be held in the Company's own name by Foresight Fund Managers Limited.
- 4.6 A maximum of 75% of the Company's management expenses will be charged against capital with the balance to be met from income.
- 4.7 The members of the audit committee of the Company are Gordon Humphries (chairman), John Gregory, Peter Dicks. It is intended that Jocelin Harris will also shortly be appointed to the audit committee. The audit committee members are considered to have sufficient recent and relevant financial experience to discharge the role, and will meet at least twice a year, amongst other things to, consider the following:
- monitoring the integrity of the financial statements of the Company;
 - reviewing the Company's internal control & risk management systems;
 - making recommendations to the Board in relation to the appointment of the external auditor including reviewing and approving the audit plan;
 - reviewing and monitoring the external auditor's independence; and
 - implementing and reviewing the Company's policies on the engagement of the external auditor to supply non-audit services.
- 4.8 The members of the remuneration committee of the Company are Gordon Humphries (chairman), John Gregory and Peter Dicks. It is intended that Jocelin Harris will also

shortly be appointed to the remuneration committee. The remuneration committee members (who have responsibility for reviewing the remuneration of the Directors) will meet at least annually to consider the levels of remuneration of the Directors, specifically reflecting the time commitment and responsibilities of the role. Each committee will also undertake comparisons and reviews to ensure that the levels of remuneration paid are broadly in-line with industry standards. The remuneration committee also reviews the appointment and remuneration of the Manager. The members of the nomination committee of the Company are Gordon Humphries (chairman), John Gregory and Peter Dicks. It is intended that Jocelin Harris will also shortly be appointed to the nomination committee. The nomination committee meets annually to consider the composition and balance of skills, knowledge and experience of the Directors and would make nominations to the Directors in the event of a vacancy. New Directors are required to resign at the Annual General Meeting following appointment and then retire and seek re-election, if appropriate, after each year's service. There is no formal induction programme for Directors.

4.9 The Company has taken steps to enable its compliance with the UK Corporate Governance Code (the "**Code**"), save where this would not be appropriate for a venture capital trust where most day-to-day responsibilities delegated to a third parties and the Directors are all non-executive. The Company complies with the Code save as follows:

- Directors are not appointed for a specified term (in view of its non-executive nature and the requirements of the Articles that all Directors retire by rotation at the Annual General Meeting, the Board considers that it is not appropriate for the Directors to be appointed for a specific term as recommended by provision B.23 of the Code);
- In light of the responsibilities retained by the Board and its committees and of the responsibilities delegated to the Manager, Foresight Fund Managers Limited, the Company's VCT status monitoring agent and the Company Secretary, the Company has not appointed a chief executive officer, deputy chairman or a senior independent non-executive director and the provisions of the Code which relate to the division of responsibilities between a chairman and a chief executive officer are, accordingly, not applicable to the Company; and
- There is no formal induction programme for Directors as recommended by provision B.4.1 of the Code.

5 Material contracts

5.1 Set out below is a summary of all contracts (not being contracts entered into in the ordinary course of business) entered into by the Company in the last two years that are material and all other contracts (not being contracts entered into in the ordinary course of business) that contain any provision under which the Company has an obligation or entitlement which is material to the Company as at the date of the document.

5.1.1 An investment management agreement made on 21 June 2012 between the Company (1), the Manager (2) and Foresight Group LLP (3) pursuant to which the Manager manages the investments of the Company and also provides secretarial, administration and custodian services to the Company. The appointment may be terminated by not less than one year's notice in writing by either party. The appointment may also be terminated in circumstances of material breach by the Company or the Manager if the Manager is no longer authorised by the Guernsey Financial Services Commission to provide such services.

The Manager, has, as approved by the Board and permitted under the agreement, appointed Foresight Group LLP to provide investment advisory services to the

Manager for the purposes of fulfilment of the provision of investment management obligations to the Company under the agreement and has sub-contracted the provision of administration services to Foresight Group LLP. Foresight Group LLP has delegated the provision of administration services to Foresight Fund Managers Limited, which is also the appointed Company secretary. Foresight Fund Managers Limited is a wholly owned subsidiary of Foresight Group LLP, which is a subsidiary undertaking of the Manager. Foresight Group LLP is authorised and regulated in the UK by the FCA.

The Manager receives (A) 2% of the NAV attributable to the Ordinary Shares, (B) 1% of the NAV attributable to the Planned Exit Shares and (C) 1% of the NAV attributable to the Infrastructure Shares, plus an administration fee from the Company of £100,000 (recently increased as described at 5.1.8 below). Such fees are payable quarterly in arrears and for the year ended 31 December 2014 were £1.1 million.

The normal annual expenses of the Company under the original agreement are capped at an amount equivalent to 3.0% of the Company's net assets for the duration of the existence of the Infrastructure Shares fund and 3.3% thereafter with any excess over this amount is borne by the Manager. Pursuant to a variation of this agreement, this cap has now been reduced to 2.4%.

The agreement contains provisions indemnifying the Manager against any liability not due to its default, negligence, fraud or breach of financial services regulatory requirements.

- 5.1.2 A carried interest agreement between the Company (1) and the Manager (2) dated 28 January 2010 pursuant to which Foresight Group is entitled, once the holders of Planned Exit Shares have received 110p of distributions per Planned Exit Shares, to the next 15p of distributions per Planned Exit Share, and to 20% of all further distributions per Planned Exit Share. This entitlement can be satisfied at the discretion of the Board wholly or partly in cash and wholly or partly by the issue of a number of Planned Exit Shares which, on issue, will have an aggregate net asset value (using the most recently published net asset value per Planned Exit Share in the relevant Company) equal to the amount to be satisfied through the issue of such shares.
- 5.1.3 A carried interest agreement between the Company (1) and the Manager (2) dated 6 October 2011 pursuant to which the Manager will be entitled, once the holders of Infrastructure Shares have received 100p of distributions per Infrastructure Share, to an amount equal in value to 15% of distributions made to the holders of Infrastructure Shares. This entitlement can be satisfied at the discretion of the Board wholly or partly in cash and wholly or partly by the issue of a number of Infrastructure Shares which, on issue, will have an aggregate net asset value (using the most recently published net asset value per Infrastructure Share) equal to the amount to be satisfied through the issue of such shares.
- 5.1.4 A sponsor and promoter's agreement dated 31 October 2014 between the Company (1), the Directors (2) the Promoter (3) and BDO (4) whereby the Promoter has agreed to act as promoter in connection with the offer for subscription (the "2014 Offer") and BDO has agreed to act as sponsor. The agreement contains warranties given by the Company and the Directors to the Promoter and BDO. The Company will pay to the Promoter a promoter's fee of (i) 2.5% of the amount subscribed under the 2014 Offer by Execution-Only Investors, Professional Client Investors and Retail Client Investors and (ii) 5.5% of the amount subscribed under the Offer by Investors who apply through a financial intermediary (subject to a maximum aggregate payment of £1.1 million). The Company shall also be responsible for paying 0.5% per annum of the Net Asset Base Value of the Offer Shares to the Promoter until a cumulative maximum of 3% has been paid, from which the Promoter will pay annual trail commission to the independent financial intermediaries of Professional Client Investors and Execution-Only Investors.

- 5.1.5 A side letter dated 13 November 2015 from the Manager to the Company in relation to the management agreement referred to at paragraph 5.1.1 pursuant to which Foresight has agreed to make contributions to the costs of the Merger through one-time reductions in its management fees of £100,000 and £12,500 in respect of the Ordinary Shares fund and Planned Exit Shares fund respectively following the completion of the Merger.
- 5.1.6 A transfer agreement dated 18 December 2015 between the Company and Foresight 2 VCT plc (acting through its liquidators) ("**F2**") pursuant to which all of the assets and liabilities of F2 were transferred to the Company in consideration for the issue of the Shares in the capital of the Company to the shareholders of F2.
- 5.1.7 A deed of indemnity dated 18 December 2015 from the Company to the liquidators of F2 pursuant to which the Company indemnify the liquidators of F2 for expenses and costs incurred by them in connection with the Merger.
- 5.1.8 A deed of amendment dated 18 December 2015 to the management agreement described at 5.1.1 above documenting an increased annual fee of £110,000 (subject to increase in line with the retail price index, capped at no more than £130,000) payable to the Manager from the date of such agreement in respect of administration services to be provided to the Company.
- 5.1.9 A sponsor and promoter's agreement dated 18 January 2016 between the Company (1), the Directors (2) the Promoter (3) and BDO (4) whereby the Promoter has agreed to act as promoter in connection with the Offer and BDO has agreed to act as sponsor. The agreement contains warranties given by the Company and the Directors to the Promoter and BDO. The Company will pay to the Promoter a promoter's fee of (i) 2.5% of the amount subscribed under the Offer by Execution-Only Investors, Professional Client Investors and Retail Client Investors and (ii) 5.5% of the amount subscribed under the Offer by Investors who apply through a financial intermediary (subject to a maximum aggregate payment of £1.65 million unless the Offer is increased). The Company shall also be responsible for paying 0.5% per annum of the Net Asset Base Value of the Offer Shares (until a cumulative maximum of 3% has been paid) as annual trail commission to the financial intermediaries of Professional Client Investors and Execution-Only Investors.

6 Investment objective and policy

Investment objectives

Ordinary Shares

The investment objective of the Ordinary Shares fund is to provide private investors with attractive returns from a portfolio of investments in fast-growing unquoted companies in the United Kingdom. It is the intention to maximise tax-free income available to investors from a combination of dividends and interest received on investments and the distribution of capital gains arising from trade sales or flotation.

Planned Exit Shares

The investment objective of the Planned Exit Shares fund is to combine greater security of capital than is normal within a VCT with the enhancement of investor returns achievable through the VCT tax benefits – income tax relief of 30% of the amount invested, and tax-free distribution of income and capital gains. The key objective of the Planned Exit Fund is to distribute a minimum of 110p per share issued through a combination of tax-free income, buybacks and tender offers before the sixth anniversary of the closing date of the Planned Exit Share offer.

Infrastructure Shares

The investment objective of the Infrastructure Shares fund is to invest in companies which own and operate essential assets and services which enjoy long term contracts with strong counterparties or government concessions. To ensure VCT qualification, the Manager will focus on companies where the provision of services is the primary activity and which generates long-term contractual revenues, and thereby facilitating the payment of regular predictable dividends to investors.

Investment policy

The Company will target UK unquoted companies which it believes will achieve the objective of producing attractive returns for Shareholders.

Investment securities

The Company invests in a range of securities including, but not limited to, ordinary and preference shares, loan stocks, convertible securities, and fixed-interest securities as well as cash. Unquoted investments are usually structured as a combination of ordinary shares and loan stocks, while AIM investments are primarily held in ordinary shares. Pending investment in unquoted and AIM listed securities, cash is primarily held in a range of interest bearing money market accounts as well as a range of non-qualifying investments. Non Qualifying Investments may include holdings in money-market instruments, short-dated bonds, unit trusts, OEICs, structured products, guarantees to banks or third parties providing loans or other investment to investee companies and other assets where the Manager believes that the risk/return portfolio is consistent with the overall investment objectives of the portfolio.

UK companies

Investments are primarily made in companies which are substantially based in the UK, although many will trade overseas. The companies in which investments are made must satisfy a number of tests set out in Part 6 of the Income Tax Act 2007 to be classed as VCT qualifying holdings.

Asset mix

The Company aims to be significantly invested in growth businesses, subject always to the quality of investment opportunities and the timing of realisations. Any uninvested funds are held in cash, interest bearing securities and a range of non-qualifying investments. It is intended that the significant majority (no less than 70%) of any funds raised by the Company will ultimately be invested in VCT qualifying investments.

Risk diversification and maximum exposures

Risk is spread by investing in a number of different businesses within different industry sectors at different stages of development, using a mixture of securities. The maximum amount invested in any one company, guarantees to banks or third parties providing loans or other investment to such a company, is limited to 15% of the Company's investments by VCT Value at the time of investment.

Investment style

Investments are selected in the expectation that value will be enhanced by the application of private equity disciplines including an active management style for unquoted companies through the placement of an investor director on investee company boards.

Borrowing powers

The Company has a borrowing limit of an amount not exceeding an amount equal to the adjusted capital and reserves (being the aggregate of the amount paid up on the issued share capital of the Company and the amount standing to the credit of its reserves). Whilst the Company does not currently borrow, its policy allows it to do so.

Venture capital trust status

- 6.1 The Company's income is intended to be derived wholly or mainly from shares or other securities, as this phrase is interpreted by HM Revenue and Customs.
- 6.2 It is the intention of the Directors that the Company will pay dividends or make distributions from revenue profits and profits realised from the sale of investments.
- 6.3 The Company is subject to the investment restrictions relating to a Venture Capital Trust in the Tax Act, as more particularly detailed in Part 4 of the Securities Note, and in the Listing Rules which specify that (i) the Company must, at all times, invest and manage its assets in a way which is consistent with its object of spreading investment risk and in accordance with its published investment policy as set out in this paragraph 6; (ii) the Company must not conduct any trading activity which is significant in the context of its group as a whole; and (iii) the Company may not invest more than 10%, in aggregate, of the value of the total assets of the Company at the time an investment is made in other listed closed-ended investment funds. Any material change to the investment policy of the Company will require the approval of Shareholders pursuant to the Listing Rules. The Company intends to direct its affairs in respect of each of its accounting periods so as to qualify as a venture capital trust and accordingly:
 - (a) the Company will not control the companies in which it invests in such a way as to render them subsidiary undertakings;
 - (b) the Company will not make any investments in a single company or group which, at the time of investment, represent more than 15% by VCT Value of the Company's investments; and
 - (c) not more than 20% of the Company's gross assets will at any time be invested in the securities of property companies at the end of any financial year.
- 6.4 The Manager has and will have sufficient and satisfactory relevant experience in advising on investments of the size and type that the Company proposes to make. The Directors will ensure any additional or replacement investment advisers have and will have sufficient and satisfactory experience in advising on such investments.
- 6.5 In the event of a breach of the investment restrictions which apply to the Company as described in paragraph 6.3 above, Shareholders will be informed by means of the interim and/or the annual report or through a public announcement.
- 6.6 The Directors act and will continue to act independently of the Manager. No majority of the Directors will be directors or employees of, or former directors or employees of, or professional advisers to the Manager or any other company in the same group as the Manager.
- 6.7 The investment policy set out here, will, in the absence of unforeseen circumstances, be adhered to by the Company for at least three years following the date of close of the Offer. Any material change to the Company's investment policy in any event will only be made with the approval of the Shareholders of the Company by ordinary resolution.

7 Related party disclosures

- 7.1 The Promoter, Foresight Group LLP, is regarded as a related party insofar as it will receive fees of 2.5% or 5.5% (depending on the Investor) of the gross amount subscribed under the Offer for acting as promoter in connection with the Offer as described in paragraph 5.1.9 above.
- 7.2 In June 2014 and September 2015, in order to tidy up its portfolio, the Company sold certain assets of nil value to a related party, Foresight Solar LLP, for an aggregate consideration of less than £10 in both instances.
- 7.3 Save for the fees paid to Foresight Group CI Limited, Foresight Group LLP and Foresight Fund Managers Limited under the arrangements set out at paragraph 5.1 above, including those fees paid to Foresight Group LLP of £288,820 (2012), £352,000 (2013) and £79,000 (2014) and £96,168 (current year) in respect of promotion fees for fundraisings (out of which all costs and expenses relating to such fundraisings were paid) and the fees paid to the Directors as detailed in paragraph 3.5 above there were no related party transactions or fees paid by the Company during the years ended 31 December 2012, 2013 and 2014 or to the date of this document in the current financial year.
- 7.4 The transactions referred to in paragraphs 7.1 to 7.3 above are (or were) conducted on an arm's length basis. There are no other arrangements into which the Company has entered with a related party.

8 Overseas investors

- 8.1 No person receiving a copy of the Prospectus or accompanying application form in any territory other than the UK may treat it as constituting an offer or invitation to him to subscribe for or purchase Shares in the Company.
- 8.2 No action has been taken to permit the distribution of this document in any jurisdiction outside the United Kingdom where such action is required to be taken. All applicants under the Offer will be required to warrant that they are not a US person within the following definition:

"US person" means any person or entity defined as such in Rule 902(o) under the US Securities Act of 1933 and (without limiting the generality of the foregoing) includes a natural person resident in the US, a corporation or partnership organised or incorporated under the laws of the US (including any State thereof) and an estate or trust if any executor, administrator or trustee is a US person but shall not include a branch or agency of a US person located outside the US if such agency or branch operates for valid business reasons and is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located.

9 Taxation

The following paragraphs, which are intended as a general guide only and are based on current legislation and HM Revenue & Customs practice, summarise advice received by the Directors as to the position of shareholders who hold Shares other than for trading purposes. Anyone who is in any doubt as to their taxation position or is subject to taxation in any jurisdiction other than the United Kingdom should consult their professional advisers.

- 9.1 Taxation of dividends - under current law, no tax will be withheld by the Company when they pay a dividend.
- 9.2 Stamp duty and stamp duty reserve tax - the Company has been advised that no stamp duty or stamp duty reserve tax will be payable on the issue of the Shares. The Company has been advised that the transfer of Shares will, subject to any applicable exemptions,

be liable to ad valorem stamp duty at the rate of 0.5% of the consideration paid. An unconditional agreement to transfer such shares if not completed by a duly stamped stock transfer will be subject to stamp duty reserve tax generally at the rate of 0.5% (or part thereof) of the consideration paid.

- 9.3 Close company - the Directors believe that the Company is not, and expect that following completion of the Offer will not be, a close company within the meaning of the Tax Act. If the Company was a close company in any accounting period, approval as a Venture Capital Trust would be withdrawn.

10 Miscellaneous

- 10.1 Save for the completion of the Merger, pursuant to which the Company acquired the assets and liabilities of Foresight 2 VCT plc, having a net value of £42,106,529, in exchange for the issue of 50,101,076 consideration shares, there has been no significant change in the financial or trading position of the Company since 30 June 2015, the date to which the Company's latest unaudited interim financial statements have been published.
- 10.2 The Board believes that the Offer will result in a change to the Company, including an increase in its total earnings and in the net assets of an amount equivalent to the net proceeds received under the Offer, expected to be approximately £28.35 million, assuming full subscription, no increase to the amount of the Offer and offer costs of 5.5%.
- 10.3 Foresight Group LLP is the Promoter of the Offer and, save as disclosed in paragraph 5.1.6 above, no amount of cash, securities or benefits has been paid, issued or given to the promoter and none is intended to be paid, issued or given.
- 10.4 There have been no important events so far as the Directors are aware relating to the development of the Company or its business apart from the introduction of certain new rules governing VCT in the Finance Act (No 2) 2015 described in Part 4 of the Securities Note.
- 10.5 There are no governmental, legal or arbitration proceedings (including any such proceedings which are or were pending or threatened of which the Company is aware) during the period from the incorporation of the Company which may have or had in the recent past significant effects on the Company's financial position or profitability.
- 10.6 There have been no significant factors, whether governmental, economic, fiscal, monetary, political, including unusual or infrequent events or new developments nor any known trends, uncertainties, demands, commitments or events that are reasonably likely to have an effect on the Company's prospects or which have materially affected the Company's income from operations so far as the Directors are aware.
- 10.7 There are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for at least the current financial year, so far as the Directors are aware.
- 10.8 The issue costs payable by the Company under the Offer (including irrecoverable VAT and sales commissions) are estimated to be 5.5% of the funds subscribed (but excluding annual trail commission) in respect of the Offer Shares. The Manager has agreed to indemnify the Company in respect of any excess over 5.5% of the gross proceeds of the issue of Offer Shares. The net proceeds for the Company from the Offer, assuming full subscription from Professional Client Investors and/or Execution-Only Investors, will therefore amount to approximately £28.35 million.
- 10.9 The Company has paid dividends amounting to 182.1p per Ordinary Share (restated), 43.0p per Planned Exit Share and 7.5p per Infrastructure Share in the period from incorporation.

- 10.10 The Company's capital resources are restricted insofar as they may be used only in putting into effect the investment policies described in paragraph 6 above.
- 10.11 The Company does not have any major Shareholders and no Shareholders have different voting rights. To the best of the knowledge and belief of the Directors, the Company is not directly controlled by any other party and at the date of the Prospectus, there are no arrangements in place that may, at a subsequent date, result in a change of control of the Company.
- 10.12 The Company and its Shareholders are subject to the provisions of the Takeover Code and the CA 2006, which require shares to be acquired/transferred in certain circumstances.
- 10.13 The typical investor for whom investment in the Company is designed is a retail investor who is an individual higher rate tax payer aged 18 or over and who is resident in the United Kingdom.
- 10.14 The Manager is responsible for the determination and calculation of the Company's net asset value, which will be prepared quarterly for approval by the Directors.
- 10.15 KPMG LLP (a member of the Institute of Chartered Accountants in England and Wales) has been auditor to the Company since 29 May 2015. The previously appointed auditor was KPMG Audit plc.
- 10.16 The Manager and the Promoter have each given and not withdrawn their written consent to the issue of this document and to the inclusion herein of their names in the form and context in which they are included.

(B) ANALYSIS OF THE INVESTMENT PORTFOLIO

Set out below are the principal ten investments by value held by the Company as at the date of this document which are shown at the valuation included in the latest available financial statements of the Company, being the unaudited interim financial statements of the Company dated 30 June 2015, or, where an investment was acquired from F2 pursuant to the recent Merger, these are shown at the valuation taken from the unaudited interim report of F2 for the six month period ended 31 March 2015. Where both the Company and F2 held an investment in a company prior to the Merger, the amounts invested and most recent valuation have been aggregated. Together these represent 55.0% of the Company's investment portfolio by current valuation across all Share classes. The amount of uninvested cash and investments in money funds as at 19 December 2015, immediately following the completion of the Merger, was £17.9m (16.0% of the Company's net assets).

The investment and portfolio information in this section has been extracted from the Company's unaudited interim report for the 6 months to 30 June 2015 and the unaudited interim report of F2 for the six months ended 31 March 2015. In respect of the information on investee companies' sales, profits and losses and net assets, these have been taken from the latest financial year end accounts published (unless stated otherwise) by those investee companies as referred to. Together with the unaudited interim report of F2 for the six month period ended 31 March 2015, this is third party information ("Third Party Information"). As at the date of this document, there has been no material change in the valuations set out in this section since 30 June 2015 (or 31 March 2015 in respect of investments acquired from F2) save for Aerospace Tooling (which has reduced in value by £3.0m following difficult trading conditions) and Datapath (which has reduced in value following the payment of a dividend of £2.1m in December 2015). The Third Party Information has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The information set out below is representative of the Company's entire investment portfolio, including the Ordinary Share Fund, the Infrastructure Share Fund and the Planned Exit Share Fund.

Held in the Ordinary Shares fund

Datapath Group Limited <i>A UK manufacturer of PC-based multi-screen computer graphics cards and video capture hardware, specialising in video wall and data wall technology. Established in 1982, it has provided solutions for wide-ranging and varied applications including control rooms, financial dealing rooms, CCTV, distance learning, digital signage and business presentations.</i>		Year ended:	31 March 2015
Amount invested by F2	£73,250	Sales	£20,299,904
Valuation	£10,209,100	Profit before tax	£5,563,082
Equity/voting rights	12.9%		
Valuation methodology	Discounted price/earnings multiple	Net assets	£25,908,148
Percentage of investment portfolio	11.7%		

Held in the Infrastructure Shares fund

FS Pentre Limited (formerly Canterbury infrastructure 15 Limited) <i>A company which has an interest in the operation of the Pentre Solar Project, a 6MW ground mounted solar power project in Camarthenshire, South Wales.</i>		Year ended:	31 March 2014
Amount invested	£4,500,000*	Sales	-
Valuation	£4,502,925	Profit before tax	-
Equity/voting rights	99.99%	Net assets	£1,220,000
Valuation methodology	Discounted cash flow		
Percentage of investment portfolio	5.2%		

*Made up of investments by the Company or £2,250,000 and F2 of £2,250,000

Held in the Ordinary Shares fund

Blackstar Amplification Holdings Limited <i>Based in Northampton, Blackstar designs and manufactures guitar amplifiers and associated products for the UK and international instrument market. Blackstar has established a global brand on a catalogue of 50+ products, each of which has received industry acclaim.</i>		Year ended:	30 April 2015
Amount invested	£2,500,000	Sales	£8,631,000
Valuation	£4,395,632	Loss before tax	£(765,000)
Equity/voting rights	28.7%		
Valuation methodology	Discounted earnings	Net assets	£1,047,000
Percentage of investment portfolio	5.1%		

Held in the Ordinary Shares fund

TFC Europe Limited <i>One of Europe's leading technical based suppliers of fixing and fastening products. From seven sites in the UK and Germany, it supplies injection moulded technical fasteners and ring and spring products to customers across a wide range of industries, including aerospace, automotive, hydraulics and petrochemicals and works with some of the leading manufacturers of technical products such as Smalley® Steel Ring Company.</i>		Year ended:	31 March 2015
Amount invested by F2	£939,092	Sales	£20,278,000
Valuation	£4,334,144	Profit before tax	£1,525,000
Equity/voting rights	21.4%		
Valuation methodology	Discounted price/earnings multiple	Net assets	£4,713,000
Percentage of investment portfolio	5.0%		

Held in the Ordinary Shares fund

Criterion Healthcare Holdings Limited <i>Criterion Healthcare operates Bishop Auckland, a secondary PFI investment in an acute hospital project near Darlington with approximately 19 years remaining in the concession.</i>		Year ended:	30 April 2014
Amount invested	£3,418,148	Sales	£6,327,000
Valuation	£4,320,365	Profit before tax	£503,000
Equity/voting rights	20.00%	Retained profit	£449,000
Valuation methodology	Discounted cash flow	Net assets	£1,335,000
Percentage of investment portfolio	5.0%		

Held in the Ordinary Shares fund

Aerospace Tooling Corporation Limited <i>Based in Dundee, the company provides specialist repair and refurbishment servicing for components in high-specification aerospace and turbine engines. Specifically the company targets "legacy" components and engines that have ceased production, but are still in widespread use.</i>		Year ended:	30 June 2014
Amount invested	£150,000	Sales	£11,049,000
Valuation	£4,056,881	Profit before tax	£2,711,000
Equity/voting rights	23.0%		
Valuation methodology	Discounted earnings	Net assets	£4,442,000
Percentage of investment portfolio	4.7%		

Held in the Ordinary Shares fund

Autologic Diagnostics Group Limited <i>A company which develops and sells sophisticated automotive diagnostic software and hardware that enables independent mechanics, dealerships and garages to service and repair vehicles.</i>		Year ended:	31 December 2014
Amount invested	£4,058,299	Sales	£19,043,000
Valuation	£4,022,515	Loss for the period	(£2,346,000)
Equity/voting rights	8.6 %	Net liabilities	(£2,579,000)
Valuation methodology	Discounted earnings		
Percentage of investment portfolio	4.6%		

Held in the Infrastructure Shares fund

FS Tope Limited (formerly KRK Solar Limited) <i>KRK Solar operates a 3.3MW ground mounted solar project near Totnes in Devon.</i>		Year ended:	n/a (No accounts filed since investment)
Amount invested	£4,000,000	Sales	-
Valuation	£4,000,000	Profit before tax	-
Equity/voting rights	91.22%	Net assets	-
Valuation methodology	Cost		-
Percentage of investment portfolio	4.6%		

Held in the Infrastructure Shares fund

FS Hayford Farm Limited <i>FS Hayford Farm owns a 9.8MW ground mounted solar power project which earns revenues through a combination of Renewable Obligation Certificates and power sales.</i>		Year ended:	n/a (No accounts filed since investment)
Amount invested	£4,000,000	Sales	-
Valuation	£4,000,000	Profit before tax	-
Equity/voting rights	64.52%	Net assets	-
Valuation methodology	Cost		
Percentage of investment portfolio	4.6%		

Held in the Infrastructure Shares fund

FS Ford Farm Limited (formerly Rovinj Solar Limited) <i>A company which has a minority interest in the operation of the Ford Farm Solar Project, a 5.4MW ground mounted solar power project in Cornwall.</i>		Year ended:	n/a (No accounts filed since investment)
Amount invested	£4,000,000	Sales	-
Valuation	£4,000,000	Profit before tax	-
Equity/voting rights	66.66%	Net assets	-
Valuation methodology	Cost		
Percentage of investment portfolio	4.6%		

As at 19 December 2015, immediately following the Merger, the Company held investments in 30 other investee companies across a range of industries, representing in aggregate 45.0% of the Company investment portfolio.

(C) FINANCIAL INFORMATION

The Company has produced statutory accounts for the three financial years ended 31 December 2012, 2013 and 2014 (together, the “**Audited Financial Statements**”). KPMG Audit plc, Registered Auditor, of Saltire Court, 20 Castle Terrace, Edinburgh EH1 2EG have reported on the Audited Financial Statements without qualification and without statements under section 498(2) or (3) of the CA 2006. The Company has subsequently published interim financial statements for the 6 months to 30 June 2015 (the “**Interim Financial Statements**”).

The Audited Financial Statements and the Interim Financial Statements were prepared in accordance with UK generally accepted accounting practice (GAAP) and the fair value rules of the CA 2006.

The Company confirms that the annual financial statements of the Company for the years ended 31 December 2013 and 31 December 2014, which were prepared under UK GAAP, have been presented and prepared in a form which is consistent with that which will be adopted in the next annual financial statements to be published (which will be prepared under FRS 102) having regard to accounting standards, policies and legislation applicable to such annual financial statements, in so far as there are no material differences between the financial statements for this year prepared under these two accounting frameworks.

The Audited Financial Statements and the Interim Financial Statements include the information set out below on the pages specified in the tables below, which are being incorporated into the document by reference and can be accessed at www.foresightgroup.eu and are also available for inspection at the national storage mechanism accessed at www.hemscott.com/nsm.do.

The information in the Audited Financial Statements and the Interim Financial Statements not incorporated by reference is either covered elsewhere in this Prospectus or is not relevant for the purposes of prospective investors considering an investment in new Ordinary Shares to be issued pursuant to the Offer.

Where the Audited Financial Statements and the Interim Financial Statements make reference to other documents, such other documents are not incorporated into and do not form part of this Prospectus.

Description	2012 Annual Report	2013 Annual Report	2014 Annual Report	2015 Unaudited Interim Report
Balance Sheet	Page 38	Page 50	Page 51	Page 27
Income Statement (or equivalent)	Page 36	Page 48	Page 49	Page 26
Statement showing all changes in equity (or equivalent note)	Page 37	Page 49	Page 50	Page 27
Cash Flow Statement	Page 39	Page 51	Page 52	Page 28
Accounting Policies and Notes	Pages 40-56	Pages 52-69	Pages 53-69	Page 29-30
Auditor's Report	Page 35	Page 46-47	Pages 47-48	n/a

Such information also includes operating/financial reviews as follows:

Description	2012 Annual Report	2013 Annual Report	2014 Annual Report	2015 Unaudited Interim Report
Objective	Inside front cover	Page 7	Page 7	Page 1
Financial Highlights	Page 3	Page 1	Page 1	Page 2
Performance & Dividends	Page 3	Page 2	Page 2	Page pages 3-5
Portfolio Review	Pages 6-12	Pages 13-19	Pages 13-20	Pages 7-15
Valuation Policy	Page 5	Page 12	Page 12	N/A
Outlook	Page 5	Page 6	Page 6	Page 6
Investment Summary	Pages 13-21	Page 20-29	Page 21-30	Pages 16-22

This information has been prepared in a form consistent with that which will be adopted in the Company's next published annual financial statements having regard to accounting standards and policies and legislation applicable to those financial statements.

Certain financial information of the Company is also set out below:

	Year ended 31 December 2012	Year ended 31 December 2013	Year ended 31 December 2014	Period ended 30 June 2015
Investment income	£974,000	£1,225,000	£2,215,000	£759,000
Profit/(loss) on ordinary activities before taxation	£(778,000)	(£1,954,000)	£3,600,000	£(589,000)
Earnings per Ordinary Share	(5.1p)	(5.1p)	9.3p	(2.2p)
Earnings per Planned Exit Share	13.4p	(12.0p)	(9.4p)	2.5p
Earnings per Infrastructure Share	(1.2p)	(1.1p)	3.8p	2.3p
Dividends per Ordinary Share	7.5p	5.0p	10.0p	6.0p
Dividends per Planned Exit Share	5.0p	5.0p	7.5p	15.0p
Dividends per Infrastructure Share	0p	2.5p	2.5p	2.5p
Total assets	£52,309,000	£51,404,000	£63,455,000	£72,622,000
NAV per Ordinary Share	111.3p	101.0p	99.4p	91.7p
NAV per Planned Exit Share	100.0p	82.5p	65.0p	52.4p
NAV per Infrastructure Share	94.6p	91.5p	92.4p	92.0p

The unaudited NAV as at 17 December 2015 was 88.0p per Ordinary Share, 39.6p per Planned Exit Share and 92.3p per Infrastructure Share (these being the most recent published NAVs prior to the date of this document).

Foresight 2 VCT plc ("F2")

The Company merged with F2 on 18 December 2015. F2 has produced statutory accounts for the three financial years ended 30 September 2012, 2013 and 2014 (together, the "F2 Audited Financial Statements"). KPMG Audit plc, Registered Auditor, of Saltire Court, 20 Castle Terrace, Edinburgh EH1 2EG reported on the Audited Financial Statements produced in 2012 and 2013 and KPMG LLP, Registered Auditor, of 15 Canada Square, London E14 5GL reported on the F2 Audited Financial Statement produced in 2014 without qualification and without statements under section 498(2) or (3) of the CA 2006.

The F2 Audited Financial Statements were prepared in accordance with UK generally accepted accounting practice (GAAP) and the fair value rules of the CA 2006.

The F2 Audited Financial Statements include the information set out below on the pages specified in the tables below, which are being incorporated into the document by reference and can be accessed at www.foresightgroup.eu and are also available for inspection at the national storage mechanism accessed at www.hemscott.com/nsm.do

Where these documents make reference to other documents, such other documents are not incorporated into and do not form part of this Prospectus.

Description	2012 Annual Report	2013 Annual Report	2014 Annual Report	2015 Interim Report
Balance Sheet	Page 41	Page 50	Page 48	Page 25
Income Statement (or equivalent)	Page 39	Page 48	Page 46	Page 24
Statement showing all changes in equity (or equivalent note)	Page 40	Page 49	Page 47	Page 26
Cash Flow Statement	Page 42	Page 51	Page 49	Page 27
Accounting Policies and Notes	Page 43-60	Pages 52-67	Pages 50-65	Pages 28-30
Auditor's Report	Page 38	Page 46-47	Page 44-45	N/A

Such information also includes operating/financial reviews as follows:

Description	2012 Annual Report	2013 Annual Report	2014 Annual Report	2015 Interim Report
Objective	Cover	Page 4	Page 4	Page 1
Financial Highlights	Page 1	Page 1	Page 1	Page 2
Performance & Dividends	Page 2	Page 2	Page 2	Page 3
Portfolio Review	Page 4 -10	Page 10-17	Pages 10-16	Pages 6-12
Valuation Policy	Page 3	Page 8	Page 3	N/A
Outlook	Page 3	Page 3	Page 3	Page 5
Investment Summary	Pages 11-21	Pages 18-27	Pages 17-26	Pages 13-19

Certain financial information in respect of F2 is also set out below:

	Year ended 30 September 2012	Year ended 30 September 2013	Year ended 30 September 2014	Period ended 31 March 2015
Investment income	£514,000	£638,000	£977,000	£1,057,000
Profit/(loss) before taxation	£(7,081,000)	£(2,868,000)	£(8,274,000)	£1,217,000
Total Net Assets	£59,739,000	£56,292,000	£47,256,000	£47,384,000
“Ordinary Share Pool”				
Ordinary Share pool Net Assets	£18,171,000	£34,997,000	£27,596,000	£27,836,000
Dividends per Ordinary Share	0.5p	3.0p	-	-
NAV per Ordinary Share	87.9p	75.3p	59.4p	59.9p
“Planned Exit Share Pool”				
Planned Exit Share Pool Net Assets	£5,409,000	£5,815,000	£4,503,000	£4,396,000
Dividends per Planned Exit Share	5.0p	-	5.0p	7.5p
NAV per Planned Exit Share	87.5p	94.6p	73.7p	72.2p
“Infrastructure Share Pool”				
Infrastructure Share Pool Net Assets	£15,678,000	£15,480,000	£15,157,000	£15,152,000
Dividends per Infrastructure Share	-	-	2.5p	2.5p
NAV per Infrastructure Share	94.2p	93.0p	91.4p	91.5p

The unaudited NAV of the F2 Shares as at 17 December 2015 was 55.0p per F2 Ordinary Share, 36.0p per F2 Planned Exit Share and 89.0p per F2 Infrastructure Share (these being the most recent published NAVs prior the date of this document).

Effect of the Offer

As at 30 June 2015, the date to which the most recent unaudited interim financial statements have been published, the Company had net assets of £72,622,000. Following the completion of the Merger, the Company now has net assets of approximately £112 million, with £77.1 million attributable to the enlarged Ordinary Share class, based on the unaudited financial statements produced pursuant to the Merger. The Company is now seeking to raise up to £30 million through the Offer (unless increased at the discretion of the Directors) for which the associated expenses will be approximately 5.5% of the gross proceeds (and will be capped at this level), assuming offer costs of 5.5%. The impact of the Offer on the Company's earnings should be accretive to the extent, if any, that interest earned on the proceeds will exceed expenses. The assets of the Company will be increased by approximately 25% if the Offer is fully subscribed (assuming Offer costs of 5.5%).

PART THREE

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during usual business hours on any day (Saturdays, Sundays and public holidays being excepted) at the offices of Foresight VCT plc, The Shard, 32 London Bridge Street, London SE1 9SG whilst the Offer is open:

- the Memorandum and Articles of the Company;
- the material contracts referred to in paragraph 5 of Section (A) of Part Two;
- the annual accounts and reports of the Company for the financial periods ended 31 December 2013 and 2014;
- the unaudited interim financial report of the Company for the 6 months ended 30 June 2015;
- this Registration Document;
- the Securities Note;
- the Summary; and
- the letters of consent from the Manager and the Promoter.

18 January 2016

