



Foresight

FOR A SMARTER FUTURE

**THAMES VENTURES
VCT 1 PLC**

ORDINARY SHARES

PROSPECTUS

31 OCTOBER 2022

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 ("FSMA").

This document constitutes a prospectus dated 31 October 2022 (the "**Prospectus**") issued by Thames Ventures VCT 1 plc (formerly Downing ONE VCT plc) (the "**Company**"), prepared in accordance with Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**") (the "**UK Prospectus Regulation**"). The Prospectus has been approved by the United Kingdom Financial Conduct Authority (the "**FCA**") as competent authority for the purposes of the UK Prospectus Regulation, in accordance with the Prospectus Regulation Rules of the FCA made under section 73A of the Financial Services and Markets Act 2000 ("**FSMA**"). The FCA only approves the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of the Company or the quality of the securities that are the subject of the Prospectus and investors should make their own assessment as to the suitability of investing in these securities. The Prospectus has been drawn up as part of a simplified prospectus in accordance with Article 14 of UK Prospectus Regulation.

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 on pages 4 to 8 of this document. The Prospectus has been filed with the FCA in accordance with the UK Prospectus Regulation and you are advised to read it in full.

The Company and the Directors (whose names are set out on page 84) accept responsibility for the information contained in the Prospectus. To the best of the knowledge of the Company and the Directors, the information contained in the Prospectus is in accordance with the facts and makes no omission likely to affect its import.

The Existing Shares issued by the Company are listed on the Official List of the FCA and traded on the London Stock Exchange's market for listed securities. Application will be made to the FCA for all of the Offer Shares to be issued pursuant to the Offer to be listed on the Official List and will be made to the London Stock Exchange for the Offer Shares to be admitted to trading on its main market for listed securities. It is expected that Admission to the Official List will become effective and that dealings in the Offer Shares will commence three Business Days following allotment. The Offer Shares will rank pari passu with the Existing Shares from the date of issue.

Prospectus related to an Offer for Subscription by

Thames Ventures VCT 1 plc

Registered in England and Wales under company number 03150868

to raise up to £10 million (with an over-allotment facility of up to a further £10 million) by way of issues of Ordinary Shares of 1p each in the capital of the Company

SPARK Advisory Partners Limited ("**SPARK**"), which is authorised and regulated in the UK by the FCA, is acting as sponsor for the Company and no-one else and will not be responsible to any other person for providing the protections afforded to customers of SPARK or for providing advice (subject to those responsibilities and liabilities arising under the Financial Services and Markets Act 2000 ("**FSMA**") and the regulatory regime established thereunder).

In connection with the Offer, Foresight Group Promoter LLP ("**Promoter**"), which is an appointed representative of Foresight Group LLP and is registered with the FCA with firm reference 198020, is acting for the Company as the promoter of the Offer and no-one else and will not be responsible to anyone other than the Company for providing the protections afforded to customers of Foresight or for providing advice in relation to the Offer (subject to those responsibilities and liabilities arising under FSMA and the regulatory regime established thereunder). The Promoter is an appointed representative of Foresight Group LLP ("**Foresight**", the "**Investment Adviser**"), the investment adviser to the Company, which is authorised and regulated by the FCA with firm reference number 806061.

Copies of this document are available (and any supplementary prospectus published by the Company will be available) free of charge from the Company's registered office St. Magnus House, 3 Lower Thames Street, London EC3R 6HD, from the offices of Foresight Group LLP at The Shard, 32 London Bridge Street, London SE1 9SG; from the Foresight website at <https://www.foresightgroup.eu/products/thames-ventures-vct-1-plc> and from the offices of SPARK, the Company's sponsor, at 5 St John's Lane, London EC1M 4BH.

The procedure for, and the terms and conditions of, application under this Offer are set out at the end of this document. Applications must be submitted to the Receiving Agent, The City Partnership (UK) Limited. The Offer opens at 3.00 p.m. on 31 October 2022 and will close on 31 May 2023 (or earlier at the discretion of the directors or if Full Subscription is reached or later if extended).

Your attention is drawn to the risk factors set out on pages 9 to 11 of this document. An investment in the Company is only suitable for investors who are capable of evaluating the risks and merits of such an investment and who have sufficient resources to bear any loss which might arise. If you are in doubt as to the action you should take, you should consult an independent financial intermediary authorised under FSMA.

CONTENTS

SUMMARY	4
RISK FACTORS	9
EXPECTED TIMETABLE, STATISTICS AND COSTS	12
LETTER FROM THE CHAIRMAN OF THE COMPANY	14
PART ONE: THE OFFER	16
PART TWO: THE INVESTMENT ADVISER	26
PART THREE: TAXATION	36
PART FOUR: INVESTMENT PORTFOLIO OF THE COMPANY	40
PART FIVE: FINANCIAL INFORMATION	51
PART SIX: GENERAL INFORMATION ON THE COMPANY	53
PART SEVEN: DEFINITIONS	67
PART EIGHT: ADDITIONAL INFORMATION	70
PART NINE: TERMS AND CONDITIONS OF APPLICATION	73
APPLICATION PROCEDURES	77
ANNEX I: TERMS AND CONDITIONS OF THE DIVIDEND REINVESTMENT SCHEME	79
DIRECTORS AND ADVISERS	84

SUMMARY

SECTION 1: INTRODUCTION

This summary forms part of a prospectus dated 31 October 2022 (the “**Prospectus**”) issued by Thames Ventures VCT 1 plc and which has been approved, on that date, by the Financial Conduct Authority (the “**FCA**”), the competent authority for the United Kingdom under Part IV of the Financial Services and Markets Act 2000.

The Prospectus describes a public offer by the Company to raise up to £10 million (with an over-allotment facility for up to a further £10 million). The securities being offered pursuant to the Offer are Ordinary Shares of 1 penny each (“**Offer Shares**”) (ISIN: GBO0BFRSVQ41).

The FCA may be contacted at:
Financial Conduct Authority
12 Endeavour Square
London E20 1JN

The Company's contact details are:

<i>Address</i>	6th Floor, St Magnus House, 3 Lower Thames Street, London EC3R 6HD
<i>Email</i>	investorrelations@foresightgroup.eu
<i>Website</i>	https://www.foresightgroup.eu/products/thames-ventures-vct-1-plc
<i>Telephone</i>	020 3667 8181
<i>LEI</i>	213800R88MRC4Y3OIW86

Warning: This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities described herein should be based on a consideration of the prospectus as a whole by the investor. Investors could lose all or part of the invested capital. Where a claim relating to the information contained in a prospectus is brought before a court, the claimant investor might, under national law, have to bear the costs of translating the prospectus before the legal proceedings are initiated. Civil liability attaches to those persons who have tabled the Summary including any translation thereof, but only if the Summary is misleading, inaccurate or inconsistent when read together with other parts of the Prospectus or it does not provide, when read together with other parts of the Prospectus, key information in order to aid Investors when considering whether to invest in the Offer Shares.

SECTION 2: KEY INFORMATION ON THE ISSUER

Who is the issuer of the securities?

The issuer of the securities which are the subject of this Prospectus is Thames Ventures VCT 1 plc (the “**Company**”).

The Company is a public limited liability company which is registered in England and Wales with registered number 03150868. Its Legal Entity Identifier is: 213800R88MRC4Y3OIW86. The Company is approved by HMRC as a venture capital trust (VCT) in accordance with the VCT Rules. It is intended that the business of the Company be carried on so as to maintain its VCT status.

The Company has no parent company and is owned by individuals, none of whom owns more than 3% of its ordinary share capital. The Company has no subsidiaries. The Company has four non-executive directors - Chris Kay (Chairman), Chris Allner, Barry Dean and Stuart Goldsmith.

The Company's auditors are BDO LLP of 55 Baker Street, London W1U 7EU.

What is the key financial information regarding the Issuer?

Certain key historical information of the Company is set out below:

	Audited as at/ year ended 31 March 2022 (£'000)	Audited as at/ year ended 31 March 2021 (£'000)	Audited as at/ year ended 31 March 2020 (£'000)
Net assets	109,473	101,353	88,742
Number of Shares in issue	177,567,399	161,094,068	143,984,140
Net asset value per Share	61.6p	58.2p	57.6p
Dividends paid per Share in respect of the period	3p	2.5p	4.0p

Income statement

	Audited year ended 31 March 2022 (£'000)	Audited year ended 31 March 2021 (£'000)	Audited year ended 31 March 2020 (£'000)
Income	4,584	1,333	2,218
Gains/(losses) on investments	8,619	7,402	(21,094)
Investment management fees	(2,102)	(1,634)	(1,940)
Other expenses	(705)	(900)	(3,000)
Return/(loss) on ordinary activities after tax	10,396	6,201	(23,816)
Return/(loss) per Share (pence)	5.9	4	(17.7)

Balance Sheet

	Audited as at 31 March 2022 (£'000)	Audited as at 31 March 2021 (£'000)	Audited as at 31 March 2020 (£'000)
Fixed assets			
Investments	85,954	89,157	63,590
Current assets			
Debtors	3,300	2,001	1,944
Cash at bank and in hand	20,856	10,738	23,471
Creditors: amounts falling due within one year	(637)	(543)	(263)
Net current assets	23,519	12,196	25,152
Net assets	109,473	101,353	88,742
Capital and reserves			
Called up share capital	1,776	1,611	1,440
Capital redemption reserve	1,697	1,649	1,615
Share premium account	79,035	66,430	54,703
Funds held in respect of shares not yet allotted	78	7,545	5,775
Special reserve	16,328	20,238	34,587
Revaluation reserve	11,303	6,409	(8,504)
Revenue reserve	(744)	(2,529)	(874)
Total equity shareholders' funds	109,473	101,353	88,742
Basic and diluted net asset value per share	61.6p	58.2p	57.6p

Cash Flow Statement

	Audited year ended 31 March 2022 (£'000)	Audited year ended 31 March 2021 (£'000)	Audited year ended 31 March 2020 (£'000)
Cash flow from operating activities			
(Loss)/profit on ordinary activities after taxation	10,396	6,201	(23,816)
Loss/(gains) on investments	(8,619)	(7,402)	21,094
(Increase)/decrease in debtors	(1,298)	(57)	1,284
(Decrease)/increase in creditors	72	25	(28)
Net cash from operating activities	551	(1,233)	(1,466)
Cash flow from investing activities			
Purchase of investments	(4,619)	(21,403)	(11,197)
Proceeds from disposals	16,441	3,238	10,997
Net cash (outflow)/inflow from investing activities	11,822	(18,165)	(200)
Cash flows from financing activities			
Proceeds from share issue	12,121	11,933	9,312
Funds held in respect of shares not yet allotted	(7,467)	1,770	5,661
Share issue costs	(360)	(286)	(151)
Purchase of own shares	(2,791)	(1,612)	(1,382)
Equity dividends paid	(3,758)	(5,140)	(5,525)
Net cash (outflow)/inflow from financing activities	(2,255)	6,665	7,915
(Decrease)/increase in cash	10,118	(12,733)	6,249
Net movement in cash			
Beginning of year	10,738	23,471	17,222
Net cash (outflow)/inflow	10,118	(12,733)	6,249
End of Year	20,856	10,738	23,471

The Company's shareholders passed a resolution to approve the payment of a dividend of 1.75p per Share, totalling approximately £3.1 million, at the AGM which took place on 15 August 2022.

Other than as noted above, there has been no significant change in the financial position or financial performance of the Company since the end of the last financial period for which financial information has been published to the date of this Prospectus (being the audited financial information to 31 March 2022).

What are the key risks that are specific to the Issuer?

- There can be no assurances that the Company will meet its objectives, identify suitable investment opportunities or be able to diversify its portfolio. The past performance of Downing and Foresight and other funds managed or advised by Downing and/or Foresight is no guide to future performance and the value of an investment. The Shares may fall as well as rise and an investor may not receive back the full amount invested.
- There can be no guarantee that the Company will retain its status as a VCT, the loss of which could lead to adverse tax consequences for investors, including a requirement to repay the 30% income tax relief.
- The tax rules, or their interpretation, in relation to an investment in the Company and/or the rates of tax may change during the life of the Company and may apply retrospectively which could affect tax reliefs obtained by Shareholders and the VCT status of the Company.

- Investments made by the Company will be in companies which have a higher risk profile than larger “blue chip” companies and whose securities are not readily marketable and therefore may be difficult to realise.
- Although the Company may receive customary venture capital rights in connection with its investments, as a minority investor it may not be in a position to protect its interests fully.

SECTION 3: KEY INFORMATION ON THE SECURITIES

What are the main features of the securities?

The securities being offered pursuant to the Offer are Ordinary Shares of 1 penny each (ISIN: GB00BFRSVQ41). The Offer Shares will be created pursuant to resolutions passed at the annual general meeting of the Company held on 15 August 2022.

The Offer Shares will rank equally in all respects with each other and with the existing Ordinary Shares. Shareholders will be entitled to receive certificates in respect of their Offer Shares and will also be eligible for electronic settlement.

The Offer Shares will be listed on the premium segment of the Official List and, as a result, will be freely transferable.

Where will the securities be traded?

Applications will be made to the FCA for the Ordinary Shares offered for subscription pursuant to the Prospectus to be admitted to the premium segment of the Official List of the FCA. Application will also be made to the London Stock Exchange for the 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.

Is there a guarantee attached to the securities?

There is no guarantee attached to the Offer Shares.

What are the key risks that are specific to the securities?

- If a qualifying investor disposes of his or her shares within five years of issue, he or she will be subject to clawback by HMRC of any income tax reliefs originally claimed.
- Although the Company’s existing Ordinary Shares have been (and it is anticipated that the Offer Shares will be) admitted to the Official List of the FCA and to trading on the London Stock exchange’s market for listed securities, there may not be a liquid market and investors may find it difficult to realise their investments or do so at a price which fully reflects the net asset value per share of the Company.

SECTION 4: KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC

Under which conditions and timetable can I invest in this security?

The Offer opens on 31 October 2022 and will close on 31 May 2023 (or earlier at the discretion of the directors or if full subscription is reached or later if extended). Investors must be over 18 years old.

Application has been made to the FCA for the Offer Shares to be admitted to the Official List of the FCA. Application will also be made to the London Stock Exchange for such Offer Shares to be admitted to trading on its 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 number of Shares to be issued to each Applicant will be calculated based on the following Pricing Formula (rounded down to the nearest whole Share):

$$\text{Number of Offer Shares} = \left[\begin{array}{l} \text{Amount subscribed, less:} \\ \text{(i) initial Promotor's Fee and} \\ \text{(ii) Initial Adviser Charge (if any)} \end{array} \right] \div \left[\begin{array}{l} \text{Latest published} \\ \text{NAV per} \\ \text{Offer Share} \end{array} \right]$$

The estimated expenses of the Offer will be 5.5% of the funds raised (assuming investment solely by investors who are not advised and where no Promoter's Fee waiver is applicable). If the Offer is fully subscribed (ignoring the over-allotment facility) the net proceeds of the Offer in those circumstances would be approximately £9.45 million.

An existing holder of Ordinary Shares who does not subscribe for Offer Shares pursuant to the Offer would experience no dilution in terms of NAV per share (as the assets of the Company will be increased by the proceeds of the Offer and the upfront costs of the Offer are borne by subscribers) but will experience dilution in terms of voting. The Company will pay an annual fee of 0.5% of the net asset value of the New Shares to the Promoter who will be responsible for paying trail commission to eligible intermediaries. This is not borne by subscribers through the application of the above Pricing Formula. All other incidental costs of the Offer will be borne by the Promoter from its fee.

The Offer is not underwritten.

Why is this prospectus being produced?

The Offer is being made, and its proceeds will be used, to raise additional funds raised under the Offer to be invested in accordance with the Company's investment policy. The Company is a generalist VCT. It is intended that the funds raised under the Offer will, no later than three years following the end of the accounting period in which those shares are issued, be invested as to at least 80% in VCT qualifying companies with 30% of such funds so invested within the first 12 months. It is intended that the remainder of such funds raised will be held in cash or other permitted non-qualifying investments.

RISK FACTORS

Although the tax benefits available to investors in Ordinary 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 related to the Company, as opposed specifically to the Ordinary Shares, are set out in the Registration Document.

If any of the risks described below were to occur, 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 Ordinary Shares 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 Ordinary Shares could decline due to any of these risk factors, and investors could lose part or all of their investment. Investors who are in doubt should consult their independent financial adviser authorised under FSMA.

GENERAL INVESTMENT RISKS

- The value of the Ordinary Shares and the income from them can fluctuate and investors may not get back the amount they invested. In addition, there is no certainty that the market price of the Ordinary Shares will fully reflect their underlying net asset value or that Ordinary Shareholders will be able to realise their shareholding. Investment in the Company should be seen as a long-term investment.
- There can be no guarantee that dividends will be paid in respect of the Ordinary Shares. If dividends are paid in respect of the Ordinary Shares, the timing of such payments and the amount of the dividends cannot be guaranteed, particularly as the Company's portfolio becomes increasingly weighted towards growth investments which rarely pay regular dividends and where returns to the Company are generated primarily by more irregular realisations.
- The past performance of the Company and other Foresight Funds is not a reliable indication of the future performance of the Ordinary Shares class.
- The net asset value of the Ordinary Shares and the return received by investors will be dependent on the values and performance of the underlying investments in Ordinary Shares fund portfolio. The value of the investments and income derived from them can rise and fall. The valuation of AIM-quoted investments may be influenced by the general performance of the AIM market, in addition to the performance of the underlying companies. It should be noted that the Company has particular exposure to the technology sector which has seen significant falling valuations during 2022. While this can afford opportunities for investors such as the Company to make new investments at attractive valuations, there is also the risk that, in the event this trend continues, the Company's own portfolio may fall in value.
- The Investee Companies will be small, unquoted companies and companies quoted on AIM and/or the AQSE Growth Market. Realisation of investments in smaller companies can be difficult and may take considerable time. Proper information for determining their value or the risks to which they are exposed may also not be available. Investment in such companies by its nature is illiquid and uncertain and consequently involves a higher degree of risk than a portfolio of shares of larger companies quoted on regulated stock exchanges.
- The level of returns from investments may be less than expected if there is delay in the investment programme, such that all or part of the net proceeds of the Offer are held in cash or near cash investments for longer than expected, or if the returns obtained on investments are less than planned, or if investments cannot be realised at the expected time and values. There can be no guarantee that suitable investment opportunities will be identified in order to meet the Company's objectives.
- The performance of the Ordinary Shares class is dependent on the ability of the Manager to identify appropriate Investee Companies and on the ability of the Investee Companies to perform in line with their respective business plans. Early-stage businesses will be dependent on the skills of a small group of individuals, the loss of any of which may be particularly detrimental to those companies. Moreover, products and technologies developed by Investee Companies may prove not to be commercially or technically successful. While investments in these companies may

present greater opportunities for growth, such investments may also entail greater risks than are customarily associated with investments in large companies. Commensurate with the nature of venture capital investing it should be expected that some companies, and the investments in those companies, may fail.

- Although it is anticipated that the Offer Shares will be admitted to the Official List of the FCA and traded on the London Stock Exchange's main market for listed securities, it is likely that there will not be a liquid market as there is a limited secondary market for VCT shares, due in part to the holding period required to maintain up-front income tax reliefs, and investors may find it difficult to realise their investments.
- Where more than one Foresight Fund wishes to participate in an investment opportunity, allocations will generally be made in proportion to the cash available to each fund, other than where investments are proposed to be made in a company where one or more Foresight Fund has a pre-existing investment where the incumbent investor will have priority. Implementation of this policy will also be subject to the availability of monies in each Foresight Fund to make the investment and other portfolio considerations such as portfolio diversity and regulatory or legislative requirements with respect to the Company's portfolio of Qualifying Companies. This might mean that the Ordinary Shares class could receive a greater or lesser allocation, for instance when co-investing with another Foresight Fund, than would otherwise be the case.
- Economic and global political uncertainty, including the continuing impact of the war in Ukraine, the energy crisis and potential low levels of economic growth relating to the falling pound, rising interest rates and inflation, continue to present significant challenges and are adversely affecting, and may continue to adversely affect, the performance of companies in which the Company has invested or may invest, which in turn may adversely affect the performance of the Company. This may also negatively impact the number or quality of investment opportunities available to the Company and prices that may be achieved on exit. It is possible that currently unknown and unanticipated events, either domestic or international, may occur and have a negative effect on economic activity and adversely affect the future viability of the Company and/or the performance of companies in which the Company has invested or may invest which in turn may adversely affect the performance of the Company.

VCT AND TAXATION RISKS

- If an investor who subscribes for Ordinary Shares disposes of those Ordinary Shares within five years, the investor is likely to be subject to clawback by HM Revenue & Customs of any income tax relief originally obtained on subscription.
- Changes to the VCT Rules in respect of investments made on or after 15 March 2018 have meant that VCTs may only invest in companies which pass a "risk to capital" gateway test requiring the investee company to have long term growth and development objectives and for the investment to carry a significant risk that invested capital will be lost over and above the net return to the Company irrespective of whether the return takes the form of income, capital growth, fees, other payments or anything else. This new test inherently increases the risk profile of companies in which the Company can invest going forward and stands in contrast to those in which the Company has historically invested, many of which may not have passed this gateway test due to their ownership of significant assets or their enjoyment of secured income streams.
- Further recent changes to the VCT Rules have prohibited the making of secured loans by VCTs. Future loan capital held by the Company will therefore be unsecured and will rank behind secured creditors of the investee company in question. As loan capital investments by a VCT are separately restricted to a maximum of 30% of any new investment, and Investee Companies which meet the above noted "risk to capital" test tend not to be able to provide significant assets against which to secure loans in any case, the Board do not consider that this restriction further materially increases the risk profile of new investments made by the Company.
- Venture capital trusts are now required to invest 30% of new funds raised within 12 months of the end of the accounting period in which they were raised. While the Company and the Manager believe this investment time horizon is achievable based on the Manager's existing pipeline of investment opportunities without impacting the quality of potential investments, this added pressure on the Company to complete investments in a timely fashion could result in the less attractive investments being prioritised in order to meet the statutory requirement.

- The Finance (No.2) Act 2015 introduced changes to the VCT Rules which have placed greater restrictions on the range of investments into which the Company can deploy funds. As a result, the Company is required to invest in businesses which are less than seven years old (less than ten years for 'knowledge intensive' companies) and VCT funds cannot be used to finance acquisitions by investee companies. The penalty for breaching these new rules is the loss of VCT status, so the Company and its investors may face a higher risk of the loss of tax benefits than under the previous rules. Qualifying investee companies are also now subject to a lifetime risk finance investment limit of £12 million (£20 million for 'knowledge intensive' companies), which may restrict the Company's ability to make follow on investments.
- The Finance Act 2014 amended the VCT Rules, such that VCT status will be withdrawn if, in respect of shares issued on or after 6 April 2014, a dividend is paid (or other forms of distribution or payments are made to investors) from the capital received by the VCT from that issue within three years of the end of the accounting period in which shares were issued to investors. This may reduce the amount of distributable reserves available to the Company to fund dividends and share buybacks.
- Current UK legislation does not automatically provide for income tax relief for investors on new investments in VCTs to extend beyond 5 April 2025 (sometimes known as the "VCT Sunset Clause"). The current UK Government has recently announced its intention to extend the VCT scheme beyond 2025, however, should the amendments to the legislation to allow income tax relief for investors after that date not be made for any reason, the ability of the Company to raise further funds after that date may be severely negatively impacted and the Company may suffer constraints on liquidity which may impact its ability to support portfolio companies, pay dividends and support share buybacks.
- 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.

EXPECTED TIMETABLE, STATISTICS AND COSTS

INDICATIVE OFFER TIMETABLE

Offer opens	31 October 2022
Closing Date, tax year 2022/23	5 April 2023
Closing Date, tax year 2023/24	31 May 2023 ¹
Allotments	Monthly ²
Effective date for the listing allowing allotment of the Offer Shares and commencement of dealings	Three Business Days following allotment
Share certificates dispatched	Within ten Business Days of allotment

¹ The Offer will close earlier than the date stated above if it is fully subscribed or otherwise closed early or extended, to no later than 28 October 2023, at the Directors' discretion.

² Or otherwise at the discretion of the Board.

OFFER STATISTICS

Most recent NAV per Share (as at 31 August 2022)	58.9p
Maximum number of Shares in issue following the Offer ¹	approximately 196 million
Estimated net proceeds of the Offer, after issue costs, at full subscription ²	£9,450,000

¹ Based on an aggregate amount subscribed for Shares of £10 million; number is approximate due to the operation of the Pricing Formula.

² Based on an aggregate amount subscribed for Shares of £10 million less approximate expenses of the Offer of 5.5%.

OFFER COSTS

Investors with an agreed Adviser Charge

Promoter's Fee ¹	2.5%
<i>Initial Adviser Charges</i>	Variable
Such charges as are agreed between each investor and their authorised financial intermediary	

Note: Initial adviser charges may be facilitated up to a maximum of 4.5% of the amount subscribed and ongoing adviser charges will not be facilitated by the Company.

Commission-Eligible Investors

Promoter's Fee ¹	2.5%
Initial commission to Intermediaries ²	3.0%
Annual commission to Intermediaries ³	0.5%

Direct Investors

Promoter's Fee ¹	5.5%
-----------------------------	------

¹ The Promoter's Fee may be reduced at the sole discretion of the Promoter and will be reduced by any applicable discounts.

² Only payable where permissible under FCA Rules and may be waived for additional shares.

³ Only payable where permissible under FCA Rules. Calculated by reference to net asset base value and subject to a cumulative maximum of 3.0%.

The Promoter's Fee (and applicable initial commission and adviser charges) will be expressed as a percentage of the Net Asset Value per Ordinary Share and included in the Pricing Formula to determine the number of Ordinary Shares to be allotted in each case. Annual commission will be paid by the Company and not taken into account when applying the Pricing Formula.

DISCOUNTS¹

Promoter's Fee waiver for existing investors in Foresight VCTs (including the Company and Thames Ventures VCT 2 plc)

The Promoter will waive its fee entirely in respect of applications by existing Shareholders in the Company itself and in any of the following funds: Thames Ventures VCT 2 plc, Foresight VCT plc, Foresight Enterprise VCT plc and Foresight Solar & Technology VCT plc.

Accordingly, investors who are already invested in one or more of the above funds will be able to participate in the Offer at no additional cost to NAV other than any charges they agree with their own advisers (or applicable commission in rare cases).

Early Applications

Investors who do not already benefit from the Promoter's fee waiver for existing investors in the VCTs named above, and who submit valid Application Forms that are received and accepted by 3.00 p.m. on 31 December 2022 will benefit from the offer costs being reduced by 1.0% of the amount subscribed under the Offer.

Where such Investors submit valid Application Forms that are received and accepted between 1 January 2023 and 3.00 p.m. on 15 February 2023 will benefit from their offer costs being reduced by 0.5% of the amount subscribed under the Offer.

These reduced offer costs will be met by the Promoter through an equivalent reduction in its Promoter's Fee.

¹ Expressed as a percentage of an Investor's subscription.

LETTER FROM THE CHAIRMAN OF THE COMPANY



31 October 2022

Dear Investor

Thames Ventures VCT 1 plc is the new name for Downing ONE VCT plc following the transfer of the management of the Company to Foresight Group LLP ("**Foresight**") which took place earlier this year.

I am now pleased to present a new Offer for Subscription for the Company's Ordinary Shares for the new VCT fundraising season.

Background to Thames Ventures VCT 1 plc

The Company was created by a merger of six VCTs managed by Downing LLP in November 2013.

In June 2022, it was announced that Downing LLP ("**Downing**"), the Company's then investment adviser and administrator, had agreed to sell its non-healthcare ventures division to Foresight Group LLP ("**Foresight**"). As part of this transaction, the Board has consented to a novation of the investment advisory agreement from Downing to Foresight. The whole of Downing's ventures team, including support staff, moved to Foresight when the deal completed on 4 July 2022.

The Company's name was changed to Thames Ventures VCT 1 plc on 2 September 2022.

Downing will continue to provide investment advisory services to Foresight in respect of the Company's non-venture portfolio of investments, being the quoted growth and yield-focused investments, as well as administration services, for a transitional period.

As part of the above arrangements, Downing has agreed with the Board to waive the investment advisory fee for the quarter ended June 2022, equivalent to approximately £548,000.

The Company currently has net assets of approximately £106 million as at 31 August 2022. The most recent unaudited net asset value per share ("**NAV**") was 58.9p as at 31 August 2022.

New Offer for Subscription

The Board is now pleased to announce the launch of a new offer for subscription, contained in this Prospectus (the "**Offer**"), to provide additional funds to allow the Company to take advantage of new investment opportunities and, where there is a strong investment case and VCT rules permit, to provide further capital to existing portfolio companies.

As a further benefit of the above arrangements, Foresight has also agreed to entirely waive its promoter's fee in respect of this Offer for any existing Shareholders of the Company, as well as for existing investors in other Foresight VCTs.

A New Manager in Foresight Group LLP

Foresight is a well-respected fund manager, and the Board believes that Foresight's recent appointment will be in the best interests of Shareholders who will benefit from the substantial resources of Foresight, as well as the continued availability of the key investment executives from Downing.

Further details on Foresight Group LLP's history, track record and investment approach are set out in Part Two of this Prospectus.

Key Elements of the Offer

- **Dividend Reinvestment Scheme:** dividends can be paid directly to investors' bank accounts or can be automatically reinvested into the Company through the purchase of additional shares. By reinvesting dividends, investors are able to accelerate the capital growth of their investment and receive an additional 30% income tax relief on their reinvestment amount (provided that amount has been paid in tax), on total VCT investments of up to £200,000 per tax year.
- **Running costs capped:** the Company's annual running costs are capped by the Investment Adviser at 2.6% of net assets per annum. This is one of the lowest running costs caps in place in the VCT market.

- **Diversified portfolio:** the Company currently holds investments in around 90 businesses which are in various stages of maturity and across a broad range of sectors. Investors will acquire immediate exposure to these holdings, which should diversify risk and provide the potential for earlier realisations than some newly launched VCTs or share pools.
- **Investment strategy:** In the coming months we plan on continuing the exit or sale process as regards the yield focussed portion of the portfolio which has underperformed historically. New funds will be invested in new high growth potential companies and growth opportunities within the existing portfolio.

Key differentiators to the Company's investment strategy under Foresight can be summarised as follows:

- In addition to UK-wide coverage, Foresight's well-established network of international introducers gives the Company potential access to best-in-class technology companies from the world's leading technology hubs, predominantly in Silicon Valley, USA. This can unlock opportunities to invest in businesses that are at the cutting edge of technology with high growth potential as they expand into the UK and become eligible for VCT investment.
- Foresight's substantial network of top tier venture capital partners provide co-investment opportunities alongside leading names in venture capital including Founders Fund and Andreessen Horowitz, who both made the top 10 of the Midas List, The World's Best Venture Capital Investors in 2022. Foresight's international venture partners can help unlock investment opportunities typically reserved for these much larger institutional investors.
- The investment team who have joined Foresight from Downing, and retain primary responsibility for the Company's portfolio, have a successful investment track record in the technology sector having backed a number of technology companies which have gone on to be multi-billion-dollar businesses. They join a large and well-resourced Foresight private equity team with significant collective experience.
- **Share buyback policy:** the Company's policy is to buy back its own Shares in the market at a discount of 5% to its latest published Net Asset Value, subject to liquidity, market conditions and applicable rules and regulations, so investors may be able to realise their shareholding if required.

If you wish to invest, please read this Prospectus and follow the instructions to apply for shares set out on Foresight's website at <https://www.foresightgroup.eu/products/thames-ventures-vct-1-plc>.

If you have any questions regarding an investment in the Company, you should contact your financial intermediary. For questions relating to an application or the process for investing, please contact Foresight by telephone on 020 3667 8199 or by email to sales@foresightgroup.eu.

Investors should note that no investment advice can be given by Foresight and your attention is drawn to the risk factors set out on pages 9 to 11 of this document.

Yours sincerely

Chris Kay

Chairman

PART ONE: THE OFFER

The Company now has net assets of approximately £106 million as at 31 August 2022 and an existing portfolio of around 90 companies. The Company has a Board comprising four Directors who between them have substantial number of years' experience in the VCT, private equity and venture capital sectors.

The Directors believe that the availability of further funds will allow the Company to take advantage of new investment opportunities and provide support for existing portfolio companies.

THE INVESTMENT OPPORTUNITY

Some key features of the Company's offering are set out below:

1. Low running costs

The annual running costs for the shareholders of a larger VCT are usually lower as the VCT's fixed costs are spread over a larger asset base. Additionally, the Company's annual running costs are capped at 2.6% of Net Assets, above which Foresight Group LLP bears any further costs. This is one of the lowest caps in the VCT sector.

2. Significant diversification

As a result of its history with six VCTs merging together in 2013 and its past strategy, the Company's portfolio includes a wide range of sectors and around 90 companies. Currently, no single investment accounts for more than 7.3% of the portfolio (by value) as at 31 August 2022. Individual investments or sectors which underperform will therefore have a less detrimental effect on the net asset position of the Company than would be the case in a smaller and less diversified VCT. Strategically, Foresight aims to meet investor demand for diversification in their VCT portfolios by actively seeking investment opportunities in all parts of the UK (rather than just the London and the South East which still account for 65% of tax advantaged funding received).

3. Clear buyback policy

Shareholders may, from time to time, wish to sell some of their shares to assist with personal financial and estate planning. It is the Company's intention to offer regular share buybacks at a discount of 5% to the most recently announced net asset value.

4. Deal flow

With offices across the UK, the Manager has a large origination network that covers the whole country, generating deal flow from a broad range of sources. Foresight also enjoy access to international deal flow from the world's leading technology hubs, predominantly Silicon Valley, USA but reaching as far as Tel Aviv, Israel and Dubai, UAE. This differentiated deal flow is facilitated by an established network of international introducers and Venture Partners with a focus on technology businesses that are expanding operations to the UK and are eligible to receive VCT investment. Further detail is set out on pages 29 and 30.

5. Co-investment alongside top tier VC firms

Foresight aims to provide VCT investors with the opportunity to coinvest alongside leading names in venture capital and gain exposure to investments typically only available to large institutional investors. Foresight's informal network of Silicon Valley venture capital firms includes leading names Founders Fund (which co-invested in Ayar Labs) and Andreessen Horowitz (which co-invested in Parsable). Founders Fund was founded by Peter Thiel, founder of two, billion-dollar businesses, PayPal and Palintir and the first outside investor in Facebook. Andreessen Horowitz was founded by Marc Andreessen, co-founder of Moasiac internet browser, sold to AOL for \$4.2bn, and Loudcloud, sold to Hewlett-Packard for \$1.6bn.

Co-investing alongside these top tier venture capital firms evidences the quality of these portfolio companies whilst also providing the potential for supplementary capital and strong networks for company exits.

6. Quality of the investment team

The investment team responsible for building and managing the Company's portfolio have a successful investment track record in the technology sector having backed a number of technology companies which have gone on to be multi-billion-dollar businesses. Two key

individuals who joined Foresight from Downing as part of the recent acquisition are Richard Lewis and Jack Eadie.

Richard is now a Managing Director at Foresight. He previously was a Partner at Downing where he completed 30+ investments in 15 technology businesses. Before that he was Head of Investment at Radius Equity and Investment Director at Mitsui Global Investments. Mitsui was one of Japan's most active venture capital investors focussing on enterprise software and deep technology in the UK, Israel and US. Richard has delivered multiple successful exits in the deep tech and enterprise software sectors delivering multiples on invested capital. Noticeable investments include Valens Semiconductor and Proterra which both grew significantly to achieve unicorn status (valued at >\$1 billion).

Jack is also now a Managing Director at Foresight. He previously held positions at Eight Roads Ventures, a global venture capital firm with \$4bn AUM, Next47, a global venture capital fund with \$1bn AUM and was a Partner at Downing. Jack's investment track record includes Appsflyer, a deep tech business with a recent valuation at \$2bn and Hibob an enterprise software business with a recent valuation of \$2.4bn.

REASONS FOR THE OFFER AND USE OF PROCEEDS

The Offer has been designed for Investors seeking a portfolio of young growth investments, whilst taking advantage of the VCT tax reliefs. The Company is seeking to raise additional gross proceeds of approximately £10 million, together with an over-allotment facility of approximately £10 million.

The new funds raised will allow new and existing shareholders to benefit from the Company being able to participate in attractive investment opportunities in well managed businesses that need capital to expand and also support existing portfolio companies as they develop. By raising more capital, the running costs per Share in the Company for existing Shareholders will be reduced as the fixed costs are spread over a larger asset base.

For further details on how Foresight sources deal flow in order to deploy invested capital, please see Part Two of this document (headed "The Investment Adviser").

DIVIDEND POLICY AND DIVIDEND REINVESTMENT SCHEME

The Board has a stated objective of paying an annual dividend of at least 4.0% per annum based on its NAV, subject to the availability of sufficient distributable profits, capital resources and compliance with the VCT regulations. There is no guarantee that this objective will be met. This return equates to a tax-free yield of 5.7% p. a. on the current offer price net of 30% income tax relief. In respect of the last financial year, the Company has declared dividends of 3.0p per share (equal to 5.2% based on the opening net asset value). In the previous two financial years, dividends of 2.5p per share and 4.0p per share were paid (equal to 4.3% and 5.1% based on the opening net asset value).

Dividends are usually paid twice each year in February/March and August/September. The last dividend was paid on 26 August 2022. Any dividends declared which are ex-dividend since the last NAV date but remain unpaid will be factored into the Offer Price.

The Company operates a Dividend Reinvestment Scheme under which Shareholders are given the opportunity to reinvest future dividend payments by way of subscription for new shares. Subject to a Shareholder's personal circumstances, Shares subscribed for under the Dividend Reinvestment Scheme should obtain the usual VCT tax advantages as set out below.

Investors under the Offer may elect to participate in the Dividend Reinvestment Scheme by completing the dividend reinvestment section of the Application Form and should be aware that it will apply to their entire holding of new Shares and any Existing Shares. Participation in the Dividend Reinvestment Scheme by a Shareholder can be cancelled at any time with written authority from the Shareholder.

TAXATION BENEFITS TO INVESTORS (SEE PART THREE FOR FURTHER DETAILS)

The principal VCT tax reliefs, which are available on a maximum investment of £200,000 per individual in each of the 2022/23 and 2023/24 tax years, are set out below:

- **Income tax relief at 30%** of the amount subscribed provided the VCT shares are held for at least five years and provided the Investor has not sold any shares in the Company six months either side of the issue of the new Shares. Relief is restricted to the amount which reduces the Investor's income tax liability to nil.

- **Tax-free dividends and capital distributions** from a VCT.
- **Capital gains tax exemption** on any gains arising on the disposal of VCT shares.

The table below shows the effect of the initial 30% income tax relief (based on a notional investment of £10,000):

Effect of initial 30% VCT income tax relief

Cost of investment	£
Gross subscription by Investor	10,000
30% VCT income tax relief	(3,000)
Net of tax cost of investment	7,000
Initial value of investment	
Gross subscription by Investor	10,000
Example issue costs of 2.5%	(250)
Initial Net Asset Value	9,750
Initial "uplift" (pounds)	+2,750
Initial "uplift" (%)	+39.3%

The above table shows that, based on an illustrative investment of £10,000 and income tax relief at 30%, an Investor's net of tax cost of investment is £7,000 and the net assets initially attributable to the investment are £9,750, an "uplift" of £2,750 or +39.3%. The table ignores the effect of Adviser Charges paid or early application discounts received. Investors should note that they are required to hold the Shares for at least five years in order to retain the full amount of income tax relief and, as such, this initial uplift cannot be immediately realised.

This is only a very brief summary of the UK tax position of investors in VCTs, based on the Company's understanding of current law and practice. Further details are set out in Part Three of this document. Potential Investors are recommended to consult their own appropriate professional advisers as to the taxation consequences of their investing in a VCT. In addition, the availability of tax reliefs depends on the Company maintaining its VCT qualifying status.

INVESTMENT OBJECTIVE AND POLICY

The current investment objective and policy are shown below.

Investment Objective

The investment objective of the Company is to provide private investors with attractive returns from a portfolio of investments including unquoted companies, existing AIM and AQSE Growth Market quoted 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.

It should be noted that the current portfolio contains less than 30% yield focused investments (as described below) and this percentage will continue to fall as no more such investments will be made.

Investment Policy

Asset allocation

The Company will seek to maintain a minimum of 80% of its funds invested in VCT qualifying investments, with the balance held in non-qualifying investments. New funds raised will initially be held in non-qualifying investments and cash and will gradually be invested in VCT qualifying investments over a one to three year period.

VCT qualifying investments

The Company seeks to hold a portfolio of VCT qualifying investments as follows:

Investment type	Target	Maximum	Target IRR
Growth	40%-100%	100%	15% and above
Yield focused	0%-60%	100%	10%

Growth investments will be in companies with prospects for high capital growth reflecting higher risk, predominantly focusing on:

- investments in unquoted companies where there are reasonable prospects of a trade sale or clear exit strategy over a five to seven year time horizon and the prospects of a reasonable level of capital growth. Start-ups will not generally be considered although the fund may consider investments in early-stage companies offering higher risk and higher potential returns; and
- companies already quoted on AIM, the AQSE Growth Market or the Main Market of the London Stock Exchange, or being admitted to AIM, the AQSE Growth Market or the Main Market of the London Stock Exchange.

Yield focused investments are generally in unquoted businesses (although this may include some quoted businesses), with a preference for companies which, subject to prevailing VCT rules, own substantial assets or have predictable revenue streams. These investments may be structured such that they comprise of loan stock and/or preference shares. Under the current VCT regulations, it is unlikely that any new Yield focused investments will be added to the portfolio or further funds invested into such existing portfolio companies.

Some investments may exhibit features of both of the above categories.

Non Qualifying Investments

Non-qualifying investments invested after 5 April 2016 will only be made in the following categories:

- Shares or units in an AIF (alternative investment fund) e.g. an investment trust or in a UCITS (undertakings for the collective investment in transferable securities) e.g. an OEIC (open ended investment company) which may be repurchased or redeemed by the investor on no more than seven days' notice; and
- Ordinary shares or securities in a company which are acquired on a European regulated market e.g. in companies with shares listed on the main market of the London Stock Exchange.

The existing non-qualifying portfolio includes investments made before 5 April 2016 within the following categories:

- Non-qualifying listed investments which are in quoted companies where the holdings can be traded and in companies in which the Investment Adviser has detailed knowledge as a result of VCT qualifying investments made previously;
- Secured loans which are secured on assets held by the borrower; and
- Non-qualifying unquoted investments which will generally not exceed 5% of the overall fund.

In addition to the above, the Company may hold non-qualifying funds in cash or bank deposits, which fall within the VCT rules.

The allocation between asset types in the non-qualifying portfolio will vary depending upon opportunities that arise, with any one asset class having a maximum exposure of 100% of the non-qualifying portfolio.

Risk diversification

The Directors will control the overall risk of the Company. The Investment Adviser will ensure the Company has exposure to a diversified range of VCT qualifying investments from different sectors and generally no more than 15% of the Company's funds in any one company or any one issue of fixed income securities (except UK Government gilts or deposit accounts with UK clearing banks).

Venture Capital Trust Regulations

In continuing to maintain its VCT status, the Company complies with a number of regulations as set out in Part 6 of the Income Tax Act 2007 VCT Rules.

Borrowing policy

It is not the Company's intention to have any borrowings. The Company does, however, have the ability to borrow a sum equal to no more than 10% of the aggregate amount paid up on the issued share capital of the Company plus the amounts standing to the credit of the consolidated reserves of the Company. There are no plans to utilise this ability at the current time.

Variation of Investment Policy

Any material change to the investment policy of the Company will require the approval of Shareholders pursuant to the Listing Rules. Any material change to the investment policy is also subject to the FCA's approval.

Listing Rules

In accordance with the Listing Rules: (i) the Company may not invest more than 10%, in aggregate, of the value of its total assets at the time an investment is made in other listed closed-ended investment funds except listed closed-ended investment funds that have published investment policies which permit them to invest no more than 15% of their total assets in other listed closed-ended investment funds; (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 must, at all times, invest and manage its assets in a way which is consistent with its objective of spreading investment risk and in accordance with its published investment policy as set out in this document. This investment policy is in line with Chapter 15 of the Listing Rules and Part 6 of the ITA.

SHARE BUYBACK POLICY

The Company's policy is to ensure that there is liquidity in its Shares and, accordingly, it intends to pursue an active Share buyback policy. The Company will seek to buy back in the market those Shares which Shareholders wish to sell, at a discount of 5% to the latest published Net Asset Value, subject to applicable regulations, market conditions at the time and the Company having both the necessary funds and distributable reserves available for the purpose. This buyback policy aims to provide some liquidity and limit the discount to Net Asset Value at which Shares trade. The making and timing of any share buybacks will remain at the absolute discretion of the Board.

Under the current Listing Rules, the price paid for the Shares cannot be more than the higher of: (i) the amount equal to 105% of the average of the middle market quotations for the five Business Days immediately preceding the date on which the Shares are purchased; (ii) the price of the last independent trade; and (iii) the highest then current independent bid on the London Stock Exchange.

CO-INVESTMENT POLICY

Foresight currently manages other funds which may invest alongside the Company, including other VCT and EIS funds ("**Foresight Funds**"). Investment opportunities will normally be offered initially to the Company on a basis which is pro rata to the net cash available for investment by each of the Foresight Funds, 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 other portfolio considerations, such as portfolio diversity and the need to maintain VCT status.

Where the Company invests in companies in which Foresight Funds have invested or subsequently invest, conflicts of interest may arise and the Board will exercise its independent judgement to manage any such conflicts. In such circumstances, the Manager will apply Foresight Group's conflicts policy in order to reconcile the conflict in the first instance and thereafter, if required, the Board will exercise its independent judgement, so far as it is able, to protect the interests of the Company. It may not, in such circumstances, be possible to fully protect the interests of the Company.

Board consent is required when making certain investments, including those in existing investee companies (both of the Company and Foresight more generally) and for new investments those which are over £500,000 in size, in respect of quoted investments, or £2 million in size, in respect of unquoted

investments. The general discretion of Foresight to make investments without the prior consent of the Board may be removed by the Board at any time, putting the Board in a strong position to ensure the quality of the investment programme is maintained going forward. Whilst the board withholding consent for an investment supported by Foresight is expected to be a rarity, it is considered that this input from an experienced board provides an additional layer of protection for investors.

Save for the above, there are no material potential conflicts of interest which Foresight, and more widely Foresight, may have as between its duty to the Company and duties owed by them to third parties and their interests.

DIRECTORS

The Company has a Board, comprising four Directors, all of whom are non-executive and three of whom, the exception being Chris Allner who is a director of Thames Ventures VCT 2 plc of which Foresight is an investment manager, are independent of Foresight. None of the Directors are otherwise related to Foresight personnel, other funds managed by Foresight, any investment manager of Foresight or any company in which Foresight has invested.

Chris Kay (Chairman) has over 30 years' experience in the venture capital industry. He spent nine years with 3i Group plc, where he was an investment director, and a further eight years at Elderstreet Investments Limited, where he headed the VCT team. He is the chief executive of Chrysalis VCT Management Limited. He is a Cambridge University graduate and gained an MBA at Manchester Business School. He was formerly chairman of Downing Absolute Income VCT 1 plc and a non-executive director of Downing Income VCT plc and Downing Income VCT 4 plc.

Chris Allner has over 35 years' venture capital and private equity experience and is currently a partner of the Investment Adviser, Downing LLP and chairs their investment committee. Prior to joining Downing, he was the head of private equity at Octopus Investments as well as a director at Beringea and Bridgepoint with previous experience at 3i and Charterhouse. He has previously sat on the boards of a number of unquoted and quoted companies across a variety of commercial sectors.

Barry Dean is a chartered accountant and has over 30 years' experience in the private equity industry including 14 years as managing director of Dresdner Kleinwort Benson Private Equity Limited. He is currently a non-executive director of ProVen VCT plc. He was formerly a non-executive director of Downing Absolute Income VCT 2 plc.

Stuart Goldsmith has worked within financial services throughout his career, originally within investment management where he was Managing Director of the Britannia Group of Investment Companies, which managed £4 billion of funds in the UK and the USA for institutions and private clients. More recently he was the owner and Chairman of Ketton Securities Limited, a firm advising a range of companies on corporate strategy, mergers and acquisitions. In addition, he has been a non-executive director for a number of companies in the UK and overseas.

CHARGES

Offer costs

The Company will pay the Promoter a fee equal to 2.5% of the amount subscribed under the Offer by those Investors who apply through an authorised financial intermediary and 5.5% of the amount subscribed under the Offer by those Investors who apply direct. In respect of each investor, the Promoter's fees will be reduced by any applicable early investment or loyalty discount (as referred to on page 13) and any other discount the Promoter may agree to offer any particular investor or group of investors. From its fees the Promoter will meet all of the costs of the Offer other than intermediary commissions and adviser charges.

The costs of the Promoter's fees and any applicable up-front intermediary commissions and adviser charges applicable to a particular investor will be borne by that Investor through the application of the Pricing Formula set out on page 22.

The total initial expenses of the Offer (assuming full subscription by Investors in respect of whom intermediary commission is payable and where no Promoter's Fee discounts are applicable) will be a maximum of 5.5% of the gross proceeds and the maximum total net proceeds are therefore estimated to be £9.45 million (assuming no use of the over-allotment facility).

Annual management and administration fees

Foresight receives an annual investment management fee of 2.0% of the net assets of the Company.

In respect of administration fees, Foresight is paid a formula-based fee comprising three elements: (i) a basic fee of £40,000 (subject to increase in line with RPI); (ii) a fee of 0.125% per annum on funds in excess of £10 million; (iii) £10,000 per additional share pool (not including the Ordinary Shares). Administration services are currently subcontracted by Foresight to Downing.

Assuming Full Subscription by Investors in respect of whose applications on which commission is payable and no Promoter's Fee discounts applicable, the Company's assets would be approximately £116 million, resulting in an annual administration fee of around £183,000.

Annual Running Costs in respect of the Ordinary Shares are capped at 2.6% of net assets per annum.

Any excess will be paid by Foresight or refunded by way of a reduction in its fees. Annual Running Costs include, inter alia, Directors' fees, fees for audit and taxation advice, registrar's fees, costs of communicating with Shareholders, irrecoverable VAT and investment management fees but exclude performance incentive fees.

Where the Company invests in other Foresight managed funds, Foresight will arrange for one of the fees to be rebated to the Company to ensure that there is no "double charging".

The Company shall also be responsible for paying 0.5% per annum of the Net Asset Value of the Shares to Foresight Promoter for a maximum of six years, from which Foresight Promoter will pay annual trail commission to those Intermediaries who remain eligible to receive it.

Costs payable by investee companies

Foresight will be entitled to receive and retain (i) transaction fees, capped at 3.0% of the sums invested by the Company in any one investment and subject to an overall cap of 2.0% of the aggregate invested in all companies since 1 October 2019 and (ii) and investor director and monitoring fees, capped at 0.5% per annum of the sums invested by the Company (save where a reduced transaction fee of less than 2.0% is charged). Costs incurred on abortive investment proposals will be borne by Foresight.

Performance Incentive

Foresight is entitled to receive a performance incentive fee equal to 20% of the realised gains on any exit from new investments made since 1 April 2019 ("**New Investments**"). The fee will be payable to the Investment Adviser if the following conditions are met:

- (a) The Internal Rate of Return ("**IRR**") of the group of all New Investments at the year-end exceeds the hurdle rate of 5% p.a. (based on audited valuations and including realised and unrealised gains and losses and all investment income, measured from 1 April 2019) ("**IRR Hurdle**"); and
- (b) Total Return per share at the year end exceeds the Base Value per share ("**Base Value Hurdle**"). The Base Value per Share is set at the Total Return per share (NAV plus dividends paid since the date of the merger) as at 31 March 2019, being 109.8p per Share.

If any amount is not paid in a year when an investment is realised because the IRR Hurdle and/or Base Value Hurdle are not met, such amounts are deferred and can be paid in a future year if and when the IRR Hurdle and Base Value are both met again. Additionally, the amounts payable under this proposed scheme are only paid to the extent that the IRR Hurdle and Base Level are exceeded.

The Total Return per share stood at 102.85p per share at 31 March 2022.

PRICING OF THE OFFER

Pricing of the Offer

The number of Shares to be issued to each Applicant will be calculated based on the following Pricing Formula (rounded down to the nearest whole Share):

$$\text{Number of Offer Shares} = \left[\begin{array}{l} \text{Amount subscribed, less:} \\ \text{(i) initial Promotor's Fee}^1 \text{ and} \\ \text{(ii) Initial Adviser Charge (if any)} \end{array} \right] \div \left[\begin{array}{l} \text{Latest published} \\ \text{NAV per} \\ \text{Offer Share}^2 \end{array} \right]$$

¹ less any reduction for early applications and/or commission waived by Intermediaries (where applicable)

² adjusted for any dividends declared and ex-dividend since the NAV date, as appropriate.

Unless the Promoter's Fee is discounted or waived, applications made directly (not through an Intermediary) will attract a Promoter's Fee of 5.5%. In all other cases, a Promoter Fee of 2.5% will be charged. The Promoter will waive the Promoter Fee for investments from existing Shareholders in the Company itself, Thames Ventures VCT 2 plc, Foresight VCT plc, Foresight Enterprise VCT plc and Foresight Solar & Technology VCT plc.

Income tax relief should be available on the total amount subscribed (including any initial Adviser Charges and Promoter Fee), subject to VCT Rules and personal circumstances.

The number of Shares issued under the Offer will be affected by a "blended" Issue Price, because Applicants will have a different Issue Price attributable to their application for Offer Shares depending upon whether their Application is received directly, through an Intermediary where commission is payable or through an Intermediary who is remunerated by way of an Initial Adviser Charge (defined below).

The Company's Net Asset Value shall be announced from time to time through a regulatory information service provider.

OTHER INFORMATION

Taxation and HMRC approval

The Directors intend to conduct the affairs of the Company so it continues to satisfy the conditions for approval as a VCT and that such approval will be maintained. HMRC has granted the Company provisional approval under the ITA. The Company intends to continue complying with the ITA and has retained Philip Hare & Associates LLP to advise it on VCT taxation matters.

AIFM

The Company is registered with the FCA as a Small Registered Alternative Investment Fund Manager.

The Offer and minimum and maximum subscription

Assuming the Offer is fully subscribed, ignoring the over-allotment facility, maximum net proceeds of approximately £9.45 million will be raised under the Offer. If the Offer is over-subscribed, it may be increased at the discretion of the Board to no more than £20 million in total. This facility may be utilised whilst the Offer remains open. In the event that applications are received in excess of the prescribed maximum of £20 million, the Directors and the Sponsor reserve the right to use their absolute discretion in the allocation of successful applications. Applicants are encouraged to submit their Application Form early in order to be confident that their applications will be successful.

The minimum investment per Applicant is £5,000 including any initial adviser charges for facilitation (or such lower amount at the Board's discretion) and the Board may in its discretion permit monthly subscriptions by standing order or direct debit. The maximum investment, on which tax reliefs in VCTs are available, is £200,000 per Applicant in each of the 2022/23 and 2023/24 tax years. Spouses can each invest up to £200,000 in each tax year. The subscription list for the Offer will open at 9.00 a.m. on 31 October 2022 and may close at any time thereafter, but in any event, not later than 3.00 p.m. on 5 April 2023 in respect of the tax year 2022/23 and 3.00 p.m. on 31 May 2023 in respect of the tax year 2023/24, unless fully subscribed earlier or previously extended by the Directors (but to no later than 28 October 2023). The Offer is not underwritten.

Shares are expected to be allotted and issued in respect of valid applications on 5 April 2023, 31 May 2023 and on any other dates on which the Directors decide.

Application will be made to the FCA on behalf of the Company for the Admission of all of the Offer Shares. The Offer Shares will be issued in registered form and be transferable in both certificated and uncertificated form and will rank for all dividends and other distributions declared, paid or made by the Company in respect of the Offer Shares thereafter. It is anticipated that dealings in the Offer Shares will commence within 20 Business Days of allotment. Dealings may not begin before notification of allotments is made.

Settlement of transactions in the Offer Shares may take place within the CREST system if Shareholders wish. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so. Share certificates (where applicable) and certificates to enable a claim for income tax relief to be made in respect of Offer Shares will be posted to Shareholders within 30 days of each

allotment. No notification will be made to successful applicants prior to dispatch of definitive share certificates.

Prior to dispatch of definitive share certificates (where applicable), transfers (if any) will be certified against the register. No temporary documents of title will be issued.

The result of the Offer will be announced through a regulatory information service provider authorised by the FCA.

No convertible securities, exchangeable securities or securities with warrants will be issued with the Offer and there exist no acquisition rights and/or obligations over authorised but unissued capital of the Company or any undertakings to increase the Company's capital.

Operation of the Company and Board Practices

(a) Board of Directors

The Company complies with the provisions of the AIC Code of Corporate Governance, with the exception of the following, for the reasons set out below:

- a) The Company has no major Shareholders, so Shareholders are not given the opportunity to meet any new non-executive Directors at a specific meeting other than the Annual General Meeting. (5.2.3)
- b) Due to the size of the Board and nature of the VCT's business, the Board considers it appropriate for the entire Board, including the chair, to fulfil the role of the nomination, audit and the remuneration committee. (7.2.22, 9.2.37, 8.2.29)
- c) Due to the size of the Board, a Senior Independent Director has not been appointed. (6.2.14)

The Board comprises four members, all of whom are non-executive directors and, with the exception of Chris Allner who is partner of Downing LLP and a director of Thames Ventures VCT 2 plc of which Foresight is an investment manager, are considered to be independent of both Foresight and Downing.

The Board meets regularly throughout the year (normally at least quarterly) and all necessary information is supplied to the Directors on a timely basis to enable them to discharge their duties effectively. Additionally, special meetings take place or other arrangements are made when Board decisions are required in advance of regular meetings. The Board is responsible for controlling the Company. The Board is responsible for the determination and calculation of the Company's Net Asset Value, which will be undertaken in accordance with the Company's accounting policies (the Company's current accounting policies are set out on pages 58 to 60 of its report and accounts for the year ended 31 March 2022) and published on an appropriate regulatory information service (including in the announcement of annual and half yearly results of the Company). The Board does not envisage any circumstances in which such calculations would be suspended but, were this to occur, such suspension would be communicated to shareholders in a similar manner.

The Board delegates specific responsibilities to the committees described below.

(b) Audit Committee

All Directors sit on the audit committee which is chaired by Stuart Goldsmith. The audit committee meets not less than once a year. The Company's auditors and the senior executives of the Investment Adviser may attend and speak at audit committee meetings.

A summary of the terms of reference of the audit committee is as follows: the committee has responsibility for, among other things, the planning and reviewing of the Company's annual and half yearly reports and the supervision of its auditors in the review of such financial statements. The audit committee focuses particularly on the Company's compliance with legal requirements, accounting standards, financial and regulatory reporting requirements, the listing rules and the Prospectus Regulation and ensuring that effective systems for internal financial control and for reporting non-financial operating data are maintained. The ultimate responsibility for reviewing and approving the annual report and accounts and half yearly financial reports remain with the Board.

(c) Remuneration Committee

The remuneration committee, which meets as and when required, is chaired by Barry Dean. All Directors sit on the Remuneration Committee.

A summary of the terms of reference of the remuneration committee is as follows: this committee has responsibility for determining the Company's policy on the remuneration of the Directors, and the committee refers to standard industry practice as well as comparative remuneration levels and structures prevalent in companies of a similar profile and size, and in similar industry sectors, to the Company, taking account of any special circumstances that may be relevant in terms of the Directors' responsibilities and duties. The maximum Directors' remuneration will also be determined by reference to the Company's Articles and/or ordinary resolutions of shareholders from time to time.

(d) Nomination Committee

All directors sit on the nomination committee, which meets as and when required, and is chaired by Barry Dean. The committee has responsibility for considering the size, structure and composition of the Board, the retirement and appointment of Directors, and will make appropriate recommendations to the Board in relation to these matters.

Availability of the Prospectus

Copies of the Prospectus relating to the Offer and any related supplementary prospectus published by the Company are available for download at the National Storage Mechanism (www.morningstar.co.uk/uk/NSM) and may be obtained, free of charge, from the Company's registered office, where they are also on display, and from Foresight Group Promoter LLP and SPARK.

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

telephone: 020 3667 8181
download: foresightgroup.eu/products/thames-ventures-vct-1-plc
email: investorrelations@foresightgroup.eu

Financial Calendar

Financial year end	31 March
Final results announcement	June/July
Annual general meeting	August/September
Bi-annual dividends paid	February and August/September
Half-yearly results announcement	November/December

Forward-Looking Statements

You should not place undue reliance on forward-looking statements. This Prospectus includes statements that are (or may be deemed to be) "forward-looking statements", which can be identified by the use of forward-looking terminology including the terms "believes", "continues", "expects", "intends", "may", "will", "would", "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. Forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements contained in this Prospectus or based on past trends or activities, should not be taken as a representation that such trends or activities will continue in the future. Any such statements do not, nor are intended to qualify the Company's working capital statement.

The information contained in this document will be updated if required by the UK Prospectus Regulation, the Listing Rules, the Disclosure Guidance and Transparency Rules and Market Abuse Regulation, as appropriate.

PART TWO: THE INVESTMENT ADVISER

The Company's investment adviser is Foresight Group LLP, which is authorised and regulated by the Financial Conduct Authority and specialises in structuring, promoting, managing and administering tax efficient products. In June 2022, it was announced that Downing LLP ("**Downing**"), the previous investment adviser, had agreed to sell its non-healthcare ventures division to Foresight. As part of this transaction, the Board has consented to a novation of the investment advisory agreement from Downing to Foresight. The whole of the Downing non-healthcare ventures team, including support staff, moved to Foresight when the deal completed on 4 July 2022.

Downing will continue to provide investment advisory services for the non-venture portfolio of investments, being the quoted growth and yield focused investments, as well as administration services, for a transitional period. As part of the arrangement, the Board and Downing have agreed to waive the investment advisory fee for the quarter ended June 2022, equivalent to approximately £548,000. Foresight is a substantial and well-respected fund manager, and the Board believes that the transaction is in the best interests of Shareholders who will benefit from the substantial resources of Foresight, as well as the continuity of the key investment executives from Downing.

Foresight is a leading private equity and infrastructure investment manager with its parent company, Foresight Group Holdings Limited, listed on the London Stock Exchange. Established in 1984, Foresight is proud of its track record of over 35 years of investing into and growing small companies. Foresight and companies and undertakings within the same group (together, Foresight Group) now have more than £12.6 billion of assets under management and a wide and varied investor base of private and institutional investors. Foresight strives to generate healthy returns for its investors over the long-term alongside the additional benefit to UK taxpayers of tax reliefs available through Venture Capital Trusts, the Enterprise Investment Scheme and Business Property Relief. Foresight Group's vision is to be a leader in investing in trends ahead of the curve through its dynamic and entrepreneurial values of flexibility, innovation, problem solving and a commitment to attracting and retaining high quality and experienced staff.

Strength of the Team

Foresight's Private Equity Team comprises more than 45 investment professionals with a wide range of experience - from venture capital at Inflexion and Advent Venture Partners, to hands-on operational experience at Manchester Airports Group and Centrica, as well as corporate finance experience at Rothschild, Mazars and E&Y together with strategic consulting experience at Accenture and Deloitte.

Foresight's Private Equity team and wider Executive Committee together has over 300 years of investment experience and combines investors' capital and its own hands-on expertise with the intention of creating long-term shareholder value and generating attractive returns for shareholders. Foresight benefits from having a large team of private equity executives with a mix of backgrounds and significant collective experience that can share resources.

The team generally reviews more than 2,000 investment opportunities each year across all funds in the UK at various stages of the growth cycle, reflecting the benefits of a larger team with greater regional presence and a continued significant level of activity in the SME market. Foresight's UK regional coverage is supplemented by the international advisors ("**Venture Partners**") strategically located in recognised innovation and investment hubs (e.g. Silicon Valley, Israel) who joined as part of the Downing transaction. The International Venture Partners are an integral part of the investment teams and generate deal flow while providing overseas support to portfolio companies.

With regards to portfolio management, Foresight takes a particularly active, hands-on approach and on its unquoted investments, typically has board representation, either as a director or observer, and is able to introduce respected non-executive directors and financial directors. Foresight works particularly closely with the investee companies in the following areas:

- definition and review of strategy and its implementation;
- recruitment and incentivisation of key management and board members;
- planning for growth, international expansion and new product/service introduction;
- fundraising from banks and other external sources;
- mergers, acquisitions and exit planning; and

- environmental, social and governance factors.

Venture Capital Trusts

Foresight Group manages five VCTs (including the Company) and has one of the largest VCT investment teams in the industry.

In addition to the Company, Foresight Group is manager to Foresight VCT plc, Foresight Enterprise VCT plc (formerly Foresight 4 VCT plc), Foresight Solar & Technology VCT plc and Thames Ventures VCT 2 plc.

Foresight VCT plc was launched in 1997 and had net assets of £197.9 million as at 30 June 2022 (unaudited). It has a portfolio of over 40 companies across a range of sectors, focusing on growth capital for later stage, VCT-qualifying companies.

Foresight Enterprise VCT plc was launched in 1998 and had net assets of £134.8 million as at 30 June 2022 (unaudited). It has a current portfolio of over 35 companies across a range of sectors and seeks out innovative and fast-growing businesses with strong and proven leadership teams that are seeking an injection of capital to support their growth.

Foresight Solar & Technology VCT plc was launched in 2010 and, as at 31 March 2022, had audited net assets of £45.3 million across its Ordinary Share and Foresight Williams Technology Share classes. The Ordinary Share class was fully invested some years ago in unquoted companies that generate electricity from solar power systems and the more recently launched Foresight Williams Technology Share class has a focus on early-stage companies with high growth potential and the goal of developing innovative and occasionally transformational technologies across a range of industry sectors.

Thames Ventures VCT 2 plc was originally created by the merger of four VCTs managed by Downing in 2015 and had audited net assets of £62 million as at 31 March 2022. Through its share classes, including AIM Shares, Ventures Shares and Healthcare Shares, it makes quoted and unquoted investments across a range of sectors.

Foresight Group has won awards for its VCT expertise, having been named 'Best Generalist VCT' manager in respect of its family of VCTs at the Investment Week Tax Efficiency Awards in 2018/19, 'VCT Investment Manager of the Year' at the 2017 Growth Investor Awards and 'VCT House of the Year' in the 2016 Unquote British Private Equity Awards. More recently the team has won 'Venture/ Growth Capital House of the Year' at the 2021 Unquote British Private Equity Awards, 'ESG Champion of the Year' at the 2021 Growth Investor Awards, VC / Private Equity Team of the Year and Exit of the Year for DA Languages at the North West Rainmaker Awards 2022, Most Innovative Fund Launch - Active' award at the first ever ESG Clarity Awards and Private Equity Team Partner Claire Alvarez featured in the Real Deals Future 40 Investment Leaders 2022.

Other funds

The same team within Foresight Group that manages the VCTs referred to above also manages several regional institutional funds and one Enterprise Investment Scheme fund. The funds cover a range of transaction types, from venture to growth and buyouts, as well as different investment sizes.

Foresight Nottingham Fund

In 2013, Foresight was appointed to manage a regional fund of £39 million on behalf of the British Business Bank, Nottingham City Council and the Nottinghamshire County Council Pension Fund to target investment in dynamic growth companies, with a focus on Nottinghamshire to stimulate enterprise, create jobs and to attract inward investment to the region.

Fully deployed, the Foresight Nottingham Fund has supported 22 businesses. The fund is fully deployed and in its realisation phase with a gross realised return thus far of 1.27x capital invested. Its most recent exits have returned, 16.1x and 4.8x money.

Foresight Regional Investment Fund

In 2015, Foresight announced a second regional fund to invest in the North West of England, the £58 million Foresight Regional Investment Fund cornerstoned by the Greater Manchester Pension Fund, with a mandate to invest in entrepreneurial businesses in Cumbria, Cheshire, Lancashire, Manchester, Merseyside, North East Wales and South Yorkshire.

From Foresight's office in Manchester, the Foresight Regional Investment Fund has invested over £51.9 million in 20 businesses. The fund is now fully deployed and in its realisation phase, with its first five exits returning 6.1x, 5.6x, 16.7x, 3.6x and 4.0x money, respectively.

Midlands Engine Investment Fund

In 2018, Foresight was appointed equity fund manager for the East Midlands and South East Midlands regions of the Midlands Engine Investment Fund, a Regional Development Fund supported by the European Investment Bank and the British Business Bank to help businesses in the Midlands region to start up, scale up and become significant local employers.

To date, Foresight has completed over £25.1 million of investments in 26 businesses for this fund. The first exit from the fund returned 3.4x money.

Foresight Scottish Growth Fund

The £20 million Foresight Scottish Growth Fund closed in April 2019. An additional £12 million was committed in February 2022. The Foresight Scottish Growth Fund is part of the Scottish Growth Scheme, a £500 million package of financial support for Scottish businesses backed by the Scottish Government, which aims to help businesses grow.

Under the Scottish Growth Scheme this fund contributes up to £2.0 million of equity to investment rounds of up to £10.0 million in growing Scottish SMEs. The target investments are similar to those made by the Midlands Engine Investment Fund, albeit in a different geography.

The fund has made over £14.9 million of investments in 13 businesses.

Foresight East of England Fund

In early 2020, Foresight opened an office in Cambridge to support the £100 million Foresight East of England Fund, which breaks new ground as an evergreen pool of patient capital targeted at the small company private equity sector in the east of England with the capability to invest nationally.

The fund replicates the Foresight Group's regional investment strategy and has invested £20.5 million in four businesses to date.

Foresight Regional Investment III

In May 2021 Foresight announced the first close of Foresight Regional Investment III at £65 million. A second close was completed in June 2022 bringing total committed capital to £84 million. The fund is the successor to the North West focused Foresight Regional Investment Fund and seeks to repeat its success in the region. The fund has invested £10.2 million into two investments.

NI Opportunities Fund I and II LP

NI Opportunities LP closed in February 2019. The Fund was focused on sourcing and making investments in companies headquartered, or with significant operations, in Northern Ireland and has now completed its investment phase. The Fund has invested £5.0 million into one company.

NI Opportunities II LP ("the Fund") held an initial closing on 14 June 2021. The Fund is focused on sourcing and making investments in companies headquartered, or with significant operations, in Northern Ireland. As at 30 June 2022, the Fund had invested £5.2 million in two portfolio companies.

Foresight Regional Investment IV

The Foresight Regional Investment IV LP held a first close at £38 million in June 2022, cornerstoned with funding from Durham County Council's Pension Fund and Teesside Pension Fund. The fund is the fourth in the regional strategy series and has a mandate to support the growth of smaller companies throughout the North East of England, North Yorkshire, West Yorkshire, the East Riding of Yorkshire and North Lincolnshire.

The fund has invested £5.2 million in two portfolio companies.

West Yorkshire SME Investment Fund

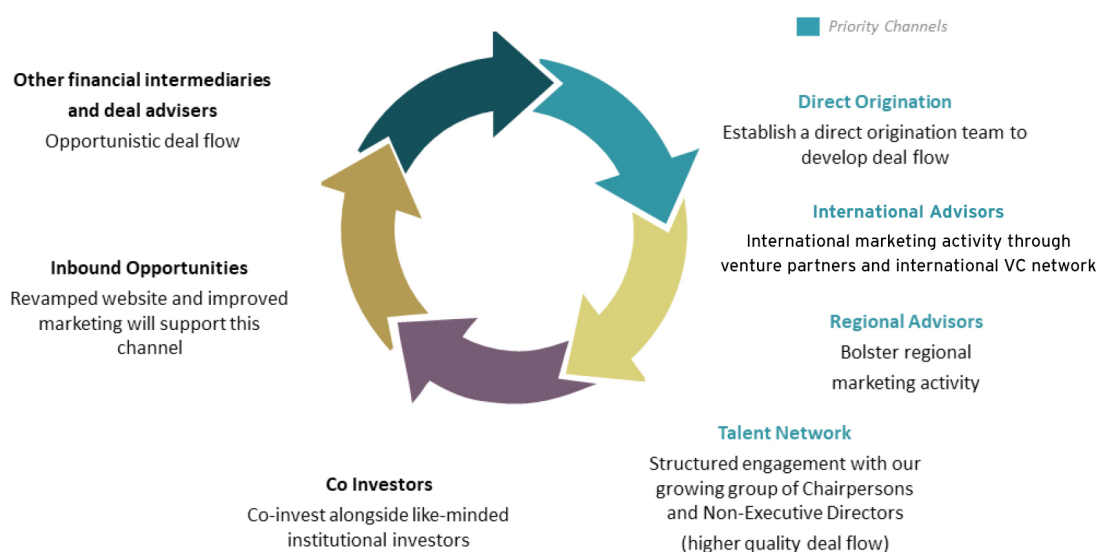
In June 2022, the West Yorkshire Combined Authority appointed the Manager to manage a new £20 million fund to support SMEs throughout West Yorkshire. The Foresight West Yorkshire SME Investment Fund will make a significant contribution to West Yorkshire's economy by supporting companies' growth plans and creating high-quality, local jobs.

The fund has invested £2 million in one portfolio company.

The AIB Foresight SME Impact Fund

In May 2022, Ireland's largest financial services provider, AIB, appointed the Manager to manage a new SME equity fund. The AIB Foresight SME Impact Fund, which is aiming to raise €75 million, will support small and medium enterprises in building a greener future for Ireland.

Multiple channels of deal flow with an emphasis on regional activity



Regional presence and adviser network

Through its expanding regional presence, the Manager has built up an extensive network of active corporate finance advisers and other professional SME advisers through investment teams based in its regional offices in Nottingham, Manchester, Leicester, Milton Keynes, Cambridge, Edinburgh and Foresight's head office in London. With the recent new fund launches, this regional footprint has expanded to Dublin and Leeds, with an office in Newcastle due to open in Q1 2023.

Each of the Manager's Private Equity Team executives is tasked with building relationships in discrete regions of the country. This entails regular meetings with professional advisers to build a mutual rapport and understanding of the Manager's investment criteria and process.

When the adviser has a fundraising opportunity which fits the criteria, the Manager expects to be in the position of being one of the few potential funding institutions, not only to be made aware of the opportunity, but with the financial capacity and investment remit to provide the appropriate finance.

International deal origination

Foresight's UK regional sourcing capabilities have been supplemented by the international Venture Partners strategically located in technology hubs and who transferred across as part of the Downing Ventures acquisition.

Silicon Valley is well established as the world's leading technology hub, headquartering thousands of start-ups and many of the world's largest technology companies. The amount of VC money invested into start-ups in Silicon Valley is greater than the next three cities combined—New York, Boston and Los Angeles – and America remains the world leader in building businesses that list with a \$1bn+ valuation (a unicorn), boasting more than double its nearest competitor, China.

Joe Raffa is a Venture Partner in Silicon Valley, USA. Joe is a deep tech specialist with a focus on quantum and high-performance computing, industrial AI, next-gen datacentre and Enterprise 4.0. He has an MBA from Harvard Business School and MSS Electrical Engineering/ Computer Science from Stanford University. Joe has held senior positions at IBM Ventures, Boston Consulting Group Technology Ventures and currently sits on the Technology Advisory Board at IQM Quantum Computers. Joe's investment track record includes AutoESL, a US based deep tech business which delivered a strong return on invested capital. In addition, Joe has served as CEO of NuCORE Technology, developing semiconductors and software for digital camera, acquired by MediaTek, in addition to two interim CEO roles for Lightspeed Ventures and Adams Capital Management portfolio companies.

Tel Aviv is now home to 1,700 start-ups (more per capita than any other city on earth). According to Forbes it is now ranked first for number of engineers per capita and number of unicorns per capita. As a country, Israel was ranked second for innovation by the World Economic Forum.

Gideon Shmuel joined as a Venture Partner based in Israel where he has, for the last two years, been building presence, deal flow and relationships. Through many years as an operator in the CEO position of technology companies, he has built an extensive network in the VC community in Israel, USA, Europe and Asia. Gideon raised over \$70m for a variety of companies as CEO or as a board member. Gideon was the CEO or GM of companies such as LCR Telecom, Top Image Systems Europe, Eyesight Technologies, Eplane and Dotz. Gideon acts as a board member of or advisor to a number of leading technology companies of which some have already exited, including: Dataloop, Utrust, Sixsense.AI, AIQOO and Viou. Gideon successfully exited Eyesight Technology delivering a c.10x return for early investors and delivered a successful outcome at ClayAir, a deep tech business sold to Qualcomm.

Direct origination

In addition, the Manager has developed a team responsible for direct origination, contacting companies directly to build presence and relationships to position Foresight in the local business community. This has led over the past three years to eleven successful investments for the funds it manages.

Strategy

The investment team responsible for the Company's portfolio, who now sit within Foresight, have developed an investment strategy that focuses predominantly on IP rich deep technology businesses which have the goal of solving complex problems. In addition, the Company will look to target investments in enterprise software businesses with a preference for those which can demonstrate annual recurring revenues of £500k or more from predictable, contracted sources and repeat customers. The Company will focus on businesses looking to solve large, global problems with commensurately large addressable markets, ideally where the market is growing and is not dominated by incumbents. In addition, target company growth rates should be in excess of 50% year on year.

Awards

Best ESG Investment Fund: Private Equity Runner up 2021	
Best Venture Capital Trust Provider Commended Investment Life & Pension Moneyfacts Awards 2020	
Private Equity/Venture Capital Team of the Year Shortlisted North West Dealmakers 2020	
Funder of the Year East Midlands Dealmaker 2019	
Fund Manager of the Year PLC Awards 2018	
Best Generalist VCT Investment Week Tax Efficiency Awards 2018/19	
Best VCT Investment Manager Growth Investor Awards 2017	
VCT House of the Year Unquote British Private Equity Awards 2016	

Investment Team

The main investment team responsible for the Company's portfolio, who joined Foresight from Downing as part of the recent acquisition of the Downing ventures division, will be as follows:

Jack Eadie

- Eight years' venture capital investment experience at Eight Roads Ventures, Next47 and Downing Ventures, where he worked as a Partner
- Degree in Economics from the University of Bath

Richard Lewis

- 20 years in venture capital at North West Equity, Mitsui Global Investment and Downing Ventures, where he worked as a Partner
- Degree in Economics and Politics from Durham University and an MBA from Manchester Business School.

Noor Xarmina

- Investment Analyst internship at Nauta Capital
- One years' experience as an Investment Associate at Downing Ventures
- Degree in Biology from Imperial College London and a Masters in Management from London Business School

Gideon Shmuel (Venture Partner - Israel)

- Nine years' experience as CEO at Dotz Nano, Eplane and Eyesight Technologies
- Two years' experience as Venture Partner at Downing Ventures
- Masters in Marketing Management from Middlesex University

Joe Raffa (Venture Partner - USA)

- Two years' experience on the Technology Advisory Board at IQM Quantum Computers
- Two years' experience as Venture Partner at Downing Ventures
- MBA in General Management from Harvard Business School with a degree from Applied Physics and Electrical Engineering from Case Western Reserve University, and a Masters in Electrical Engineering and Artificial Intelligence from Stanford University

Rekha Mehr (Venture Partner - UAE)

- 11 years' experience as Founder and CEO of Moonrekha Academy
- Two years' experience as UK Director of Partnership at Mass Challenging UK
- Two years' experience in strategy consulting at Just Eat Ventures
- Degree in Business Studies with Finance from the University of Brighton

In addition, the following personnel in the wider Foresight private equity team will provide support to the Company:

Partners***James Livingston***

- 16 years' venture capital investment experience
- Three years' strategy consulting and commercial due diligence experience at Deloitte
- First class MA in Natural Sciences and Management Studies from the University of Cambridge

Matt Smith

- 16 years' venture capital investment experience
- Six years' investment banking experience at Rothschilds
- MA in Biological Sciences and diploma with distinction in Physiology, both from the University of Oxford

Claire Alvarez

- Over 11 years' experience advising banks and company directors on returning value from distressed SMEs
- Degree in Management (first class) from the University of Lancaster, MBA (distinction) from Manchester Business School

Managing Directors***Mike Quinn***

- 22 years' SME corporate finance experience, latterly as Head of East Midlands CF team at RSM
- Advised on many private equity transactions and spent a year on secondment with Catapult Venture Managers covering the UK from their Leicester base
- Fellow of the ICA and holds a degree in Business Economics and Finance from the University of Loughborough

Chris Wardle

- Eight years' private equity and venture capital experience
- Four years' M&A experience at Accenture
- Degree in Natural Sciences from Cambridge University

Directors***Amy Crofton***

- 13 years' investment banking and corporate finance expertise
- Five years' experience structuring equity and debt investments in UKSMEs
- Degree in Materials, Economics and Management (first class) from the University of Oxford

Matt Pomroy

- Six years' private equity and venture capital experience
- Nine years' auditing and corporate finance expertise
- Degree in Economics and Social Policy from the University of Sheffield

Dan Halliday

- Six years' private equity and venture capital experience
- Three years' experience founding an SME and seven years' consultancy experience at KPMG
- Degree in Mathematics from the University of Edinburgh

Andrew Bloxam

- 3 years' private equity and venture capital experience
- Five years' investment banking and tech finance experience
- Degree in Economics from St. John's College, Cambridge University

Matt McLoughlin

- 18 years' private equity and venture capital transaction experience at Deloitte and Grant Thornton
- Degree in Mathematics from the University of Warwick

Ray Harris

- 25 years' SME and corporate finance experience
- Degree in Economics from the University of East Anglia

Barclay Clibborn

- 20 years' of experience in corporate finance, energy and M&A
- Degree in Comp Science from University College Cork
- MBA from Trinity College, Dublin

Investment Directors**Stephan Gueorgiuv**

- 14 years' experience in private equity and venture capital experience with a focus on the technology sector
- MBA in Business Administration from INSEAD
- Degree in Engineering (Electrical and Information Sciences Tripos) from the University of Cambridge
- Senior Investment Managers

John Cordrey

- Six years' private equity and venture capital experience
- Chartered accountant at PWC, working in M&A
- Degree in Business from the University of Durham

Rob Jones

- Eight years' mergers and acquisitions experience with RSM and Ernst & Young, latterly focused on advising mid-market private equity
- ACA qualified with a degree in Business and Economics from the University of Manchester and a master's degree in Global Business from Manchester Business School

Hugh Minnock

- Six years' experience focusing on lower mid-market transactions at FFCM Group
- Seven years' investment banking experience at Goldman Sachs and Barclays
- Degree in History from University of Exeter

Philip Gardiner

- Two years' experience at Ernst & Young
- Two years' experience at PWC
- One year's experience at BNP Paribas
- Degree in Economics and Finance from University of Limerick

Senior Investment Managers

David Miles

- Five years' private equity experience
- Five years' experience in accounting and operations
- ACA qualified with a degree in History from the University of Exeter

Graeme McKinstry

- Five years' private equity experience at Par Equity LLP
- Five years' experience in corporate finance at Deloitte
- ACA qualified with a degree in Accountancy and Finance from the University of Glasgow

Lindsay Duebendorfer

- Four years' experience in investment banking at Moelis & Company
- Five years' experience in deal advisory for KPMG LLP
- Certified public accountant with a BA in Accounting from the George Washington University School of Business and a MBA from the London Business School & The George Washington University School of Business

Tavia Sparks

- 18 years' experience in banking and growth capital at Santander and Barclays
- Certified public accountant with a BSc in Economics from the University of York

Fiona Hatch

- Seven years' corporate finance experience at Manchester Airport Group
- Eight years' transaction services experiences at Deloitte
- Degree in Economics with French from Nottingham University

Nick Mettyear

- Five years' private equity experience including Duke Street and FPE Private Equity
- Six years' consultancy experience at Capco and Cognizant

Francesca Dickinson

- Five years' private equity experience including LDC and a family office
- Four years' at Lloyds Banking Group
- Degree in Geography with Economics from Loughborough University

Chris Wiles

- Two years' experience at Centrica
- Three years' experience at PWC
- Two years' experience at McLaren
- Degree in Engineering from Southampton University
- MBA from the University of Warwick

Bill Yost

- Two years' experience at Mercia Asset Management
- 18 years' commercial experience
- Degree in Physics from Cornell University
- MSc Management & Regulation of Risk from LSE
- MSc Electrical Engineering from University of Pittsburgh

Oliver Bates

- Two years' experience at Société Générale
- 10 years' experience Bank of Tokyo
- Three years' experience at Bank of Tokyo Mitsubishi
- Four years' experience at Bank of America
- Degree in Industrial Economics from University of Nottingham

Investment Managers

Jonathan Rose

- Two years' experience as an Analyst at Investec
- Two years' experience as an Associate at Kreos Capital
- One year' experience as Senior Associate at Downing Ventures
- Degree in Politics, Philosophy and Economics from The University of Exeter

Georgie Newton

- Five years' accountancy experience
- Degree in Economics from Manchester University

Jordan Lavender

- Six years' experience at West Virginia Jobs Investment Trust
- MBA from University of Charleston
- Degree in Finance and Business from University of Charleston

Anastasia Sagaidachna

- Nine years' experience at PWC
- Degree in Economics from the University of Liverpool

Charles O'Riordan

- Two years' experience at KPMG
- Three years' experience at PWC
- Five years' experience banking experience including Lloyds and Clydesdale and Yorkshire Bank
- Degree in Economics with European Studies from Exeter University

Irfan Ashfak

- Seven years' experience at Mazars
- Three years' experience at Magma
- Degree in International Relations and Business from Aston University

Line Gauteplass

- Two years' experience Grant Thornton
- Three years' experience at Mazars
- Two years' experience at BNP Paribas
- Degree in Corporate Finance from Bayes Business School

Robert Gallagher

- Ten years' experience at H2 Equity Partners, Bain and Skadden Arps
- Degree in Law from Oxford University

Richard Ralph

- Nine years' experience at Deloitte
- Degree in Geography from Oxford University

PART THREE: TAXATION

VCTs: Summary of the applicable legislation in respect of Investors

1. Taxation of a VCT

VCTs are exempt from corporation tax on chargeable gains. There is no restriction on the distribution of realised capital gains by a VCT, subject to the requirements of company law. The Company will be subject to corporation tax on its income (excluding dividends received from UK companies) after deduction of attributable expenses.

2. Tax reliefs for individual investors

Individuals who subscribe for Offer Shares must be aged 18 or over to qualify for the tax reliefs outlined below.

Relief from income tax

An Investor subscribing up to £200,000 in either or both of the 2022/23 and 2023/24 tax years for eligible shares in a VCT will be entitled to claim income tax relief, at the rate of 30%, although this relief will be withdrawn if either the shares are sold within five years or the Investor takes out a loan which would not have been made, or would not have been made on the same terms, save for the acquisition of such shares. If an Investor has sold, or if they sell, any shares in the Company (or any VCT that merges with the Company if that merger was known about at that time) within six months either side of the subscription for the Offer Shares, then for the purposes of calculating income tax relief on the Offer Shares the subscribed amount must be reduced by the amount received from the sale. Relief is also restricted to the amount which reduces the investor's income tax liability to nil.

Dividend relief

An investor who subscribes for or acquires eligible shares in a VCT (up to a maximum of £200,000 in either or both of the 2022/23 and 2023/24 tax years) will not be liable for UK income tax on dividends paid by the VCT. The income received by the VCT will usually constitute either interest (on which the VCT may be subject to tax) or a dividend from a UK company (on which the VCT would not be subject to tax). The VCT's income, reduced by the payment of tax (if applicable), can then be distributed tax-free to investors who benefit from this dividend relief. There is no withholding tax on dividends paid by a UK company and, consequently, the Company does not assume responsibility for the withholding of tax at source.

Capital gains tax relief

A disposal by an individual Investor of his/her shares in a VCT will neither give rise to a chargeable gain nor an allowable loss for the purposes of UK capital gains tax. This relief is also limited to disposals of shares acquired within the £200,000 limit described above.

Loss of tax reliefs

- (a) If a company which has been granted approval or provisional approval as a VCT subsequently fails to comply with the conditions for approval, VCT status may be withdrawn or treated as never having been given. The exemptions from corporation tax on capital gains will not apply to any gain realised after the start of the accounting period in which VCT status is lost (and on any gain realised by the VCT if approval is deemed never to have been given).
- (b) For investors, the withdrawal of VCT status may (depending upon the timing of such withdrawal) result in:
 - repayment of the 30% income tax relief on subscription for new VCT shares;
 - income tax becoming payable on subsequent payments of dividends by the company; and
 - a liability to tax on capital gains being suffered in the normal way on the disposal of shares in the company, except that any part of the gain attributable to the period for which the VCT was approved would be exempt.

(c) The consequences for investors in a company which never obtains full unconditional approval as a VCT are as follows:

- repayment of the 30% income tax relief on subscriptions for new VCT shares and interest on overdue tax may arise;
- income tax becoming payable on all payments of dividends by the company; and
- any gain arising on a disposal of the shares would be liable to capital gains tax and losses on the shares would be allowable losses for capital gains tax purposes.

The Offer Shares are eligible VCT shares for the purposes of this section.

3. Consequences of an Investor dying or a transfer of shares between spouses

Initial income tax

If an Investor dies at any time after making an investment in a VCT, the transfer of shares on death is not treated as a disposal and, therefore, the initial income tax relief is not withdrawn. However, the shares will become part of the deceased's estate for inheritance tax purposes.

Tax implications for the beneficiary

Provided a number of conditions are met, the beneficiary of any VCT shares will be entitled to tax-free dividends and will not pay capital gains tax on any disposal, but will not be entitled to any initial income tax relief.

Transfer of shares between spouses

Transfers of shares in a VCT between spouses is not deemed to be a disposal and, therefore, there is no loss of income tax relief on a transfer. Relief from tax on dividends and on disposals of shares are subject to the investor's annual £200,000 allowance.

4. General

Investors who are not resident in the UK

Non-resident Investors, or Investors who may become non-resident, should seek their own professional advice as to the consequences of making an investment in a VCT, because they may be subject to tax in other jurisdictions.

Stamp duty and stamp duty reserve tax

No stamp duty or (unless shares in a VCT are issued to a nominee for a clearing system or a provider of depository receipts) stamp duty reserve tax will be payable on the issue of VCT shares. The transfer on the sale of shares would normally be subject to ad valorem stamp duty or (if an unconditional agreement to transfer such shares is not completed by a duly stamped transfer within two months) stamp duty reserve tax generally, in each case at the rate of 50p for every £100 or part of £100 of the consideration paid where the total consideration exceeds £1,000 or if it forms part of a series of transactions where the total consideration exceeds £1,000. Such duties would be payable by a person who purchases such shares from the original subscriber.

Purchases in the market after listing

Any subsequent purchaser of existing VCT shares, as opposed to a subscriber for new VCT shares, will not qualify for income tax relief on investment but may benefit from dividend relief and from capital gains tax relief on the disposal of his/her VCT shares.

The VCT Regulations 2004

Under the VCT Regulations, monies raised by any further issue of shares by an existing VCT are subject to a grace period of three years before they must be applied in making investments which meet the VCT qualifying thresholds. However, to the extent any of the money raised (save for an insignificant amount in the context of the whole issued ordinary share capital of the VCT) is used by the VCT to purchase its own shares then this grace period shall not apply.

5. Tax Position of the Company

To obtain VCT status a company must be approved by HMRC as a VCT. HMRC has granted the Company approval under Section 274 ITA as a VCT and the Company intends to continue complying with the requirements of such section.

For a VCT to obtain full unconditional approval, the conditions summarised below must be satisfied in relation to the accounting period of the company which is current when the application for approval is made, or in any event must be satisfied by no later than the beginning of the VCT's next accounting period and must continue to be satisfied throughout the life of the VCT:

- (i) the VCT's income must have been derived wholly or mainly from shares and securities (in the case of securities issued by a company, meaning unsecured loans with a five-year or greater maturity period);
- (ii) no holding in a company (other than a VCT or a company which would, if its shares were listed, qualify as a VCT) by the VCT may represent more than 15% by value of the VCT's total investments at the time of investment;
- (iii) the VCT must not have retained more than 15% of the income derived from shares or securities in any accounting period;
- (iv) the VCT must not make an investment into a company which causes that company to have received more than £5 million of state aided risk finance in a rolling 12 month period (£10 million for a 'knowledge intensive' company), or more than £12 million in total (£20 million for a 'knowledge intensive' company);
- (v) no investment can be made by the VCT in a company whose first commercial sale was more than 7 years prior to date of investment, except where previous State aid Risk Finance was received by the company within that 7 years (10 years for a 'knowledge intensive' company) or where a turnover test is satisfied and the investment is used to enter a new product or geographical market;
- (vi) no funds received from an investment by the VCT into a company can be used to acquire another existing business or trade; and
- (vii) the VCT must not make any investments other than qualifying investments or certain non-qualifying investments specified in section 274 ITA 2007.

The VCT must not be a close company. Its ordinary share capital must be quoted on any regulated market in the EU or European Economic Area.

The VCT must not, in respect of any share capital created on or after 6 April 2014 and any reserves created from the cancellation thereof, make any payment or distribution out of such share capital and reserves to shareholders within three years from the end of the accounting period in which that share capital was created.

Under current legislation, the following conditions also have to be satisfied by no later than the beginning of the VCT's accounting period which commences no later than three years after provisional approval takes effect and must continue to be satisfied throughout the life of the VCT:

- (i) at least 80% by value of its investments is represented by shares or securities comprising qualifying investments; and
- (ii) at least 70% by value of its qualifying investments are represented by "eligible shares" which are ordinary shares which carry no present or future preferential rights to a return or capital on a winding up or any redemption rights but may have certain preferential rights to dividends.

Furthermore, VCTs are required to invest 30% of funds raised in any accounting period in qualifying investments within 12 months from the end of that accounting period.

Disposals of Qualifying Companies, which have been a qualifying holding throughout the six months prior to disposal, are disregarded for the purposes of the 80% test for a period of twelve months.

"Qualifying investments" comprise shares or securities issued by unquoted trading companies which exist wholly or mainly for the purpose of carrying on one or more qualifying trades (or are

the holding company of a trading group which does not carry on non-qualifying activities to a substantial extent) and which meet a principles based 'risk to capital' gateway test. 'Securities' for these purposes include unsecured loans with a five year or greater maturity period but excludes loans or other debt securities which are secured, or which generate a return in excess of 10% per annum or 50% of the amount of the loan over five years). This test requires the company to have genuine plans to grow and develop in the long term and that there be a significant risk that the capital invested could be lost as to an amount greater than the net investment return. The trade must be carried on by, or be intended to be carried on by, the investee company or a 90% held qualifying subsidiary (directly held or in the third tier within the group) at the time of the issue of the shares or securities to the VCT and at all times thereafter. The Qualifying Company must have a permanent establishment in the UK. The Qualifying Company must not be 'in difficulty' within the meaning of Community Guidelines on State Aid for Rescuing and Restructuring Firms in Difficulty.

A company intending to carry on a qualifying trade must begin to trade within two years of the issue of shares or securities to the VCT and continue it thereafter. The definition of a qualifying trade excludes certain activities, including dealing in property, shares, securities, commodities or futures. It also excludes banking, insurance, receiving royalties or licence fees in certain circumstances, leasing, the provision of legal and accounting services, farming and market gardening, forestry and timber production, property development and operating or managing hotels, guest houses, nursing and residential care homes, coal production, steel production, ship building or the generation of electricity. The funds raised by the investment must be used for the purposes of the qualifying trade within certain time limits.

A qualifying investment can be made in a company which is a parent company of a trading group where the activities of the group, taken as a whole, consist of carrying on one or more qualifying trades. The subsidiary carrying on the qualifying trade in question must be at least 90% owned by the parent company. The investee company's gross assets, or those of the group if it is a parent company, must not exceed £15 million immediately prior to the investment and £16 million thereafter. Neither the VCT nor any other company may control the investee company. At least 10% of the VCT's total investment in the investee company must be in "eligible shares" as defined above. Qualifying Companies or groups must have fewer than 250 employees (500 for a "knowledge intensive company"). Companies are permitted to receive a maximum of £5 million from investments made under the European Commission's Risk Finance Guidelines in the 12 months ending on the date of the VCT's investment, and a total maximum of £12 million of such investment (£10 million and £20 million respectively for a "knowledge intensive company"). The company's first commercial sale must be no more than seven years before the date of the VCT's investment (10 years for a "knowledge intensive company"), except where previous State Aided risk finance investment was received by the company in that seven or 10 year period, or where a turnover test is satisfied and the money is used to enter a new product or geographic market. There is also a disqualifying purpose test designed to exclude companies set up for the purpose of accessing the tax reliefs. There is an exclusion on the use of VCT funds for the acquisition of a trade, business or of shares in another company.

Companies whose shares are traded on AIM or NEX Growth Market are treated as unquoted companies for the purposes of calculating qualifying investments. Shares in an unquoted company which subsequently become listed may still be regarded as a qualifying investment for a further five years following listing, provided all other conditions are met.

VCTs may only use the non-qualifying portion of their portfolio to make a limited range of investments for the purposes of liquidity management, specifically in listed shares, shares or units in alternative investment funds and UCITS (each of which must be redeemable on seven days' notice by the investor) and short term cash deposits.

The Company will notify through an RIS as to any action that the Investment Adviser takes in the event of a breach of any of the conditions to remaining a VCT.

The above is only a summary of the tax position of individual investors in VCTs based on the Company's understanding of current law and practice. Investors are recommended to consult a professional adviser as to the taxation consequences of investing in a VCT. Tax reliefs referred to in this document are UK tax reliefs and are dependent on the Company maintaining its VCT qualifying status.

PART FOUR: INVESTMENT PORTFOLIO OF THE COMPANY

The following information is a summary of the main investments of the Company as at the date of this document. Information, including as to valuation, has been sourced from the Company's unaudited management accounts prepared to 31 August 2022.

Investment Portfolio

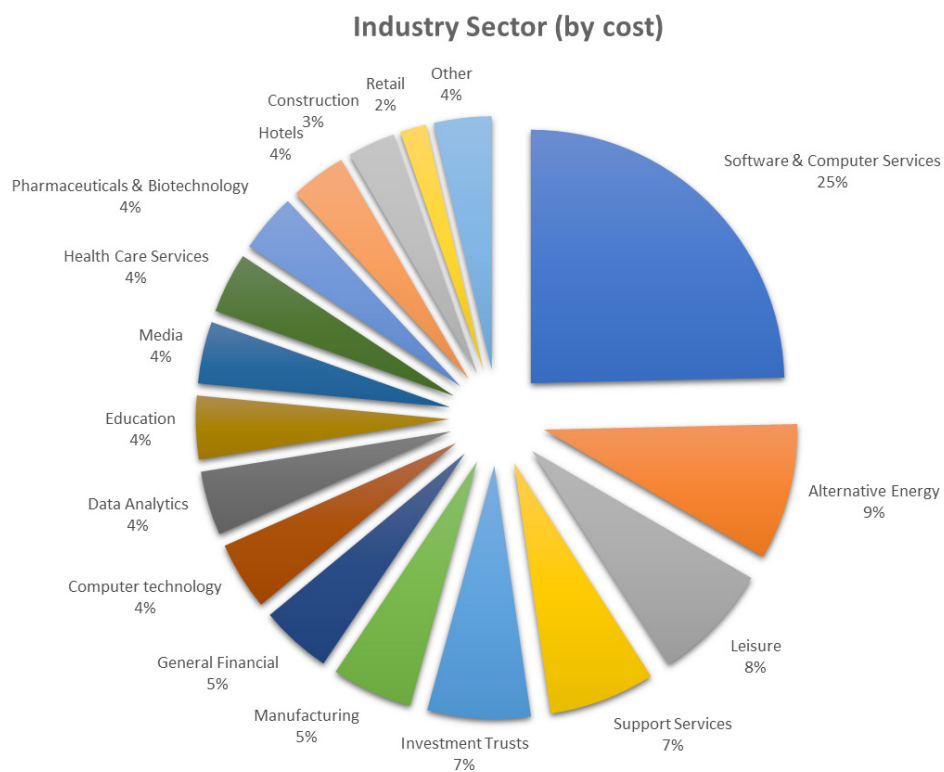
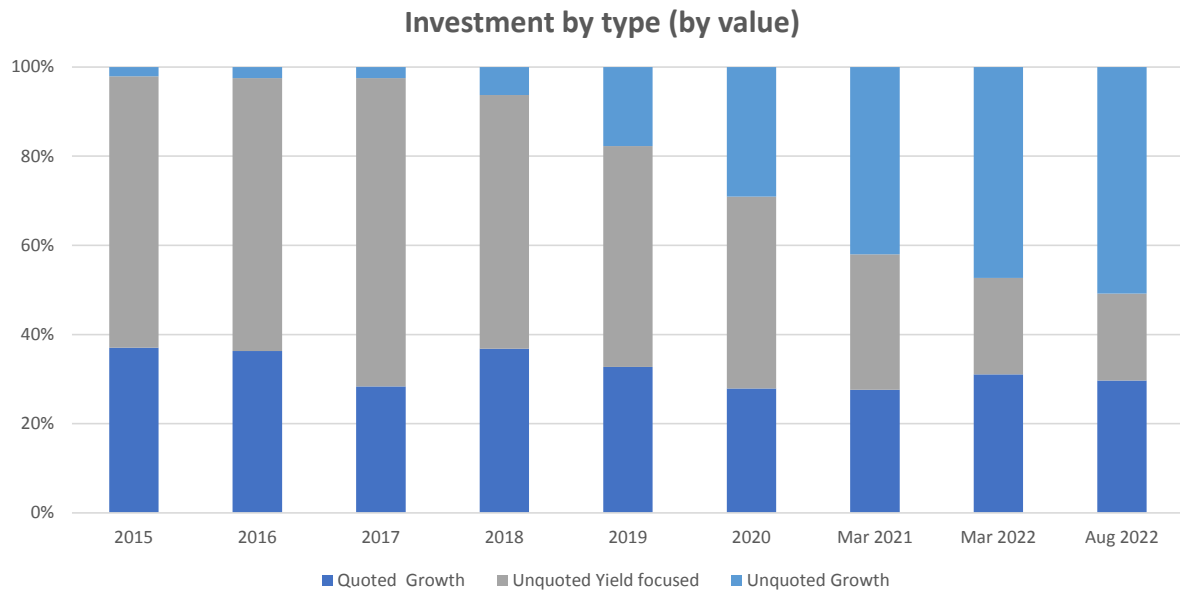
		Valuation £'000	% of net assets by value
18 largest investments (by value)			
1	Tracsis plc*	7,552	7.1%
2	Doneloans Limited	4,266	4.0%
3	Baron House Developments LLP	4,184	3.9%
4	Downing Strategic Micro-Cap Investment Trust plc**	3,656	3.4%
5	Cornelis Networks Inc	3,495	3.3%
6	Anpario plc*	3,464	3.2%
7	Carbice Corporation	3,208	3.0%
8	Trinny London Limited	2,778	2.6%
9	Ayar Labs, Inc	2,681	2.5%
10	Maestro Media Limited	2,417	2.3%
11	Virtual Class Limited	2,397	2.3%
12	StorageOS Inc	2,302	2.2%
13	Cadbury House Holdings Limited	2,162	2.0%
14	Rated People Limited	1,895	1.8%
15	Glisser Limited	1,887	1.8%
16	Hackajob Limited	1,787	1.7%
17	Data Centre Response Limited	1,787	1.7%
18	Imagen Limited	1,763	1.7%
		53,681	50.5%
Other investments (69 companies)		29,636	27.9%
Total investments		83,317	78.4%
Cash at bank and in hand		20,052	18.8%
Other net current assets		2,984	2.8%
Net Assets		106,353	100.0%

* Quoted on AIM

** Listed and traded on the Main Market of the London Stock Exchange

All other investments unquoted.

Analysis of Investment Portfolio



Top 17 investments (by value)

1 Tracsis plc

Tracsis specialises in solving a variety of data capture, reporting and resource optimisation problems along with the provision of a range of associated professional services. Tracsis' products and services are used to increase efficiency, reduce cost and improve the operational performance and decision-making capabilities for clients and customers.

			Valuation £'000	Percentage of equity held
Audited accounts date:	31/07/21	Equity shares	7,552	2.6%
Turnover	£50.2m	Loan stock	-	
Profit/(loss) before tax	£4.6m			
Net assets/(liabilities)	£56.7m		7,552	

2 Doneloans Limited

Doneloans Limited is a non-qualifying investment company which holds a portfolio of secured loans from which it generates a steady income with limited capital risk.

			Valuation £'000	Percentage of equity held
Unaudited accounts date:	31/03/21	Equity shares	635	50.0%
Turnover	n/a	Loan stock	3,631	
Profit/(loss) before tax	n/a			
Net assets/(liabilities)	£0.6m		4,266	

3 Baron House Developments LLP

Baron House Developments was created to fund the purchase of a property opposite Newcastle station, which qualifies under the Business Premises Renovation Allowance (BPPRA) scheme.

			Valuation £'000	Percentage of equity held
Unaudited accounts date:	30/03/21	Equity shares	-	0.0%
Turnover	£nil	Loan stock	4,184	
Profit/(loss) before tax	(£0.2m)			
Net assets/(liabilities)	£4.1m		4,184	

4 Downing Strategic Micro-Cap Investment Trust plc

Downing Strategic Micro-Cap Investment Trust plc is a non-qualifying investment which seeks to provide investors with long term growth through a concentrated portfolio of UK listed companies that typically have a market capitalisation of below £150 million.

			Valuation £'000	Percentage of equity held
Unaudited accounts date:	28/02/22	Equity shares	3,656	12.2%
Turnover	£0.8m	Loan stock	-	
Profit/(loss) before tax	£2.4m			
Net assets/(liabilities)	£43.1m		3,656	

5 Cornelis Networks Inc

Cornelis Networks is a provider of purpose-built interconnects focused on high performance computing (HPC), high performance data analytics (HPDA), and artificial intelligence (AI). Cornelis Networks is an independent company spun out from Intel's Omni-Path Architecture Business. Omni-Path Architecture enables quicker processing and output with minimal log and power consumption - a critical element with the increasing data requirements in next-gen technology.

			Valuation £'000	Percentage of equity held
Audited accounts date:	Not publicly available	Equity shares	3,495	4.7%
		Loan stock	-	
			<hr/> 3,495	

6 Anpario plc

Anpario plc is an international producer and distributor of natural animal feed additives for animal health, nutrition and biosecurity

			Valuation £'000	Percentage of equity held
Audited accounts date:	31/12/21	Equity shares	3,464	2.6%
Turnover	£33.4m	Loan stock	-	
Profit/(loss) before tax	£5.7m			
Net assets/(liabilities)	£40.3m		<hr/> 3,464	

7 Carbice Corporation

Carbice Corporation has developed a suite of products based on its carbon material called Carbice Carbon which is primarily used as thermal management solutions to enable greater thermal conductivity.

			Valuation £'000	Percentage of equity held
Audited accounts date:	Not publicly available	Equity shares	3,208	19.5%
		Loan stock	-	
			<hr/> 3,208	

8 Trinny London Limited

Trinny London is a premium cosmetic and skincare brand launched in 2016 by Trinny Woodall and Mark McGuinness-Smith. The business' online platform can match customers with products suiting their complexion.

			Valuation £'000	Percentage of equity held
Audited accounts date:	31/03/21	Equity shares	2,778	0.9%
Turnover	£44.2m	Loan stock	-	
Profit/(loss) before tax	£3.4m			
Net assets/(liabilities)	£7.1m		<hr/> 2,778	

9 Ayar Labs, Inc

Ayar Labs, Inc has developed components for high performance computing and data centre applications to deliver better bandwidth, better power and better latency for a given application.

			Valuation £'000	Percentage of equity held
Audited accounts date:	Not publicly available	Equity shares	2,681	0.9%
		Loan stock	-	
			<hr/> 2,681 <hr/>	

10 Maestro Media Limited

Maestro Media has developed an online streaming platform in collaboration with the BBC that offers consumers personal and insightful lessons from leading creative talents such as David Walliams, Gary Barlow and Malorie Blackman.

			Valuation £'000	Percentage of equity held
Unaudited accounts date:	31/12/21	Equity shares	2,417	3.9%
Turnover	n/a	Loan stock	-	
Profit/(loss) before tax	n/a			
Net assets/(liabilities)	£3.8m		<hr/> 2,417 <hr/>	

11 Virtual Class Limited (Third Space Learning)

Third Space Learning has developed an online educational platform that provides mathematics tuition to pupils studying for their exams, offering online 1-to-1 maths intervention and high-quality resources that help develop the building blocks to success in maths.

			Valuation £'000	Percentage of equity held
Audited accounts date:	31/07/21	Equity shares	2,397	8.5%
Turnover	n/a	Loan stock	-	
Profit/(Loss) before tax	n/a			
Net assets/(liabilities)	£1.8m		<hr/> 2,397 <hr/>	

12 StorageOS Inc

StorageOS Inc (now trading as Ondat) is a cloud-based storage management software solution developed to manage storage issues. Downing led a \$10 million round in late 2020.

			Valuation £'000	Percentage of equity held
Unaudited accounts date:	31/01/21	Equity shares	2,302	10.9%
Turnover	£0.0	Loan stock	-	
Profit/(loss) before tax	(£0.4m)			
Net assets/(liabilities)	£8.5m		<hr/> 2,302 <hr/>	

13 Cadbury House Holdings Limited

Cadbury House Holdings Limited owns and operates a health club, restaurant and conference centre at Cadbury House, near Bristol. The restaurant trades as a Marco Pierre-White Steak house Bar and Grill.

			Valuation £'000	Percentage of equity held
Audited accounts date:	30/09/21	Equity shares	-	0.0%
Turnover	£4.9m	Loan stock	2,162	
Profit/(loss) before tax	(£1.2m)			
Net assets/(liabilities)	£3.6m		<u>2,162</u>	

14 Rated People Limited

Rated People Limited an online home services marketplace that aims to connect homeowners with high quality local tradespeople. The company offers access to more than 50,000 tradespeople, representing over 30 trades, and covering the whole of the UK.

			Valuation £'000	Percentage of equity held
Audited accounts date:	31/12/21	Equity shares	1,895	3.0%
Turnover	£11.0m	Loan stock	-	
Profit/(loss) before tax	(£1.0m)			
Net assets/(liabilities)	(£4.8m)		<u>1,895</u>	

15 Glisser Limited

Glisser Limited is an award-winning event hosting platform for virtual and in-person events. The company's software extends event attendance and engagement through the combination of on-line and physical events.

			Valuation £'000	Percentage of equity held
Unaudited accounts date:	31/12/21	Equity shares	1,887	7.7%
Turnover	n/a	Loan stock	-	
Profit/(loss) before tax	n/a			
Net assets/(liabilities)	£3.2m		<u>1,887</u>	

16 Hackajob Limited

Hackajob Limited in an online recruitment platform for employers seeking developers and engineers. Potential employees take part in online technical challenges and are matches with relevant employers through Hackajob's automated testing features and algorithms.

			Valuation £'000	Percentage of equity held
Unaudited accounts date:	31/10/21	Equity shares	1,787	4.7%
Turnover	n/a	Loan stock	-	
Profit/(loss) before tax	n/a			
Net assets/(liabilities)	(£2.6m)		<u>1,787</u>	

17 Data Centre Response Limited

Data Centre Response Limited is the maintenance provider to third party owned data centres.

		Valuation £'000	Percentage of equity held	
Unaudited accounts date:	30/06/21	Equity shares	1,787	49.6%
Turnover	n/a	Loan stock	-	
Profit/(loss) before tax	n/a			
Net assets/(liabilities)	£0.9m		<u>1,787</u>	

18 Imagen Limited

Imagen is a SaaS video management platform which holds both current and archive footage for major sporting organisations and news outlets, including Premier League, World Tennis Association and the BBC. The platform helps sports, media and enterprise businesses to manage their expanding video and content libraries on its cloud-based technology.

		Valuation £'000	Percentage of equity held	
Unaudited accounts date:	31/05/21	Equity shares	1,763	4.9%
Turnover	n/a	Loan stock	-	
Profit/(loss) before tax	n/a			
Net assets/(liabilities)	(£1.9m)		<u>1,787</u>	

Case Studies



Ayar Labs	Sector: DeepTech / High Performance Computing
Investment type	Venture Capital
Initial investment date	August 2020
Aggregate investment by Foresight funds	£3.1m
Aggregate amount returned to all Foresight funds	n/a
Aggregate valuation of remaining investment by all Foresight funds	£6.2m (30 June 2022)

Company background

Ayar Labs, based out of California and London, has developed a novel component for the next generation of semiconductors, to improve speed and increase bandwidth in new products. Ayar Labs can improve bandwidth over the existing technology by 1000x whilst only using 10% of the energy. The company is seeking to overcome the significant bottlenecks that are emerging as we continue to drive innovation within semiconductors, legacy technologies such as copper wire are not able to provide the next generation interconnect.

The company was founded in 2015 out of MIT, developed by globally renowned leaders in optical interconnect computing. The team has been further strengthened over time with a senior commercial team from Intel and Penguin Computing. The company expanded into the UK in 2020 setting up Ayar Labs UK Ltd and opening a London office.

Investment

The Company, alongside Thames Ventures VCT 2 plc first invested into the business in August 2020, co-leading the Series B financing with Blu-Sky Labs. In aggregate, the Company and Thames Ventures VCT 2 plc has invested £3.1m into the company. In addition to this investment, the Company and Thames Ventures VCT 2 plc have also introduced further investors to Ayar Labs to help provide further funding to the business. The Company and Thames Ventures VCT 2 plc first sourced Ayar Labs through its thematic research into the High Performance Computing (HPC) sector. Ayar Labs continues to scale and has subsequently raised a round at a valuation which has increased by over 100% in 18 months. Ayar Labs is backed by some of the best VC funds globally including Playground Global, Intel Capital and Founders Fund.

Exit Options

Ayar Labs has significant potential to exit in the next few years, most likely by acquisition from a strategic partner in the sector as their technology could provide a superior semiconductor technology long term, which would be a significant differentiator. If successful the Company and Thames Ventures VCT 2 plc would expect a multi-billion dollar exit and potentially as much as a 10x return on invested capital.

e.fundamentals	Sector: Software
Investment type	Venture Capital
Initial investment date	December 2017
Aggregate investment by Foresight funds	£3.571m
Aggregate amount returned to all Foresight funds	£3.97m
Aggregate valuation of remaining investment by all Foresight funds	£4.86m

Company background

e.fundamentals has developed a digital shelf analytics tool that is sold to international to consumer brands to allow them to understand how their products are performing when being sold through third party e-commerce platforms, e.g. Amazon and Tesco.com. The technology provides rich, actionable data allowing users to make decisions that will drive sales, margin and improve customer loyalty. The SaaS tool developed provides brands with the analytics required to succeed at speed and scale by capturing complex data from more than 350 e-commerce retailers and marketplaces in 40+ international markets. By acting on e.fundamentals' Digital Shelf Analytics insights, brand owners gain a competitive advantage at speed and scale by optimizing their online retailer search visibility and ranking, shopper feedback, pricing and promotion performance and executing their category strategy with real-time insight.

e.fundamentals was founded by John Maltman 2014, who identified the issues faced by international brands when trying to transfer high street market share and profitability to an online environment. John had accumulated a deep understanding of the how brands operate and think further to a 30 year career in senior management at international FMCG brands including Proctor & Gamble, PepsiCo and Asda Walmart. John was quick to realise that brands were not well placed to win online and that they were unable to solve this problem in isolation

Investment

The Company first invested in the business in 2017 and continued to provide financial support over a series of follow on funding rounds, alongside and Thames Ventures VCT 2 plc and certain EIS investors. In aggregate £3.6m has been deployed by the Company, Thames Ventures VCT 2 plc and the EIS investors. In addition, the investment team introduced additional institutional investors (such as Maven and Scottish Investment Bank) who invested in subsequent investment rounds. At the time of the original investment, e.fundamentals had a small number of customers and limited evidence of product market fit. In the following 5 years, customers and the average order value increased significantly as the company established itself as one of the leading providers of digital shelf analytics and won host of leading FMCG customers including Mars Pepsico, Molson Coors and Edgewell.

Exit

In July 2022, e.fundamentals was acquired by US based CommerceIQ that generated a 2.5x return for the Company. Proceeds from the sale are via a combination of cash and rolled equity into the buyer. CommerceIQ recently raised a \$115m funding round and the purchase of e.fundamentals is integral to their plans to build the world's pre-eminent company supporting brands in the retail environment across areas including inventory planning, pricing and search optimisation.

Parsable	Sector: Business/productivity software
Investment type	Venture Capital
Initial investment date	August 2020
Aggregate investment by Foresight funds	£2.3m
Aggregate amount returned to all Foresight funds	n/a
Aggregate valuation of remaining investment by all Foresight funds	£2.1m (31 March 2022)

Company background

Parsable has developed technology to help manufacturers track, trend and optimise their operational activities and is used in over 800 facilities globally. The company looks to provide a solution to the problem whereby historically, factory workers' operating procedures were managed through archaic systems, still often relying on pen and paper on the factory floor to ensure the safety and correct delivery of workflows. This often leads to sub-optimal productivity and poor safety outcomes for factory workers. Parsable's digital tools can now track workflows, improve workforce output, monitor, and maintain high standards of safety and allow new procedures to be swiftly rolled out.

Parsable's digital tools has allowed Scientific Drilling (a company that repairs industrial drills used in the mining industry) to go paperless and monitor its workflows electronically, which has dramatically improved its productivity and reduced its costs. The company noted that this resulted in a 10% reduction in repair cost, 95% reduction in inaccurate reporting and reduced the time taken to complete repair tasks from 30 days to 2.

Parsable have already secured big name customers including Heineken and Shell and has over 100k users worldwide.

Investment

The Company and Thames Ventures VCT 2 plc first invested in the business in August 2020 and in total £2.3m was deployed by the Company and Thames Ventures VCT 2 plc, as part of a round that included Activate Capital and Glade Brook Capital Partners and broad support from existing financial investors and is intended to continue the company's recent growth by accelerating its growth including Asia, EMEA and Latin America; investing in its rapidly expanding network of global partners and integrations; and further deepening the enterprise depth and capabilities of its platform, with the ultimate goal of increasing safety, productivity and quality output for essential industrial frontline workers.

Exit Options

The most likely exit option for Parsable is an acquisition and, in Foresight's view, there are a number of blue chip industrial workflow and software players which might look to acquire the business in due course. The expected exit time horizon would be 2-3 years.

Bulbshare	Sector: Market research
Investment type	Venture Capital
Initial investment date	December 2021
Aggregate investment by Foresight funds	£998,000
Aggregate amount returned to all Foresight funds	n/a
Aggregate valuation of remaining investment by all Foresight funds	£998m (31 March 2022)

Company background

Bulbshare completes surveys and market research for large consumer goods companies, such as Nestle, Loreal and Samsung. The founders identified that large companies need detailed customer insights to guide strategy and that customer feedback helps companies design new products, test new geographies, and better understand issues like product pricing. Bulbshare has already successfully worked with some of the world's leading consumer brands for example: Loreal, Nestle, Listerine, Durex, Samsung and Ebay.

The company operates through three core principles that define its work: co-creation (developing tools to enable brands to listened to its customers), social good (fostering a sense of brand democracy) and collaboration (reacting to the thoughts, ideas and insights of its customers).

By way of example of its work, Bulbshare worked with Listerine, leading provider of oral care products, to gather feedback from customers in key segments across Thailand, Indonesia, and Australia to help build a strategy for its key product launches. This provided Listerine with a 1,000 strong sample that shaped their product launches and sales campaigns in key locations.

Investment

The Company and Thames Ventures VCT 2 plc first invested in the business in December 2021. In total £998,000 was deployed across the Company and Thames Ventures VCT 2 plc.

Exit Options

An acquisition by a private equity player or an IPO, as has been the route taken by other similar companies, are the main exit options for Bulbshare. The expected exit time horizon would be 4-5 years.

PART FIVE: FINANCIAL INFORMATION

1. Introduction

Audited statutory accounts of the Company for the periods ended 31 March 2020, 31 March 2021 and 31 March 2022, in respect of which the Company's auditors, BDO LLP, 55 Baker Street, London W1U 7EU, registered auditors under the Statutory Audit Directive (2006/43/EC) and members of the Institute of Chartered Accountants in England and Wales, made unqualified reports under section 495 of the CA 2006, have been delivered to the Registrar of Companies and such reports did not contain any statements under section 498(2) or (3) of the CA 2006. Copies of these audited statutory accounts are available at The Shard, 32 London Bridge Street, London, SE1 9SG.

The Company's audited statutory accounts for the periods ended 31 March 2020, 31 March 2021 and 31 March 2022, were prepared in accordance with Financial Reporting Standard 102 ("FRS 102") and in accordance with the Statement of Recommended Practice "Financial Statements of Investment Trust Companies" issued November 2014, updated January 2017 and February 2018.

These financial statements also contain a description of the Company's financial condition, changes in financial condition and results of operations for each financial period.

The most recent announced audited NAV was 61.6p per Ordinary Share as at 31 March 2022. The most recent announced unaudited NAV was 58.9p per Ordinary Share as at 31 August 2022.

2. Historical Financial Information

Historical financial information relating to the Company on the matters referred to below is included in the published annual reports and audited statutory accounts of the Company for the periods stated (which are each hereby incorporated by reference) as follows:

	Report and Accounts (Audited) for Year Ended 31 Mar 2020	Report and Accounts (Audited) for Year Ended 31 Mar 2021	Report and Accounts (Audited) for Year Ended 31 Mar 2022
<i>Nature of information</i>	<i>Page No.</i>	<i>Page No.</i>	<i>Page No.</i>
Income statement	46	52	54
Dividend per share	54	60	62
Balance sheet	48	54	56
Cash flow statement	49	55	57
Notes to the financial statements	50	56	58
Accounting policies	50	56	58
Independent auditors' report	40	45	47

3. Operating and Financial Review

A description of the changes in the performance of the Company, both capital and revenue, and changes to the Company's portfolio of investments is set out in the sections headed "Chairman's Statement", "Investment Adviser's Report" and "Investment Portfolio" in the published audited statutory accounts of the Company for the periods stated.

	Report and Accounts (Audited) for Year Ended 31 Mar 2020	Report and Accounts (Audited) for Year Ended 31 Mar 2021	Report and Accounts (Audited) for Year Ended 31 Mar 2022
<i>Nature of Information</i>	<i>Page No.</i>	<i>Page No.</i>	<i>Page No.</i>
Chairman's statement	3	3	3
Investment Adviser's report	6	6	6
Investment portfolio	15	15	16

The only information incorporated by reference in this document is that set out in this paragraph 3 and in paragraph 2 above.

4. Significant Change

As approved by shareholder resolution at the AGM on 15 August 2022, the Company paid a dividend of 1.75p per Share, totalling £3.2 million, on 26 August 2022.

There has been no material adverse change in the prospects of the Company since the date of its last published audited financial statements. Other than as noted above, there has been no significant change in the financial position or financial performance of the Company since the end of the last financial period for which financial information has been published to the date of this Prospectus (being the audited financial information to 31 March 2022).

5. Historical Financial Information Incorporated by Reference

The audited statutory accounts for the Company, for the years ended 31 March 2020, 31 March 2021 and 31 March 2022, are being incorporated by reference in this Prospectus and are available at the address set out in paragraph 11 of Part Four. Where these documents make reference to other documents, such other documents are not incorporated into and do not form part of this Prospectus. Those parts of the annual statutory accounts referred to above which are not being incorporated into this Prospectus by reference are either not relevant for investors or are covered elsewhere in this Prospectus.

PART SIX: GENERAL INFORMATION ON THE COMPANY

1. Incorporation and Administration

The Company was incorporated and registered in England and Wales as a public company with limited liability on 19 January 1996 with registered number 03150868, under the name AIM Distribution Trust plc. The Company's name was changed to Legg Mason Investors AIM Distribution Trust plc on 23 January 2002, The AIM Distribution Trust plc on 22 January 2004, Downing Distribution VCT 1 plc on 25 March 2010, Downing ONE VCT plc on 13 November 2013 and finally to Thames Ventures VCT 1 plc on 2 September 2022.

The principal legislation under which the Company operates is the CA 2006. The Registrar of Companies issued the Company with a certificate under Section 117 of the 1985 Act entitling it to commence business on 19 February 1996. The principal activity of the Company since that date has been to operate as a VCT. The Company gave notice to the Registrar of Companies pursuant to section 266 of the 1985 Act of its intention to carry on business as an investment company on 27 February 1996. The Company is domiciled in the UK. The Company has no subsidiaries and is not part of a group. The Company's website is at foresightgroup.eu/products/thames-ventures-vct-1-plc (although the information on that website does not form part of the Prospectus and is not incorporated by reference herein).

2. Share Capital

2.1 As at 30 October 2022, the last practicable date prior to the publication of this document, the issued share capital of the Company was 179,899,225 Ordinary Shares.

2.2 The following resolutions, inter alia, were passed at the annual general meeting held on 15 August 2022:

- (a) That, in addition to existing authorities, the Directors of the Company be and hereby are generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 ("CA 2006") to exercise all the powers of the Company to allot and issue shares in the capital of the Company and to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £900,000 (representing approximately 50% of the share capital in issue at today's date, provided that the authority conferred by this resolution shall expire on the conclusion of the next Annual General Meeting of the Company held after the passing of this resolution (unless renewed, varied or revoked by the Company in a general meeting) but so that this authority shall allow the Company to make before the expiry of this authority offers or agreements which would or might require shares to be allotted or rights to be granted after such expiry.
- (b) That, the Directors of the Company be and hereby are empowered pursuant to Sections 570(1) of the CA 2006 to allot or make offers to or agreements to allot equity securities (which expression shall have the meaning ascribed to it in Section 560(1) of the CA 2006) for cash pursuant to the authority given pursuant to resolution 8¹ above, as if Section 561(1) of the CA 2006 (pre-emption rights) did not apply to such allotment, provided that the power provided by this resolution shall expire on the conclusion of the next Annual General Meeting of the Company held after the passing of this resolution (unless renewed, varied or revoked by the Company in general meeting) but so that this authority shall allow the Company to make before the expiry of this authority offers or agreements which would or might require equity securities to be allotted after such expiry.
- (c) That, the Company be and is hereby generally and unconditionally authorised for the purpose of section 701 of the CA 2006 to make one or more market purchases (as defined in section 693(4) of the Act) of shares provided that:
 - (i) the maximum number of shares hereby authorised to be purchased is 26,876,702 representing approximately 14.9% of the present issued share capital of the Company;
 - (ii) the minimum price (exclusive of expenses) which may be paid for such shares is 1p, the nominal amount thereof;

¹ Being the resolution described at paragraph 2.2(a)

- (iii) the maximum price (exclusive of expenses) which may be paid for such shares shall be an amount equal to 5% above the average of the middle market quotations for such class of the Company's shares, as derived from the Daily Official List of the London Stock Exchange, for the five business days immediately preceding the day on which the purchase was made;
- (iv) the Company may make a contract to purchase its own shares under this authority prior to the expiry of this authority, and such contract will or may be executed wholly or partly after the expiry of this authority, and the Company may make a purchase of its own shares in pursuance of any such contract;

and this power, unless previously varied, revoked or renewed, shall come to an end at the conclusion of the Annual General Meeting of the Company next following the passing of this resolution or, if earlier, on the expiry of 15 months from the passing of this resolution.

- 2.3 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 2.2 above. The Company and its Shareholders are subject to the provisions of the Takeover Code and CA 2006, which require shares to be acquired/transferred in certain circumstances.
- 2.4 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. No shares of the Company are held by or on behalf of the Company itself. There are no convertible securities, exchangeable securities or securities with warrants attached to them currently in issue by the Company.
- 2.5 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.
- 2.6 There has not been any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) in the 12 months prior to the date of this Prospectus which may have or have had in the recent past significant effects on the Company's financial position or profitability, save in respect of the governmental actions taken in response to macro-economic factor such as the COVID-19 pandemic and fiscal policy more generally.
- 2.7 The Company is not regulated to conduct investment business under the Financial Services and Markets Act 2000.
- 2.8 Other than pursuant to the Offer and the authorities referred to above in sub-paragraph 2.2 above, no material issue of shares (other than where offered to Shareholders pro rata to existing holdings) will be made within one year without the prior approval of Shareholders in general meeting.
- 2.9 The Ordinary Shares will be in registered form. The Company's share register will be kept by The City Partnership (UK) Limited, The Mending Rooms, Park Valley Mills Meltham Road Huddersfield HD4 7BH. Evidence of title to Shares will be through possession of a Share certificate in the Shareholder's name; alternatively, Shares may be held in an account through the CREST system.
- 2.10 The Company is 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 the 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 authorised but unissued share capital of the Company which is not subject to the disapplication referred to in sub-paragraph 2.2(b) above.
- 2.11 The Company's capital resources are restricted insofar as they may be used only in putting into effect the investment policy described on pages 18 to 20 and in accordance with the VCT rules.

3. Memorandum of Association and Articles

The Company's principal object is to carry on the business of an investment company and a VCT. The Memorandum of Association and the Articles of Association are available for inspection at the address specified in paragraph 8 below.

A. Share capital

The share capital of the Company is comprised of Ordinary Shares and Deferred Shares.

(a) Rights attaching to shares

The Deferred Shares:

- (i) confer no right to any dividend or any other distribution (other than on a winding up);
- (ii) confer no right to receive notice of, or to attend or vote at general meetings;
- (iii) on a winding up confer the rights to be paid out of the assets of the Company available for distribution an amount equal to 1p for all the Deferred Shares prior to the surplus being distributed to the holders of Ordinary Shares, but do not confer any right to participate in any surplus assets of the Company; and
- (iv) may be purchased by the Company at any time for an aggregate consideration of 1p and each Deferred Share so purchased shall thereafter be cancelled

No shares that confer rights that are subordinated to those of the Ordinary Shares as to dividends or on a winding up of the Company shall be issued or created at any time.

(b) Variation of 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 either:

- (a) in such a manner as may be provided by such rights; or
- (b) in the absence of any such provision, 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.

(c) Alteration of share capital

The Company may by ordinary resolution:

- (i) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (ii) cancel any shares which, at the date of the passing of the resolution, have not been taken, or been agreed to be taken by any person, and diminish the amount of its share capital to reflect this cancellation; and
- (iii) sub-divide its shares into shares of smaller amount. Such a resolution may determine that one or more of the shares resulting from such sub-division may have any such preferred or other special rights, or may have such deferred rights, or be subject to any restrictions as compared with the others, as the Company has power to attach to unissued or new Shares.

The Company may by special resolution reduce its share capital and 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.

(d) 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.

(e) Transfer of shares

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 therefore 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 register a transfer if in their opinion (and with the concurrence of the London Stock Exchange) exceptional circumstances so warrant.

D. General meetings

- (a) An annual general meeting must be called by at least 21 days' notice in writing and all other general meetings by at least 14 days' notice in writing unless it is proposed to pass a resolution of which special notice is required in which case 28 days' notice is required. 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 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, in the case of the Company must be not less than 10 clear days thereafter). At such adjourned meeting a quorum shall be those persons present. It shall not be necessary to give notice of an adjournment or of the business to be transacted at an adjourned meeting.

E. 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 only in each company. 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) A member will lose his 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 him 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.

F. 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 an ordinary resolution of the Company in general meeting exceed an amount equal to the Adjusted Capital and Reserves (as defined in (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% 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 at any material time 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 and any credit balance on profit and loss account) of the Company and their subsidiaries.

G. Directors' and other interests

- (a) A Director 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 he declares the nature of his interest at a meeting of the Directors.
- (b) A Director 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 he has an interest which is, to his 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 him 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 he himself 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 he is or may be entitled to participate as a holder of securities or any underwriting or sub-writing of which he is to participate;
 - (iv) any proposal concerning any other body corporate in which he is interested directly, or indirectly and whether as an officer or shareholder or otherwise howsoever provided that he does 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 him 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 a Director has disclosed to the Directors the nature and extent of any material interest (i) he may be party to or otherwise interested in any transaction or arrangement with the Company (or in which the Company has invested), (ii) he 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) he shall not be accountable to the Company for any benefit which he derives from any such transaction, arrangement, office, employment or interest and (iv) he may by himself or his firm act in a professional capacity for the Company for which he or his firm shall be entitled to receive remuneration.
- (d) There shall be no less than three and not more than eight Directors in the Company.
- (e) The Directors shall not be required to hold any shares in the Company by way of qualification.
- (f) The ordinary remuneration of the Directors shall not in aggregate exceed £150,000 per annum (or such sum as may be determined by an ordinary resolution). This shall be divided between the Directors as they may agree, or failing agreement, equally, except that any Director who has held office for only part of the period in which remuneration is payable shall only be entitled to a proportion of the remuneration related to the period during which he held office. 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.
- (g) Every Director or other officer and Auditor of the Company, in so far as is consistent with the CA 2006, shall be entitled to be indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities which he may incur in relation to the exercise of his duties, power or offices.

H. *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 without interest to the former member or other person entitled to the proceeds for the amount received. The Company shall be deemed to be his debtor however no trust shall be created in respect of the debt and no interest is payable on the amount of the debt.

I. Capitalisation, reserves and dividends

- (a) The Directors may, with the sanction of an ordinary resolution, decide to capitalise any sum in the profits and reserves of the Company by appropriating such sums to the holders of Ordinary Shares on the register of members at the close of business on the date of the resolution in proportion to their then holdings of Ordinary Shares. The Directors may then apply such sums on their behalf in paying up in full unissued Ordinary Shares for allotment and distribution credited as fully paid to and amongst them as bonus shares in the proportion aforesaid. The Directors may do all acts and things considered necessary to give effect to any such capitalisation.
- (b) 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.
- (c) The profits of the Company available for dividend and resolved to be distributed shall be applied in the payment of dividends to the members in accordance with their respective rights and priorities, provided that no dividend shall exceed the amount recommended by the Directors.
- (d) The Directors may pay interim dividends and also any fixed rate if it appears to them that they are justified in so doing by the profits of the Company available for distribution.
- (e) 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.
- (f) The Directors may, before recommending any dividend, whether preferential or otherwise, set aside out of the profits of the Company and carry to reserve such sums as they think proper as a reserve or reserves. The Directors may, at their discretion, apply such sums for any purpose to which the profits of the Company may properly be applied.

J. 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 an 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 shares. 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 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.

K. Winding-up

- (a) 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.
- (b) The Company may, subject to the provisions of CA 2006, issue warrants or grant options to subscribe for shares in the Company. The board may resolve to issue such warrants or options upon terms and conditions which may provide that, on a winding up of the Company a holder of warrants or grantee options may be entitled to receive out of the assets of the Company available in the liquidation, such a sum as he would have received had he exercised the subscription rights conferred by his warrants or the options prior to the winding up but after deduction of the price payable on exercise of such subscriptions rights.

L. Nomination notices

- (a) A Member may send the Company notice in writing that another person is entitled to enjoy or exercise all or any specified rights of that Member in relation to the Company. In receipt of such a notice the Company must give effect to that notice in accordance with its terms.
- (b) The Company must keep a copy of all such notices which are in force or have been in force within the preceding 12 months.

M. Change of control

There are no provisions in the Company's Articles, or in any other statutes, charter or bylaws, which would have the effect of delaying, deferring or preventing a change of control of the Company.

4. Directors' and Others' Interests in the Company

- (a) The Company is not aware of any person, not being a member of its administrative, management or supervisory bodies, who, as at the date of this document, is directly or indirectly interested in 3% or more of the issued share capital of the Company and is required to notify such interest in accordance with the DTR.
- (b) As at 30 October 2022 (being the latest practicable date prior to the publication of this document), the interests (all of which are beneficial) of the Directors and their immediate families in the share capital of the Company which: (i) have been notified by each Director to the Company; (ii) are required pursuant to section 809 of the CA 2006 to be entered in the register referred to therein; or (iii) are interests of a connected person of the Director which would, if the connected person, within the meaning of section 252 of the CA 2006, were a Director, be required to be disclosed under (i) or (ii) above, and the existence of which is known to or could with reasonable diligence be ascertained by that Director, were as follows:

Director	Number of Shares	Percentage of issued share capital
Chris Kay	83,300	0.046%
Barry Dean	7,129	0.004%
Stuart Goldsmith	7,881	0.004%
Chris Allner	16,736	0.009%

Save as disclosed in this paragraph, no Director nor any person (to the extent the same is known to, or could with reasonable diligence be ascertained by, that Director) connected with any Director (within the meaning of the DTR) has any interest in the share capital of the Company which is required to be notified pursuant to the DTR or which is required to be entered in the register maintained under section 809 of the CA 2006.

- (c) None of the Directors has a service contract. Directors' appointments are subject to 3 months' 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. The office of non-executive director is also not pensionable. Aggregate Directors' emoluments for the year ended 31 March 2022 amounted to £105,000 (plus applicable VAT and employer's National Insurance Contributions). Each Director is currently entitled to receive annual fees as listed below.

Name	Annual Remuneration (£)
Chris Kay	45,000
Barry Dean	30,000
Stuart Goldsmith	30,000
Chris Allner*	20,000
	<hr/> 125,000

* Chris Allner's directors fees are being paid by Downing LLP for the two years following the completion of the acquisition of the Downing ventures division by Foresight.

- (d) No loan or guarantee has been granted or provided by the Company to any Director

No Director has an interest in any transaction effected by the Company since its incorporation which is or was unusual in its nature or conditions or significant to the business of the Company.

The Company has taken out directors' and officers' liability insurance for the benefit of its Directors and the Company Secretary.

The following are directorships and partnerships held by the Directors in the five years prior to the date of this document, in addition to the Company itself, and the principal activities of the Directors outside the Company where these are significant with respect to the Company:

Stuart Goldsmith	Current	Past 5 Years
	Carlton Club (London) Limited Carlton Trustees (London) Limited Future Screen Partners 2006 No.1 LLP G A Roe & Sons Ltd MicRoe Company Ltd RF&G Life Insurance Company Ltd Studdridge Limited	Ketton Securities Limited* Ketton Underwriting LLP The Fifth Mezzanine Film Fund LLP
Chris Kay	Current	Past 5 Years
	Beer & Buns Limited Chrysalis VCT Admin Limited Chrysalis VCT Management Limited Chrysalis VCT NXD Limited Driver Require Group Limited K10 (London) Limited Life's Kitchen Limited Locale Enterprises Limited	Fusion Catering Solutions Limited * Javelin Ventures Limited Precision Dental Laboratories Group Limited Livvakt Limited
Barry Dean	Current	Past 5 Years
	Proven VCT plc	Molten Ventures VCT plc (formerly Draper Esprit VCT plc) St James II LP* St James LP*

Chris Allner Downing LLP
Thames Ventures VCT 2 PLC

Claresys Limited
Curo Compensation Limited
Firefly Learning Limited
Xupes Handbags & Jewellery Ltd

*Company has been dissolved

None of the Directors nor any member of the Investment Adviser has for at least the previous five years:

- (i) had any convictions in relation to fraudulent offences; or
- (ii) been associated with bankruptcies, receiverships or liquidations (save for members' voluntary liquidations) in relation to an entity for which they have been acting as members of the administrative, management or supervisory bodies or senior management who was relevant to establishing that the entity had the appropriate expertise and experience for the management of its business; or
- (iii) been subject to any official public incrimination and/or sanctions by any statutory or regulatory authority (including designated professional bodies) or been disqualified by a Court from acting as a director or member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any issuer.
- (iv) The Company is not aware of any persons who, directly or indirectly, exercises or could exercise control over the Company.
- (e) There are no conflicts of interest, actual or potential, between any Director or any member of the Company's administrative, management or supervisory bodies and his duties to the Company and the private interests and/or duties he may also have. All of the Company's Directors will be independent of the Investment Adviser throughout its life.
- (f) There are no conflicts of interest, actual or potential, which any service providers to the Company have between their duty to the Company and their duties owed by them to third parties and their other interests.
- (g) None of the Company's major holders of Shares have voting rights different from other holders of Shares.
- (h) No amounts have been set aside by the Company or Investment Adviser for pensions, retirement or similar benefits.
- (i) Other than in respect to the shareholdings in the Company held by the Directors as set out on page 60 and the agreements referred to in paragraph 5(a), (b), (c) and (e) below, the Company has not entered into any related party transactions in the two years prior to the date of this document.
- (j) There are no service contracts with the Company providing for benefits upon termination of employment.
- (k) DTR5 requires a Shareholder to notify the Company of the percentage of its Shares he holds if such percentage reaches, exceeds or falls below 3% or subsequent 1% thresholds.

5. Material Contracts

The following are the only contracts, not being contracts entered into in the ordinary course of business, that have been entered into by the Company within the two years immediately preceding publication of this document and which are or may be material to the Company which contains any provision under which the Company has any obligation or entitlement which is material to the Company as at the date of this document:

- (a) An Investment Services Agreement ("ISA") originally dated 19 September 2019 and between (1) the Company and (2) Downing LLP, as novated and amended pursuant to a deed of novation and amendment dated 4 July 2022 between (1) the Company (2) Downing LLP and (3) Foresight Group LLP, pursuant to which Foresight has been appointed as the investment adviser to the Company.

The appointment is not for a fixed term and may be terminated by either side giving not less than 12 months' notice in writing. Foresight receives an annual management fee of an amount equivalent to 2.0% of the Company's net assets calculated by reference to the NAV at the previous half year (i.e. 31 March and 30 September).

The annual running costs of the Company are expected to be capped at 2.6% (including irrecoverable VAT of its NAV (calculated on a semi-annual basis) with Foresight paying any excess running costs above the cap.

Foresight also provides administration services to the Company for a formula-based fee comprising three elements: (i) a basic fee of £40,000; (ii) a fee of 0.125% of NAV per annum on funds in excess of £10 million; (iii) £10,000 per additional share pool.

The agreement contains usual provisions indemnifying Foresight against any liability not due to its default, gross negligence, fraud or breach of FSMA.

- (b) A sub-management and administration agreement dated 4 July 2022 between (1) the Company (2) Downing LLP and (3) Foresight Group LLP) pursuant to which Downing has been appointed by Foresight to provide investment advisory services related to certain investments within the Company's asset-based, AIM and healthcare portfolios and also to provide administration services.
- (c) A promoter agreement dated 31 October 2022 between the Company (1) the Promoter (2) the Investment Adviser (3). The agreement contains warranties and indemnities given by the Company to the Promoter. The Promoter will receive a fee of either 2.5% or 5.5% of the initial NAV per FWT Share dependent on the type of investor. The amount that may be received by the Promoter pursuant to this agreement is capped at £1.35 million. All other costs, charges and expenses of or incidental to the Offer shall be paid by the Promoter from its fees save for trail commission (where permissible) which shall be paid by the Company and initial commission and the facilitation of up-front adviser charges each of which shall be paid by the Company through the application of a pricing formula. In respect of each investor, the Promoter's fee will be reduced by loyalty and early investment discounts. The Investment Adviser has provided a guarantee to the Company in respect of the obligations of the Promoter under this agreement.
- (d) A letter of engagement dated 9 September 2022 from SPARK Advisory Partners Limited ("**SPARK**") pursuant to which SPARK has been appointed as sponsor to the Company in connection with the Offer. The Company has agreed to indemnify SPARK for any loss suffered in respect of its role as sponsor to the Offer (save for when such loss has arisen out of SPARK's breach, wilful default, misconduct or gross negligence). The Company's liability under this indemnity is unlimited.
- (e) A performance incentive agreement, originally between the Company (1) and Downing (2) dated 19 September 2019 (as novated and amended pursuant to a deed of novation and amendment dated 4 July 2022 between (1) the Company (2) Downing LLP and (3) Foresight Group LLP) pursuant to which Foresight will be paid a performance incentive fee equal to 20% of the realised gains on any exit from new investments made since 1 April 2019 ("**New Investments**") when the following conditions are met:
 - (i) The Internal Rate of Return ("**IRR**") of the pool group of all New Investments at the year end exceeds the hurdle rate of 5% p.a. (based on audited valuations and including realised and unrealised gains) ("**IRR Hurdle**"); and
 - (ii) Total Return per Share at the year end exceeds Base Value per share ("**Base Value Hurdle**"). The Base Value per Share is set at Total Return per share (NAV plus dividends paid based from the date of the merger), as at 31 March 2019, being 109.8p per Share.

If any amount is not paid in a year when an investment is realised because the IRR Hurdle and/or Base Value Hurdle are not met, such amounts are deferred and can be paid in a future year if and when the IRR Hurdle and Base Value are both met again. Additionally, the amounts payable under this proposed scheme are only paid to the extent that the IRR Hurdle and Base Value are exceeded.

The appointment is not for a fixed term and will terminate at any time when the Investment Services Agreement described in 5(a) above is terminated.

6. General

- (a) The legal and commercial name of the Company is Thames Ventures VCT 1 plc, registered in the UK at Companies House under number 03150868, and with LEI code 213800R88MRC4Y30IW86. The Company's principal place of business and registered office is at St. Magnus House, 3 Lower Thames Street, London EC3R 6HD (telephone no: 020 7416 7780). The Company has not, nor has had since incorporation, any employees other than its Directors. The Company does not have any subsidiaries or associated companies other than the Investment Adviser. The Company is not authorised or regulated by the FCA.
- (b) The legal and commercial name of the Investment Adviser is Foresight Group LLP, registered in the UK at Companies House under number OC300878, and with LEI code 213800WOK59EEP4B4Q11. The Investment Adviser's principal place of business and registered office of the Investment Adviser is at The Shard, 32 London Bridge Street, London, SE1 9SG (telephone no: 020 3667 8181). The Investment Adviser is UK domiciled and was incorporated in England and Wales under the 2000 Limited Liability Partnerships Act on 25 October 2001. The Investment Advisor's website is at www.foresightgroup.eu (although the information on that website does not form part of the Prospectus and is not incorporated by reference herein).
- (c) BDO LLP, 55 Baker Street, London W1U 7EU are the registered auditors of the Company and are registered in accordance with the Statutory Audit Directive (2006/43/EC) and are a member of the Institute of Chartered Accountants in England and Wales.
- (d) The Board is responsible for the determination and calculation of the Company's net asset value and announces it at least half yearly, through a regulatory information service. The Board believes that, by announcing their Company's financial results on a regular basis, it should help to provide a fairer market price for its Shares.
- (e) With effect from 14 September 2020, the Company uses IBP Markets Limited ("IBP") as custodian for its quoted investments. IBP is registered in the UK at Companies House under number 07126254, and with LEI code 213800WAVVOPS85N2205. IBP's registered office is located at 81 Wimpole Street, London, England, W1G 9RE (telephone no: 020 3530 7850). IBP is UK domiciled and was incorporated in England and Wales under the Companies Act 1985 on 15 January 2010. IBP's website is at www.ibpmarkets.com (although the information on that website does not form part of the Prospectus and is not incorporated by reference herein). IBP is authorised by the FCA under firm reference number 146853. The obligations of IBP under the custody agreement with Downing LLP include regular reporting, reconciliation and processing of dividends and interest in respect of the Company's quoted investments.

Unquoted investments are held by the Company in certificated form.

- (f) Valuation of investments

All investments are designated as "fair value through profit or loss" assets and are measured at fair value.

Listed fixed income investments are measured using bid prices in accordance with the IPEV Guidelines.

In respect of unquoted instruments, fair value is established by using the IPEV Guidelines. The valuation methodologies used by the Company to ascertain the fair value of an investment in an unquoted entity are as follows: Price of recent investment; Earnings multiple; Net assets; Discounted cash flows or earnings (of underlying business); Discounted cash flows (from the investment); and Industry valuation benchmarks.

Gains and losses arising from changes in fair value are included in the Income Statement for the year as a capital item and transaction costs on acquisition or disposal of the investment expensed.

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

- (g) Reporting to Shareholders - the Company's annual report and accounts are made up to 31 March in each year and are normally sent to Shareholders in July. The Company's next accounting period will end on 31 March 2023. The Company's unaudited half yearly reports are made up to 30 September each year and are normally sent to Shareholders in December.
- (h) All material contracts of the Company will be in English and the Company and/or its Investment Adviser will communicate with Investors and/or Shareholders in English.
- (i) Complaints about the Company or the Investment Adviser should be referred to the chairman of the Board of Directors of the Company at St. Magnus House, 3 Lower Thames Street, London EC3R 6HD or the chairman of the Investment Adviser at The Shard, 32 London Bridge Street, London, SE1 9SG. Any such complaint may subsequently be referred to the Financial Ombudsman Service. Compensation will not be available from the Financial Services Compensation Scheme in the event of default by the Investment Adviser.
- (j) A typical investor will be a retail client (not a corporate) who is aged 18 or over, and pays UK income tax at a higher rate and who already owns a portfolio of non-VCT investments such as unit trusts/OEICs, investment trusts and/or direct shareholdings in listed companies and has sufficient income and capital so that his investment in the Company can be held for over five years. The individual will be professionally advised and/or a sophisticated investor, will make an investment of between £5,000 including any initial adviser charges for facilitation (or such lower amount at the Board's discretion) and £200,000 and will be capable of understanding and be comfortable with the risks of VCT investment.
- (k) The Company has to satisfy a number of tests to qualify as a VCT and will be subject to various rules and regulations in order to continue to qualify as a VCT, as set out under paragraph 5 in Part Six of this document ("*Taxation Considerations for Investors*"). In addition, under the rules relating to Admission, the Company must manage and invest its assets in accordance with the investment policy set out in the section headed "Investment Objective and Policy" on pages 18 to 20, which contains information about the policies which it will follow relating to asset allocation, risk diversification and gearing and which includes a maximum exposure. Investors will be informed through a regulatory information service of the action that the Board proposes to take in the event that any of these investment restrictions is breached.
- (l) All third party information in this document has been identified as such by reference to its source and has been accurately reproduced and, so far as the Company is aware, and is able to ascertain from information published by the relevant party, no facts have been omitted which would render such information inaccurate or misleading.

7. Stamp Duty, Stamp Duty Reserve Tax and Close Company Status

The Company has been advised that no stamp duty or stamp duty reserve tax ("SDRT") will be payable on the issue of the Shares issued under the Offer.

The transfer on sale of any Shares will be liable to ad valorem stamp duty normally at the rate of 0.5% of the amount or value of the consideration (rounded up to the nearest £5). An unconditional agreement to transfer Shares also gives rise to an obligation to account for SDRT, which is payable within seven days of the start of the month following that in which the agreement was entered into. The payment of stamp duty gives rise to a right to repayment of any SDRT paid. There will be no stamp duty or SDRT on the transfer of the Shares into CREST unless such a transfer is made for consideration in money or money's worth, in which case a liability to SDRT will arise usually at a rate of 0.5%. A transfer of Shares effected on a paperless basis through CREST will generally be subject to SDRT at a rate of 0.5% of the value of the consideration. Following the issue of the Shares pursuant to the Offer, the Company is not likely to be a close company for tax purposes.

8. Documents for Inspection

Copies of the following documents are available for inspection at the offices of RW Blears LLP at 70 Colombo Street, London SE1 8PB and at the registered office of the Company at St. Magnus House, 3 Lower Thames Street, London EC3R 6HD, during normal business hours on any weekday (public holidays excepted) from the date of this document until the closing date of the Offer:

- (a) the Memorandum of Association and Articles of the Company;
- (b) the material contracts referred to in paragraph 5 above;
- (c) the Prospectus; and
- (d) the Company's audited annual accounts for the years ended 31 March 2020, 31 March 2021 and 31 March 2022 which are incorporated by reference herein.

9. Regulatory Disclosures

The Company has made the following disclosures as required by the Market Abuse Regulation 596/2014 (as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018):

Date	Title of Announcement	Disclosure
13 June 2022	Novation of Investment Management Agreement	The Company announced that the Board had agreed to the novation of the Investment Management Agreement (with the exception of the management of the Healthcare share pool) from Downing to Foresight.
5 July 2022	Completion of Sale of Downing non-healthcare ventures business to Foresight Group and Novation of Investment Management Agreement	The Company announced that Downing, the Company's investment manager, had now completed the sale of its non-healthcare ventures business to Foresight and the novation of the Company's Investment Management Agreement from Downing to Foresight had also now happened as planned.

PART SEVEN: DEFINITIONS

1985 Act	Companies Act 1985, as amended from time to time
Admission	date on which the Offer Shares allotted pursuant to the Offer are listed on the Official List of the FCA and admitted to trading on the London Stock Exchange's main market for listed securities
Adviser Charge	a fee, payable to an Intermediary, agreed with the Investor for the provision of a personal recommendation and/or related services in relation to an investment in Offer Shares, and detailed on the Application Form
AIM	a market operated by the London Stock Exchange established in 1995 to provide a market for small, growing companies with greater regulatory flexibility than applies to the main market
Annual Running Costs	annual running costs incurred by the Company in the ordinary course of its business (including irrecoverable VAT but excluding any amount payable in respect of the Performance Incentive)
Applicant	person who applies for Offer Shares under the Offer through means of completing an Application Form
Application Form(s)	form(s) of application for Offer Shares
Articles	articles of association of the Company as at the date of this document
Board or Directors	board of directors of the Company
Business Days	any day (other than a Saturday or Sunday) on which clearing banks in London are open for normal banking business in sterling
CA 2006	Companies Act 2006 (as amended)
Closing Date	3.00 p.m. on 31 May 2023 unless extended at the discretion of the Directors but no later than 28 October 2023
Company	Thames Ventures VCT 1 plc (registered number 03150868)
CREST	relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)) for the paperless settlement of transfers and the holding of Shares in uncertificated form which is administered by Euroclear UK & Ireland Limited (registered number 02878738)
Direct Investor	an investor with no adviser
Dividend Reinvestment Scheme or DRIS	the Company's dividend reinvestment scheme, details of which are set out in Annex I to this document
Downing	Downing LLP
DTR	the Disclosure Guidance and Transparency Rules, made by the FCA under Part VI of FSMA and relating to the disclosure of information in respect of financial instruments
Existing Shares	the Ordinary Shares in issue at the date of this Prospectus
Fixed Income Securities	investments made by the Company which do not comprise Qualifying Investments, such as bank deposits, loan stock, bonds, preference shares and other debt instruments

Foresight	Foresight Group LLP
FSMA	Financial Services and Markets Act 2000, as amended, supplemented or replaced from time to time
HMRC	Her Majesty's Revenue and Customs
IRR	internal rate of return, which, when applied to the relevant cash flows, produces a net present value of zero (expressed as a percentage)
ITA	Income Tax Act 2007, as amended from time to time
Initial Adviser Charge	a one-off Adviser Charge to be paid at the time of or shortly after an investment for Offer Shares is made by an Investor
Intermediary	financial intermediary or adviser, authorised under FSMA, who signs the Application Form and whose details are set out on the Application Form
Investment Adviser	Foresight
Investor	individual who subscribes for Offer Shares pursuant to the Offer
Listed	admitted to the premium segment of the Official List and to trading on the London Stock Exchange
Listing Rules	listing rules of the FCA
London Stock Exchange or LSE	London Stock Exchange plc
Management	individuals engaged in the business of the Company and/or the Investment Adviser
ML Regulations	Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, as amended, supplemented or replaced from time to time
Net Assets	gross assets less all liabilities (excluding contingent liabilities) of the Company calculated in accordance with the Company's normal accounting policies in force at the date of circulation
NAV or Net Asset Value	net asset value per Share
New Investor	Individual who subscribes for Offer Shares pursuant to the Offer
New Shares	shares issued under the Offer
Offer	offer for subscription to raise in aggregate up to £10 million (subject to the Directors' discretion to increase the maximum size of the Offer by up to an additional £10 million) by issues of Ordinary Shares by the Company pursuant to the Prospectus
Offer Price	the latest published NAV per Offer Share adjusted for any dividends declared and ex-dividend since the NAV date, as appropriate, and determined for each Investor by the application of the Pricing Formula to their personal circumstances and rounded up to the nearest 0.1p
Offer Shares	those Ordinary Shares being made available for subscription pursuant to the Offer
Official List	official list of the FCA maintained in accordance with section 74(1) FSMA

Ordinary Shares or Shares	ordinary shares of 1p each in the capital of the Company (ISIN: GB00BFRSVQ41)
Ordinary Shareholders or Shareholders	holders of Ordinary Shares
Performance Incentive Agreement	an agreement between the Company and Foresight Group LLP setting out the performance incentive arrangements as described in paragraph 5(e) of Part Six of this document
Pricing Formula	the pricing formula by which the number of Offer Shares issued under the Offer is determined for each Investor
Promoter	Foresight Group Promoter LLP, the promoter of the Offer
Promoter's Agreement	agreement on or around the date of this Prospectus between the Company (1), the Directors (2), the Sponsor (3) the Promoter (4) and (5) Foresight, a summary of which is set out in paragraph 5(c) of Part Six of this document
Prospectus	this document
Qualifying Company	unquoted (including an AIM-quoted) company which satisfies the requirements of Part 4 of Chapter 6 of the ITA
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 ITA
RPI	inflation measured by the Retail Price Index
Receiving Agent	Foresight
Registrar	The City Partnership (UK) Limited
SPARK or the Sponsor	SPARK Advisory Partners Limited
Spouse	spouse or civil partner
Total Return	NAV, together with cumulative dividends paid since the merger in November 2013
UK Prospectus Regulation	Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018
VCT Regulations 2004	Venture Capital Trust (Winding Up and Mergers) (Tax) Regulations SI 2004 No. 2199
VCT Rules	legislation, rules and HMRC interpretation and practice regulating the establishment and operation of venture capital trusts
Venture Capital Trust or VCT	venture capital trust as defined in section 259 of the ITA

PART EIGHT: ADDITIONAL INFORMATION

The Company

1.1 Borrowing policy

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertakings, property and uncalled capital. 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 (if any) so as to secure (so far, as regards the subsidiaries, as by such exercise they can secure) that the aggregate amount at any one time owing or deemed to be owing by the Company and/or any subsidiaries, determined as hereinafter mentioned, in respect of moneys borrowed by it or them or any of them shall not at any time, without the previous sanction of an ordinary resolution of the Company, exceed an amount equal to 10% of the aggregate amount paid up on the issued share capital of the Company and the amounts standing to the credit of the consolidated reserves of the Company as shown in the latest audited balance sheet, adjusted where appropriate to take account of movements since that date.

1.2 Cancellation of the share premium account

The Directors are aware of the possibility that the Company's Shares may trade at a discount to their net asset value at some point. The Directors consider that the Company should have the ability to purchase its Shares in the market (such Shares to be automatically cancelled) with the aim of reducing any discount and increasing the NAV of the remaining Shares. In the view of the Directors, the awareness of Investors that the Company has such a capability may tend to moderate the scale of any discount which may emerge and the action of buying in shares should enable any such discount to be narrowed.

The CA 2006 provides that a public company may only purchase its own shares out of distributable profits or out of the proceeds of a fresh issue of Shares made for the purpose of the purchase. Subject to confirmation from HMRC that such proposals will not adversely affect the Company's VCT status and Court approval, the Company may decide to reduce and/or cancel the share premium account (created on the issue of the Offer Shares) and to transfer the balance of the special reserve, which is established by the cancellation of a previous share premium account, which may be treated as a distributable profit, out of which purchases of Shares can be made, subject to regulations, VCT Rules and company legislation. Distributions will not be made from such a reserve to the extent it is attributable to shares capital raised after 5 April 2014 for a minimum of three years following the end of the accounting period in which the relevant shares are issued. In order for the Company to make a Court application to gain Court approval, the Company will need shareholder approval. The Company intends to put such a proposal to Shareholders in due course.

1.3 Material interests

Foresight will be paid an annual investment adviser fee of 2.0% of the Net Asset Value of the Company. Foresight will also be entitled to receive the Performance Incentive. Further details of these arrangements are set out in Part One of this document.

1.4 Results of the Offer

The results of the Offer, together with the relevant information regarding the offer price will be announced through a Regulatory Information Service provider.

1.5 Major Shareholders

As far as the Company is aware, there are no, and as a result of the Offer will be no, major Shareholders holding more than 3% of the Company's Share capital or who intend to subscribe for more than 5% of the available Offer Shares. No shareholders have different voting rights.

1.6 The Offer Shares

Shareholders' authority to create, allot and issue Offer Shares up to an aggregate maximum nominal value of £900,000 were passed at the annual general meeting of the Company held on 15 August 2022. All Shareholders will have the same voting rights in respect of the existing share

capital of the Company. An existing holder of Ordinary Shares who does not subscribe for Offer Shares pursuant to the Offer would experience no material dilution in terms of NAV per share (as the assets of the Company will be increased by the proceeds of the Offer and the upfront costs of the Offer are borne by subscribers) but will experience dilution in terms of voting. The Offer Shares are ordinary shares of one penny each (ISIN: GB00BFRSVQ41) created under the CA 2006 and are freely transferable. The number of shares to be issued in each allotment of shares depends on the NAV at the time of allotment. However, the maximum number of Ordinary Shares to be issued pursuant to the Prospectus is 40 million.

1.7 Consent to use Prospectus

The Company and the Directors consent to the use of the Prospectus by financial intermediaries and accept responsibility for the information contained in the Prospectus in respect of any subsequent resale or final placement of Offer Shares by any financial intermediary which was given consent to use this document. There are no conditions attaching to this consent. The offer period within which subsequent resale or final placement of securities by financial intermediaries can be made and for which consent to use this prospectus is given commences on 31 October 2022 and closes on 31 May 2023 (subject to the extension of the Offer at the discretion of the Directors). In the event of an offer being made by a financial intermediary, the financial intermediary will provide information to investors on the terms and conditions of the Offer at the time the offer is made. Financial intermediaries may use this Prospectus in the UK.

Any financial intermediary that uses this Prospectus must state on its website that it uses this Prospectus in accordance with the consent and the conditions attached thereto. Financial intermediaries are required to provide the terms and conditions of the Offer to any prospective investor who has expressed an interest in participating in the Offer to such financial intermediary. No financial intermediary will act as principal in relation to the Offer.

2. Working capital and capitalisation and indebtedness statements

2.1 Working capital

In the opinion of the Company, the working capital available to the Company is sufficient for its present requirements, that is, for at least 12 months from the date of this document.

2.2 Statement of capitalisation and indebtedness

The table below shows the capitalisation of the Company as at 31 August 2022, the most recent date to which unaudited financial information of the Company has been published:

	£'000
Total current debt	
Guaranteed	-
Secured	-
Unguaranteed/secured	-
Total non-current debt	
Guaranteed	-
Secured	-
Unguaranteed/secured	-
Shareholders' equity	
Share capital	1,804
Other reserves	104,549
	<hr/>
	106,353

There has been no material change in the capitalisation of the Company, total debt or shareholder equity since 31 August 2022.

The following table shows the Company's net indebtedness as at 31 August 2022, the most recent date to which unaudited management accounts of the Company have been prepared.

	£'000
A Cash	20,052
B Cash equivalent	-
C Trading Securities	24,712
D Liquidity (A+B+C)	44,764
E Current financial receivables	3,758
F Current bank debt	-
G Current position of non-current debt	-
H Other current financial debt	-
I Current financial debt (F+G+H)	-
J Net current financial indebtedness (I-E-D)	(48,522)
K Non-current bank loans	-
L Bonds issued	-
M Other non-current loans	-
N Non-current financial indebtedness (K+L+M)	-
O Net financial indebtedness (J+N)	(48,522)

The Company does not have any contingent or indirect indebtedness.

4. Overseas Investors

- (a) No person receiving a copy of this document or an Application Form in any territory other than the UK may treat the same as constituting an offer or invitation to him/her to subscribe for or purchase Shares unless, in such territory, such offer or invitation could lawfully be made.
- (b) No action has been taken to permit the distribution of this document in any jurisdiction outside the UK where such action is required to be taken. All Applicants will be required to warrant that they are not a US person as defined in paragraph 5(x) of Part Eight of this document or a resident of Canada.

5. Information sourced from third parties

Where information set out in this document has been sourced from third parties the source has been identified at the relevant place in the document and the Company confirms that this information has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published, no facts have been omitted which would render the reproduced information inaccurate or misleading.

31 October 2022

PART NINE: TERMS AND CONDITIONS OF APPLICATION

1. In these Terms and Conditions of Application, the expression "Prospectus" means this document. The expression "Application Form" means the application form for use in accordance with these Terms and Conditions of Application. Save where the content otherwise requires, the terms used in the Application Form bear the same meaning as in the Prospectus.
2. The right is reserved to reject any application or to accept any application in part only. Multiple applications are permitted. If any application is not accepted, or if any contract created by acceptance does not become unconditional, or if any application is accepted for fewer Offer Shares than the number applied for, or if in any other circumstances there is an excess payment in relation to an application, the application monies or the balance of the amount paid or the excess paid on application will be returned without interest by post at the risk of the Applicant. In the meantime, application monies will be retained in the Company's bank account.
3. You may pay for your application for Offer Shares by cheque or banker's draft submitted with the Application Form or direct bank transfer (CHAPS/BACS/Faster Payment) and the Directors reserve the right to permit other means of payment such as standing order or direct debit.
4. The contract created by the acceptance of applications in respect of the first allotment of Offer Shares will be conditional on the admission of the Offer Shares (in respect of such first allotment of Shares) being granted not later than 3.00 p.m. on 31 May 2023. If the conditions are not met, the Offer will be withdrawn and subscription monies will be returned to Investors within seven days of 31 May 2023, at their own risk, without interest. The Offer is not underwritten.
5. By completing and delivering an Application Form, you:
 - (a) offer to subscribe for the amount specified on your Application Form plus any commission waived for extra shares or any smaller sum for which such application is accepted at the Offer Price;
 - (b) acknowledge that, if your subscription is accepted and subject to clause 14 below, you will be allocated such number of Offer Shares as determined by the Pricing Formula;
 - (c) authorise your financial adviser, or whoever he or she may direct, the Registrar or the Company to send a document of title for, or credit your CREST account in respect of, the number of Offer Shares for which your application is accepted, and/or a crossed cheque for any monies returnable, by post at your risk to your address as set out on your Application Form;
 - (d) in consideration of the Company agreeing that it will not, prior to the closing date of the Offer, offer any Offer Shares to any persons other than by means of the procedures set out or referred to in this document, agree that your application may not be revoked once made and that this paragraph constitutes a collateral contract between you and the Company which will become binding upon despatch by post or delivery of your duly completed Application Form to the Company or to your financial adviser;
 - (e) warrant that your remittance will be honoured on first presentation and agree that, if such remittance is not so honoured, you will not be entitled to receive share certificates for the Offer Shares applied for or to enjoy or receive any rights or distributions in respect of such Offer Shares unless and until you make payment in cleared funds for such Offer Shares and such payment is accepted by the Company (such acceptance shall be in its absolute discretion and may be on the basis that you indemnify it against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of your remittance to be honoured on first presentation) and that at any time prior to unconditional acceptance by the Company of such late payment in respect of such Offer Shares, the Company may (without prejudice to its other rights) treat the agreement to allot such Offer Shares as void and may allot such Offer Shares to some other person, in which case you will not be entitled to any refund or payment in respect of such Offer Shares (other than return of such late payment at your risk and without interest);
 - (f) agree that all cheques and banker's drafts may be presented for payment on the due dates and any definitive document of title and any monies returnable to you may be retained pending clearance of your remittance and the verification of identity required by the ML Regulations and that such monies will not bear interest;

- (g) undertake to provide satisfactory evidence of identity within such reasonable time (in each case to be determined in the absolute discretion of the Company and the Receiving Agent) to ensure compliance with the ML Regulations;
- (h) agree that, in respect of those Offer Shares for which your application has been received and processed and not rejected, acceptance of your application shall be constituted by the Company instructing Foresight or the Registrar to enter your name on the share register;
- (i) agree that all documents in connection with the Offer and any returned monies will be sent at your risk and may be sent to you at your address as set out in the Application Form;
- (j) agree that, having had the opportunity to read the Prospectus, you shall be deemed to have had notice of all information and representations including the risk factors contained therein;
- (k) confirm that (save for advice received from your financial adviser) in making such application you are not relying on any information and representation other than those contained in the Prospectus and you accordingly agree that no person responsible solely or jointly for the Prospectus or any part thereof or involved in the preparation thereof will have any liability for any such other information or representation;
- (l) agree that all applications, acceptances of applications and contracts resulting therefrom under the Offer shall be governed by and construed in accordance with English Law and that you submit to the jurisdiction of the English Courts and agree that nothing shall limit the right of the Company to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;
- (m) irrevocably authorise the Company, the Registrar or Foresight or any other person authorised by any of them, as your agent, to do all things necessary to effect registration of any Offer Shares subscribed by or issued to you into your name and authorise any representatives of the Company, the Registrar or Foresight to execute any documents required therefore and to enter your name on the register of members of the Company;
- (n) agree to provide the Company with any information which it may request in connection with your application or to comply with the VCT Regulations or other relevant legislation (as the same may be amended from time to time) including without limitation satisfactory evidence of identity to ensure compliance with the ML Regulations;
- (o) warrant that, in connection with your application, you have observed the laws of all requisite territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action which will or may result in the Company, Foresight or the Sponsor acting in breach of the regulatory or legal requirements of any territory in connection with the Offer or your application;
- (p) confirm that you have read and complied with paragraph 6 below;
- (q) confirm that you have reviewed the restrictions contained in paragraph 7 below;
- (r) warrant that you are not under the age of 18 years;
- (s) warrant that, if the laws of any territory or jurisdiction outside the United Kingdom are applicable to your application, you have complied with all such laws and none of the Company, Foresight or the Sponsor or any of their respective agents will infringe any laws of any such territory or jurisdiction directly or indirectly as a result or in consequence of any acceptance of your application;
- (t) agree that Foresight and the Sponsor are acting for the Company in connection with the Offer and for no-one else and that they will not treat you as their customer by virtue of such application being accepted or owe you any duties or responsibilities concerning the price of Offer Shares or concerning the suitability of Offer Shares for you or be responsible to you for the protections afforded to their customers;
- (u) warrant that if you sign the Application Form on behalf of somebody else or yourself and another or others jointly or a corporation you have the requisite power to make such

investments as well as the authority to do so and such person will also be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these terms and conditions of application and undertake (save in the case of signature by an authorised financial adviser on behalf of the Investor) to enclose a power of attorney or a copy thereof duly certified by a solicitor with the Application Form;

- (v) warrant that you are not subscribing for the Offer Shares using a loan which would not have been given to you or any associate, or not given to you on such favourable terms, if you had not been proposing to subscribe for the Offer Shares;
 - (w) warrant that the Offer Shares are being acquired by you for bona fide investment purposes and not as part of a scheme or arrangement the main purpose of which, or one of the main purposes of which, is the avoidance of tax. Obtaining tax reliefs given under the applicable VCT legislation is not of itself tax avoidance;
 - (x) warrant that you are not a "US person" as defined in the United States Securities Act of 1933 (as amended) nor a resident of Canada and that you are not applying for any Offer Shares on behalf of or with a view to their offer, sale or delivery, directly or indirectly, to or for the benefit of any US person or resident of Canada; and
 - (y) warrant that the information contained in the Application Form is accurate.
6. No person receiving a copy of the Prospectus, or an Application Form, in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him or her, nor should he or she in any event use such Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to him or her or such Application Form could lawfully be used without contravention of any registration or other legal requirements. It is the responsibility of any person outside the United Kingdom wishing to make an application hereunder to satisfy himself or herself as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any of the formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.
 7. The Offer Shares have not been and will not be registered under the United States Securities Act 1933, as amended, or under the securities laws of any state or other political subdivision of the United States, and may not be offered or sold in the United States of America, its territories or possessions or other areas subject to its jurisdiction (the "USA"). In addition, the Company has not been and will not be registered under the United States Investment Company Act of 1940, as amended. Foresight will not be registered under the United States Investment Adviser Act of 1940 (as amended). No application will be accepted if it bears an address in the USA.
 8. This application is addressed to the Company, the Receiving Agent and the Sponsor. The rights and remedies of the Company and the Sponsor under these Terms and Conditions of Application are in addition to any rights and remedies which would otherwise be available to either of them, and the exercise or partial exercise of one will not prevent the exercise of others.
 9. The dates and times referred to in these Terms and Conditions of Application may be altered by the Company with the agreement of the Sponsor.
 10. The Company has taken advantage of the provisions of the CA 2006 to allow annual reports and other statutory shareholder communications to be made available in electronic form on its website as the default means of publication. This will have a positive environmental impact and save the Company some costs compared to providing all communications in hard copy form by post. By default, applicants who provide an email address on the Application Form and do not complete select any alternative notification methods, will receive notification of shareholder communications by email. Investors can elect to receive notifications by post and to receive all shareholder communications in paper form by ticking the appropriate box on the Application Form. Should you subsequently wish to change your election, you can do so at any time by contacting the Registrar, The City Partnership (UK) Limited, The Mending Rooms, Park Valley Mills, Meltham Road, Huddersfield HD4 7BH. Notwithstanding any election, the Company may in its sole discretion send any notification or information to Shareholders in paper form.
 11. Intermediaries who have not provided personal recommendations or advice to UK clients in respect of the Offer Shares and who, acting on behalf of their clients, return valid Application

Forms bearing their stamp and FCA number may be entitled to commission on the amount payable in respect of the Offer Shares allocated for each such Application Form at the rates specified on page 12. Intermediaries may agree to waive part or all of their initial commission in respect of an application for Offer Shares. If this is the case, then the offer charges will be adjusted, in accordance with the Pricing Formula. Intermediaries should keep a record of Application Forms submitted bearing their stamp to substantiate any claim for their commission.

12. The section headed "Application Procedures" forms part of these Terms and Conditions of Application.
13. It is a condition of the Offer to ensure compliance with the ML Regulations. Foresight is therefore entitled to require, at its absolute discretion, verification of identity from any Applicant including, without limitation, any person who either (i) tenders payment by way of a cheque or banker's draft drawn on an account in the name of a person or persons other than the Applicant or (ii) appears to Foresight to be acting on behalf of some other person. Pending the provision of evidence satisfactory to Foresight as to the identity of the Applicant and/or any person on whose behalf the Applicant appears to be acting, Foresight may, in its absolute discretion, retain an Application Form lodged by an Applicant and/or the cheque or other remittance relating thereto and/or the Registrar may not enter the Applicant on the register of members or issue any share certificates in respect of such application. If verification of identity is required, this may result in delay in dealing with an application and in rejection of the application. The Company reserves the right, in its absolute discretion, for it or Foresight to reject any application in respect of which Foresight considers that, having requested verification of identity, it has not received evidence of such identity satisfactory to it by such time as was specified in the request for verification of identity or in any event within a reasonable period. In the event of an application being rejected in any such circumstances, the Company reserves the right in its absolute discretion, but shall have no obligation, to terminate any contract of allotment relating to or constituted by such Application Form (in which event the money payable or paid in respect of the application will be returned (without interest) to the account of the drawee bank from which such sums were originally debited) and/or to endeavour to procure other subscribers for the Offer Shares in question (but in each case without prejudice to any rights the Company may have to take proceedings to recover in respect of loss or damage suffered or incurred by it as a result of the failure to produce satisfactory evidence as aforesaid). The submission of an Application Form will constitute an undertaking by the Applicant to provide promptly to Foresight such information as may be specified by it as being required for the purpose of the ML Regulations.
14. The basis of allocation will be determined by the Company (after consultation with Foresight) in its absolute discretion. It is intended that Applications will be accepted in the order in which they are received. The Offer will be closed on 31 May 2023 or as soon as full subscription is reached (unless closed earlier or extended at the Board's discretion). The right is reserved, notwithstanding the basis so determined, to reject in whole or in part and/or scale down any Application and to allot Offer Shares notwithstanding that the Offer is not fully subscribed. Application monies not accepted or if the Offer is withdrawn will be returned to the Applicant in full by means of a transfer back to the account from which it was received or by cheque, posted at the applicant's risk. The right is also reserved to treat as valid and binding any application not complying fully with these Terms and Conditions of Application or not in all respects complying with the notes on the Application Form. In particular, but without limitation, the Company may accept applications made otherwise than by completion of an Application Form where the Applicant has agreed in some other manner acceptable to the Company to apply in accordance with these Terms and Conditions of Application.
15. The Company and/or Foresight may use the information you give for administration, research and/or statistical purposes. Your details may be used by the Company and/or Foresight (but will not be sold to third parties) to send you information on other potential investment opportunities (maximum six communications per annum). If you would prefer not to receive such information, please write to Foresight.
16. The minimum subscription is £5,000 including any initial adviser charges for facilitation, subject to the Board's discretion.
17. The application of the subscription proceeds is subject to the absolute discretion of the Directors.

APPLICATION PROCEDURES

You may complete and submit your application using the Receiving Agent's online application service (please refer to the instructions at:

<https://www.foresightgroup.eu/products/thames-ventures-vct-1-plc>

or contact the Receiving Agent on 01484 240 910 or by email at ThamesVenturesVCT1@city.uk.com.

The Offers will open for applications at 3.00 p.m. on 31 October 2022 and will close for applications (unless fully subscribed earlier or otherwise at the discretion of the Board) at 3.00 p.m. on 31 May 2023. Applications in respect of the 2022/23 tax year will need to be submitted and funds cleared by 12 noon on 5 April 2023.

Please note that applications under the Offers will be accepted on a 'first-come, first-served' basis, subject always to the discretion of the Board. An application may not be considered as 'complete' until identity verification is completed and/or, where relevant, information or supporting evidence required for the application remains outstanding.

Before making an application, please ensure you have read the Prospectus in full, in particular the Risk Factors and the Terms and Conditions of Application. The Company, the Investment Adviser and the Receiving Agent cannot accept responsibility if any details provided by you are incorrect.

If you are a nominee applying on behalf of beneficial owner applicants, please complete and submit an application form for each applicant with the relevant nominee details (CREST or otherwise) in Section 4 of the application form. Subject to the number of beneficial owner applicants, the Receiving Agent may configure an online application form pre-filled with the nominee's details to expedite the application process. Nominees should contact the Receiving Agent regarding the remittance of the associated application monies to ensure compliance with the relevant Money Laundering Regulations.

Bank transfers should be made to:

Bank name: **The Bank of Scotland plc**

Account name: **City-Thames Ventures VCT 1-Segregated**

Account number: **22031565**

Sort Code: **802260**

Please reference your transfer with your initials and telephone number (alphanumeric, no spaces) from Section 1 of the Application Form.

Cheques/banker's drafts should be made payable to: **City-Thames Ventures VCT 1-Segregated**

Please reference the back of the cheque/banker's draft with your initials and telephone number (alphanumeric, no spaces) from Section 1 of the Application Form.

Please send your cheque/banker's draft to:

**Thames Ventures VCT 1 Offer
The City Partnership (UK) Limited
The Mending Rooms
Park Valley Mills
Meltham Road
Huddersfield
HD4 7BH**

If you have any questions relating to the completion and return of the application form, please contact the Receiving Agent on 01484 240 910 or ThamesVenturesVCT1@city.uk.com. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. - 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Calls may be recorded and monitored for security and training purposes.

If you are a private investor and would like more information concerning the Offer, please contact Foresight's investor relations team on +44 (0)20 3667 8181 or at investorrelations@foresight.eu.

If you are a financial intermediary and would like more information concerning the Offer, please contact Foresight's sales team on +44 (0) 20 3667 8199 or at sales@foresightgroup.eu.

The Company, the Managers and the Receiving Agent respect your privacy and are committed to protecting your personal information. If you would like to find out more about how the Company, Foresight, Downing and the Receiving Agent use and look after your personal information, please refer to their privacy notices, which can be found at www.foresightgroup.eu/privacy-policy/, www.downing.co.uk/privacy-and-cookie-policy and city.uk.com/privacy.html.

ANNEX I: TERMS AND CONDITIONS OF THE DIVIDEND REINVESTMENT SCHEME

INTRODUCTION

The Company is offering to its Shareholders the opportunity to participate in a Dividend Reinvestment Scheme ("the Scheme") whereby they may elect to receive Shares, credited as fully paid, instead of receiving dividends in cash. This is a simple, cost effective method for Shareholders to increase the value of their investment in the Company and to benefit from additional VCT income tax relief.

To participate in the Dividend Reinvestment Scheme, Shareholders who hold their Shares in certificated form must complete the relevant part of the Application Form or download and complete the Mandate Form from www.foresightgroup.eu/products/thames-ventures-vct-1-plc and return to:

The City Partnership (UK) Limited c/o Foresight Group LLP, The Shard, 32 London Bridge Street, London SE1 9SG

(or in a prepaid envelope)

Shareholders who hold their Shares in CREST must submit a CREST Dividend Election Input Message in order to participate. In each case, the relevant action must be taken, and the Application Form, Mandate Form or CREST Dividend Election Input Message received, by no later than 5.00 p.m. on the record date of the relevant dividend.

A Shareholder's membership of the Scheme will continue until such a time as that Shareholder cancels their membership. Participation in the Scheme can be cancelled at any time subject to the cancellation request being received by The City Partnership (UK) Limited, the Scheme Administrator, before the record date for the relevant dividend.

The Company retains the right to suspend or terminate the Scheme at any time.

DEFINED TERMS

Application Form	the form of application for Offer Shares
Board or Directors	the board of directors of the Company
Company	Thames Ventures VCT 1 plc
CREST	the electronic settlement system operated by Euroclear UK and Ireland Limited which allows shareholders and bondholders to hold securities in uncertificated form
Dividend	a dividend declared by the Company to which the Scheme applies
Dividend Reinvestment Scheme or Scheme	the scheme, whose terms and conditions are set out in this Annex I to the Prospectus
Mandate Form	the form that enables non-CREST shareholders in the Company to participate in the Dividend Reinvestment Scheme, available on the Company's website at www.foresightgroup.eu/products/thames-ventures-vct-1-plc
New Shares	those Shares to be issued on the Payment Date under the Scheme
Participant	those shareholders who elect to participate in the Scheme or, where a shareholder holds shares as nominee, the person being the beneficial owner of the ordinary shares registered in the name of that shareholder, who elects to participate in the Scheme
Payment Date	the date on which a Dividend is due to be paid by the Company
Record Date	the date on which shareholders' eligibility to receive a Dividend is assessed
Shares or Ordinary Shares	ordinary shares of 1p nominal value in the capital of the Company
Scheme Administrator	The City Partnership (UK) Limited

RISK FACTORS

- There is no guarantee that the Company will continue to meet its investment objectives nor that suitable investment opportunities will be available. Past performance of the Company is no guarantee of future performance and past returns may not be repeated. Your capital is at risk if you invest in the Company and you may lose some or all of your capital.
- If Shareholders dispose of their VCT shares before the expiry of five years from the date of their issue, any income tax relief received on subscription will have to be repaid.
- Though it is intended that the Company will be managed so as to continue qualifying as a VCT, there is no guarantee that such status will be maintained. Failure to maintain such status could result in adverse tax consequences for investors, including being required to repay the 30% income tax relief.
- The ability of the Company to obtain maximum value from its investments, such as through a sale or takeover, may be restricted due to the requirement that it satisfy certain conditions necessary for it to maintain its VCT status.
- The Company's investments will generally be in relatively small companies whose securities may not be liquid and may therefore be difficult to realise and there can be no assurance that appreciation in value will occur.
- Whilst the Company's shares are listed on the London Stock Exchange, there is a limited secondary market for VCT shares which usually trade at a discount to their net asset value, and Shareholders may have difficulty in selling their shares.
- The information in this document is based on existing legislation and the tax reliefs described are those that are currently available. The tax rules or their interpretation in relation to an investment in the Company and/or rates of tax may change during the life of the Company and may apply retrospectively.

TERMS AND CONDITIONS OF THE SCHEME

1. By electing to participate in the Scheme, Shareholders on the register of members of the Company at the close of business on a given Record Date may elect to receive New Shares, credited as fully paid, instead of the cash they would otherwise be due in respect of Dividends. The election may, subject to condition 3(d) and 3(e) overleaf, only be made in respect of all (and not some only) of each Dividend and if accepted by the Scheme Administrator shall, subject to conditions 7 and 14 below, operate as a mandate.
2. The Company shall apply the monies held within the Scheme (being the amount of each Dividend paid on Shares held by, or on behalf of, Participants) to invest in New Shares in the Company. The Company shall not have the discretion to vary such investments and Shareholders may not instruct the Company or the Scheme Administrator to make any other investments.
3.
 - (a) On or as soon as practicable after a Payment Date, the Participant's funds held by the Company shall be applied on behalf of that Participant in a subscription for the maximum number of New Shares that can be allotted for such investment.
 - (b) The number of New Shares issued to a Participant pursuant to clause 3(a) above shall be calculated by dividing the aggregate value of the Participant's funds by the net asset value per Share of the Company (as determined by the Board on or around the Record Date but which will normally be the most recently announced financial year end or half yearly net asset value, as adjusted for dividends).
 - (c) No fractions of Shares will be issued under the Scheme and no balance of any cash remaining with the Scheme Administrator after the calculation of each Participant's entitlement to New Shares shall be payable to Participants.
 - (d) The Directors may, at their discretion, allow a Shareholder to make a partial reinvestment of a Dividend, where that shareholder is acting on behalf of more than one beneficial holder, for example through a nominee shareholding made in CREST or other custodians, nominees or trustees. A CREST Dividend Election Input Message must contain the number of Shares for which the election is being made. A cash dividend will automatically be paid on any Shares which are not specified in a CREST Dividend Election Input Message.

- (e) Where Shares in certificated form are registered in the name of a nominee, the nominee should notify the beneficial shareholder of the amount of the dividend to which he or she is entitled. The nominee should then complete the first page of the Mandate Form together with the 'Nominee Shareholdings' section on the second page of the Mandate Form and confirm that the dividends attributable to such beneficial Shareholder(s) listed shall be applied towards participation in the Scheme and that the New Shares allotted under the Scheme are to be issued in the name of the nominee.
- 4. As soon as practicable after the issue of New Shares to a Participant in accordance with clause 3 above, the Scheme Administrator shall take all necessary steps to ensure that the Participant is entered onto the share register of the Company as the registered holder of those New Shares and that share certificates in respect of such Shares are issued and delivered to the Participant at his/her own risk. CREST members who have validly elected to receive New Shares will have their CREST accounts credited directly with the relevant New Shares.
- 5. A statement shall be attached to each new share certificate issued to a Participant, or if Shares are held in CREST shall be sent separately to the Participant's nominee, setting out (a) the total dividend payable, (b) the number and class of New Shares allotted, (c) the price at which the New Shares have been allotted, and (d) the balance of any residual cash (notwithstanding that the same shall not be payable to the Participant in accordance with clause 3(c) together with any other such information as may be required by the Listing Rules.)
- 6. All costs and expenses incurred by the Scheme Administrator in administering the Scheme will be borne by the Company.
- 7. Shareholders who wish to hold their Shares in certificated form can apply by completing the Application Form or Mandate Form and returning it to:

The City Partnership (UK) Limited c/o Foresight Group LLP, The Shard, 32 London Bridge Street, London SE1 9SG

Shareholders who hold their shares in CREST can only apply to the Scheme by use of the CREST Dividend Election Input Message. In each case, the relevant action must be taken, and the Application Form, Mandate Form or CREST Dividend Election Input Message received, by no later than 5.00 p.m. on the record date for the relevant dividend.

- 8. If, prior to the day on which the Shares become ex-dividend, a Shareholder has sold or transferred all or some of his/her Shares in the Company, the Shareholder should consult his/her stockbroker or agent without delay as to how to proceed.
- 9. New Shares will be new ordinary shares issued by the Company and will, subject to the individual Shareholders' particular circumstances, attract VCT reliefs applicable for the current tax year. The tax reliefs currently available to investors in new VCT shares for the 2022/23 tax year in respect of investments of up to £200,000 per person are as follows:
 - i. Income tax relief of up to 30% provided the Shares are not disposed of (other than between spouses) within five years of issue. This relief is restricted to the amount that reduces the investor's income tax liability for the year to nil.
 - ii. No liability to income tax on dividends paid by the VCT.
 - iii. No capital gains tax on any gain or loss accruing to investors on a disposal of Shares in the VCT after five years of ownership.

Legislation introduced by the Government in its 2014 Budget restricts income tax relief on the subscription of new VCT shares where an investor has sold shares in the same VCT within the period of six months before to six months after the subscription. **Please note that this restriction does not apply to Shares subscribed for through dividend reinvestment schemes and so will not apply to New Shares subscribed for under the Scheme.**

- 10. Each Participant warrants to the Scheme Administrator that (a) save in the case of a shareholder holding its shares as a nominee, during the continuance of his/her participation in the Scheme he/she will remain the sole owner of the New Shares free from encumbrances or security interests; (b) all information set out in the Application Form, Mandate Form or CREST Dividend Election Input Message is correct and, to the extent any of the information changes he/she will notify the changes to the Scheme Administrator.

11. The right to participate in the Scheme will not be available to any person who has a registered address in any jurisdiction outside the UK. No such person receiving a copy of the Scheme documents may treat them as offering such a right unless an offer could properly be made to such person. It is the responsibility of any Shareholder wishing to participate in the Scheme to be satisfied as to the observance of the laws in the relevant jurisdiction(s) in connection therewith, including obtaining any governmental or other consents which may be required and observing any other formalities needing to be observed in any such jurisdiction(s).
12. Participants acknowledge that the Scheme Administrator is not providing a discretionary management service. Neither the Scheme Administrator nor the Company shall be responsible for any loss or damage to Participants as a result of their participation in the Scheme unless due to the negligence or wilful default of the Scheme Administrator or the Company or their respective employees and agents.
13. Participants may:
 - a) at any time by notice to the Scheme Administrator terminate their participation in the Scheme; and
 - b) in respect of shares they hold as nominee, give notice to the Scheme Administrator that, in respect of a forthcoming Payment Date, their election to receive shares is only to apply to a specified amount due to the Participant as set out in such notice.

Such notices shall not be effective in respect of the next forthcoming Payment Date unless received by the Scheme Administrator on or before the record date of the relevant dividend. In respect of notices under (a) above, such notice will be deemed to have been served where the shareholding of the Participant reduces to nil.
14. If a nominee, prior to a Record Date, sells Shares on behalf of the beneficial owner of such Shares, the nominee agrees to notify the Scheme Administrator of the full details of the sale as soon as practicable. Neither the Company nor the Scheme Administrator shall be responsible for any loss or damage as a result directly or indirectly of a failure by a nominee to comply with such obligation.
15. The Company retains the absolute right to suspend or terminate the Scheme at any time without notice. In the event of termination, Dividends will be paid in full in cash in the usual way.
16. The Company is entitled to amend the Scheme and conditions on giving five business days' notice in writing to all Participants. If such amendments have arisen as a result of any change in statutory or other regulatory requirements, notice of such amendment will not be given to Participants unless, in the Company's opinion, the change materially affects the interests of Participants. Amendment to the terms and conditions of the Scheme which are of a minor/technical nature and which do not adversely affect the interests of Participants may be effected without notice.
17. By completing and returning the Application Form, Mandate Form to the Scheme Administrator or completing the CREST Dividend Election Input Message, the Participant (a) agrees to provide the Company with any information which it may request in connection with such application and to comply with legislation relating to VCTs or other relevant legislation (as may be amended from time to time); and (b) declares that a loan has not been made to the Participant on whose behalf the Shares are held or any associate of either of them, which would not have been made or not have been made on the same terms but for the Participant electing to receive New Shares and that the New Shares are being acquired for bona fide investment purposes and not as part of a scheme or arrangement the main purpose of which is the avoidance of tax.
18. An application will be made to the FCA for admission of New Shares to the Official List of the London Stock Exchange's main market for listed securities. The New Shares issued under the Scheme will rank *pari passu* in all respects with the Shares currently in issue.
19. Subscriptions by individuals for New Shares should attract applicable VCT tax reliefs (subject to the individuals' particular circumstances) for the current tax year provided that such subscriptions do not exceed £200,000. Where Shares are registered in the name of a nominee, the nominee shall notify the beneficial shareholder of the amount of any Dividend to which he/she is entitled and which is eligible for participation in the Scheme. The nominee should then complete the Mandate Form as appropriate and confirm that the Dividend attributable to the Shares held

on behalf of such individual shall be applied towards participation in the Scheme and that New Shares are to be issued in the name of the nominee to be held on behalf of the relevant beneficial shareholder(s). Please note that Participants and beneficial shareholders are responsible for ascertaining their own tax status and liabilities and neither the Scheme Administrator nor the Company accepts any liability in the event that tax reliefs are not obtained. New Shares may not attract VCT reliefs and beneficial shareholders should obtain tax advice in relation to their own particular circumstances.

20. These Scheme terms and conditions shall be governed by, and construed in accordance with English law and each Participant submits to the jurisdiction of the English courts and agrees that nothing shall limit the right of the Company to bring any action, suit or proceeding arising out of or in connection with the Scheme in any other manner permitted by law or in any court of competent jurisdiction.

Shareholders in any doubt about their tax position should consult their independent professional adviser.

DIRECTORS AND ADVISERS

Directors (all non-executive)	Chris Kay (Chairman) Barry Dean Stuart Goldsmith Chris Allner all of St. Magnus House 3 Lower Thames Street London EC3R 6HD
Company Secretary and Registered Office	Grant Whitehouse St. Magnus House 3 Lower Thames Street London EC3R 6HD
Investment Adviser	Foresight Group LLP The Shard 32 London Bridge Street London SE1 9SG
Administrator	Downing LLP St. Magnus House 3 Lower Thames Street London EC3R 6HD
Sponsor	SPARK Advisory Partners Limited 5 St John's Lane London EC1M 4BH
Solicitors to the Company and Arranger of the Offer	RW Blears LLP 70 Colombo Street London SE1 8PB
Promoter	Foresight Group Promoter LLP The Shard 32 London Bridge Street London SE1 9SG
Auditors	BDO LLP 55 Baker Street London W1U 7EU
Bankers	Royal Bank of Scotland London Victoria Branch 119/121 Victoria Street London SW1E 6RA
Registrar	The City Partnership (UK) Limited The Mending Rooms Park Valley Mills Meltham Road Huddersfield HD4 7BH
VCT Taxation Advisers	Philip Hare & Associates LLP Hamilton House 1 Temple Avenue London EC4Y 0AH



Foresight

FOR A SMARTER FUTURE

Thames Ventures VCT 1 plc

The Shard
32 London Bridge Street
London
SE1 9SG

www.foresightgroup.eu/products/thames-ventures-vct-1-plc