

FORESIGHT VCT PLC ORDINARY SHARE ISSUE

OFFER FOR SUBSCRIPTION TO RAISE IN AGGREGATE
£20,000,000 BY ISSUES OF ORDINARY SHARES
OF ONE PENNY EACH

SECURITIES NOTE WITH APPLICATION FORM



IMPORTANT NOTICE

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 securities note (the "Securities Note") dated 26 September 2013 issued by Foresight VCT plc (the "Company"), prepared in accordance with the prospectus rules made under Section 84 of the Financial Services and Markets Act 2000 ("FSMA") and has been approved by the Financial Conduct Authority ("FCA") in accordance with FSMA. Additional information relating to the Company is contained in a registration document (the "Registration Document") issued by the Company of even date herewith. A brief summary written in non-technical language and conveying the essential characteristics and risks associated with the Company and the Ordinary Shares of one penny each in the capital of the Company (the "Offer Shares") which are being offered for subscription (the "Offer") is contained in a summary issued by the Company of even date herewith (the "Summary"). The Summary, Securities Note and the Registration Document together comprise a prospectus (the "Prospectus") which has been filed with the FCA in accordance with the Prospectus Rules and you are advised to read the Prospectus in full.

The Company and the Directors (whose names are set out on page 34) accept responsibility for the information contained in the Prospectus. To the best of the knowledge of the Company and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in the Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

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

Offer for Subscription to raise in aggregate up to £20,000,000 by issues of Ordinary Shares of one penny each by the Company.

Sponsored by BDO LLP

In connection with the Offer, BDO LLP ("BDO") is acting as sponsor for the Company and for no-one else and will not be responsible to anyone other than the Company for providing the protections afforded to customers of BDO nor for providing advice in relation to the Offer. BDO is authorised and regulated in the United Kingdom by the FCA.

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

Copies of this Securities Note, the Registration Document and the Summary are available (and any supplementary prospectus published by the Company will be available) free of charge from the offices of Foresight at ECA Court, 24-26 South Park, Sevenoaks, Kent TN13 1DU; from the Foresight website at www.foresightgroup.eu and from the offices of BDO at 125 Colmore Row, Birmingham B3 3SD. Additionally, this Securities Note and the Circular will be delivered by post to existing Shareholders.

The procedure for, and the terms and conditions of, application under this Offer are set out at the end of this document together with an Application Form. Completed Application Forms must be posted or delivered by hand to the Receiving Agent, The City Partnership (UK) Limited, Thistle House, 21-23 Thistle Street, Edinburgh, EH2 1DF. The Offer opens on 26 September 2013 and will close on 30 June 2014 or earlier or later at the absolute discretion of the Directors. The Directors may in their absolute discretion decide to extend or increase the Offer (such increase being subject to the issue of a supplementary prospectus).

Your attention is drawn to the risk factors on pages 1-2

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PART 1: INTRODUCTION

RISK FACTORS

Existing and prospective Investors should consider carefully the following risk factors in addition to the other information presented in this document and the Prospectus as a whole. If any of the risks described below were to occur, it could have a material effect on the Company's business, investments, financial condition, result of operations or on the value of the Ordinary Shares. The risks and uncertainties described below are not the only ones the Company, the Directors or Investors in Ordinary Shares will face.

Additional risks not currently known to the Company or the Directors, or that the Company or the Directors currently believe are not material, may also adversely affect the Company's business, investments, financial condition and result of operations. The value of Ordinary Shares could decline due to any of the risk factors described below, and Investors could lose part or all of their investment. Investors who are in doubt should consult a financial adviser authorised under FSMA.

The value of 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 the underlying Net Asset Value nor that dividends will be paid. Shareholders should not rely upon any share buyback policy to offer any certainty of selling their Ordinary Shares at prices that reflect the underlying Net Asset Value.

The past performance of the Company or other funds managed by Foresight Group, the investment manager to the Company, and Foresight Group itself is no indication of the future performance of the Company. The Net Asset Value of the Ordinary Shares and the return received by Investors will be dependent on the performance of the underlying investments. The value of such investments, and interest income and dividends therefrom, may rise or fall.

The existing Shares issued by the Company have been (and it is anticipated that Ordinary Shares to be issued pursuant to the Offer will be) admitted to the Official List of the UK Listing Authority and are (or will be) traded on the London Stock Exchange market for listed securities. However, the secondary market for VCT shares is generally illiquid and, therefore, there may not be a liquid market (which may be partly attributable to the fact that initial tax reliefs are not available for VCT shares bought in the secondary market and because VCT shares usually trade at a discount to NAV) and Investors may find it difficult to realise their investment. Investment in the Company should be seen as a long-term investment.

There is no guarantee that the Company will meet its objective or that suitable investment opportunities will be identified to enable the Company to meet its objective.

The level and timing of distributions to Shareholders is not guaranteed. The level of returns from the Ordinary Shares may be less than expected if there is a delay in the investment programme, such that the Company's proceeds from the Offer are held in cash or near cash investments for longer than expected.

While it is the intention of the Board that the Company will be managed so as to continue to qualify as a Venture Capital Trust, there can be no guarantee that the Company's status will be maintained. A failure to meet the qualifying requirements could result in Investors losing the tax reliefs available for VCT shares, resulting in adverse tax consequences, including, if the holding has not been held for the relevant holding period, a requirement to repay the income tax relief obtained. Furthermore, should the Company lose its VCT status, dividends and gains arising on the disposal of Ordinary Shares would become subject to tax and the Company would also lose its exemption from corporation tax on its capital gains.

The information, including tax rules, contained in this document is based on existing legislation. The tax rules or their interpretation in relation to an investment in the Company and/or the rates of tax, or other statutory provisions to which the Company is subject, may change during the life of the Company and such changes could be retrospective.

If an Investor who subscribes for Ordinary Shares under the Offer disposes of those shares within five years, the Investor will be subject to clawback by HM Revenue & Customs of any income tax relief originally obtained on subscription.

Investment in unquoted companies (including AIM-traded companies and those traded on market segments of the ICAP Securities and Derivatives Exchange Limited ("ISDX")) by its nature involves a higher degree of risk than investment in companies listed on the Official List. In particular, the viability and financial performance of small companies often depends on a narrow product range, small markets, limited financial resources, a small number of staff and counterparties and may be more susceptible to political, exchange rate, taxation and regulatory changes. In addition, the market for securities in smaller companies may be less regulated and is usually less liquid than that for securities in larger companies, bringing with it potential difficulties in acquiring, valuing and disposing of such securities. Full information for determining their

value or the risks to which they are exposed may also not be available. Investment returns will, therefore, be uncertain and involve a higher degree of risk than investment in a company listed on the Official List.

Realisation of investments in unquoted companies can be difficult and may take considerable time. There may also be constraints imposed on the realisations of investments by the need to maintain the VCT status of the Company which may restrict the Company's ability to obtain maximum value from its investments.

When unquoted companies perform well, valuations can be several times cost, which means individual companies can represent a significant proportion of a portfolio at any one point in time. This could be viewed as a risk if the performance is not maintained and the value of that company falls materially. Currently the largest single holding in the Ordinary Shares Fund represents 22.4% of the Ordinary Shares Fund's net assets.

Although the Company may receive conventional venture capital rights in connection with its investments, as a minority investor it may not be in a position fully to protect its interests.

Any change of Governmental, economic, fiscal, monetary or political policy and, in particular, any spending cuts or material increases in interest rates could materially affect, directly or indirectly, the operation of the Company and/or the performance of the Company and the value of and returns from Shares and/or its ability to achieve or maintain VCT status.

Where more than one fund attributable to a class of shares, or more than one fund managed or advised by Foresight, wishes to participate in an investment opportunity, allocations will be made in accordance with the allocation policy agreed as at the date of allocation. Generally, the policy provides that allocations are made firstly to any company (or the relevant fund attributable to a class of shares) with an existing investment in the relevant investee company, secondly to any company (or the relevant fund attributable to a class of shares) whose investment strategy is specifically focused on the business of the relevant company and thirdly to all other companies (or the relevant fund attributable to a class of shares) whose investment strategy is generally consistent with the investment in business of the relevant company. Within each stage, allocations are made pro rata to the net funds raised by each company (or the relevant fund attributable to a class of shares), except where there is an existing investment, in which case allocation is pro rata to such existing investment. Implementation of this policy will be subject to the availability of monies to make the investment and other portfolio considerations such as sector exposure and the requirement to achieve or maintain a minimum of 70% of a particular

VCT's portfolio in Qualifying Investments. This may mean that a greater or lesser allocation is received than would otherwise be the case.

Where the Company invests the proceeds of the Offer in companies in which other funds managed or advised by Foresight (including in respect of the other classes of shares in the Company) have invested or are investing, conflicts of interest may arise and the Board of the relevant fund will exercise its judgement in managing such conflicts.

Although each of the Company's existing classes of Shares will be managed separately and benefit from fixed costs being spread across a larger asset base, they will continue, however, to be subject to the overall financial position and performance of the Company as a number of accounting, company law and VCT tests are applied at Company level. In addition, if, on liquidation, in the unlikely event there was a deficit in relation to one class of shares, such deficit would be borne by the other share classes of the Company.

Unless an authorised intermediary rebates adviser charges back to his investor client (in which case a tax liability may accrue to the investor) it is not thought, on present interpretation of the legislation, that payments made to facilitate adviser charges will have any personal tax consequences for investors. However, HMRC have not fully settled their position as to the tax treatment of adviser charges facilitated by VCTs pursuant to the Retail Distribution Review and their interpretations are, therefore, subject to change.

EXPECTED TIMETABLE, STATISTICS AND COSTS

INDICATIVE OFFER TIMETABLE	
Offer opens	26 September 2013
Early Bird priority period 1	26 September 2013 - 29 November 2013
Early Bird priority period 2	30 November 2013 - 28 February 2014
Closing date for 2013/14 tax year	4 April 2014
Closing date for 2014/15 tax year	30 June 2014
Allotments	Monthly or ad hoc as required
Effective date for listing of the Offer Shares and commencement of dealings	Three Business Days following allotment
Share certificates to be dispatched	Within ten Business Days of allotment
The Directors reserve the right to extend the closing date of the Offer (provided that any such extension runs to a date no more than 12 months from the date of the Prospectus) or increase the size of the Offer (such increase being subject to the issue of a supplementary prospectus) at their discretion. The Offer will close earlier than the date stated above if it is fully subscribed or otherwise at the Directors' discretion.	
Investors whose applications forms are received by 29 November 2013 will receive additional Offer Shares equal to 2% of the number of Shares they would normally receive through application of the Pricing Formula. After 29 November 2013 this will reduce to 1% until 28 February 2014, after which it will reduce to nil.	
In addition existing investors in VCTs managed by Foresight who invest before 28 February 2014 will receive a loyalty bonus of an additional 0.5% of the number of Offer Shares they would normally receive through application of the Pricing Formula on page 15.	

OFFER STATISTICS	
Initial NAV per Offer Share	103.5p
Maximum amount to be raised (unless increased)	£20,000,000
Maximum Offer Shares to be issued	19,806,763
Maximum number of Ordinary Shares in issue following the Offer*	47,235,309
Estimated net proceeds of the Offer*	£18,900,000
*Assuming Offer fully subscribed by investors entitled to the maximum early bird and loyalty bonus number of Offer Shares with costs of 5.5%	

COSTS AND COMMISSIONS RELATING TO THE OFFER	
Retail Client Investors	
Promoter's Fee**	2.5%
Up-front charges agreed between an Investor and his or her independent financial adviser*** The payment of these charges can be facilitated by the Company through the application of the Pricing Formula.	Variable
Professional Client Investors and Execution-Only Investors	
Promoter's Fee**	2.5%
Initial commission to intermediaries**	3%
Trail commission to intermediaries (subject to cumulative maximum of 3%)	0.5% per annum
Direct Investors	
Promoter's Fee	5.5%
**expressed as a percentage of net asset value per Offer Share and included in the Pricing Formula	
***expressed as the same percentage of net asset value per Offer Share as the percentage which the up-front charge bears to the amount subscribed by the Retail Client Investor, and included in the Pricing Formula	

The above (i) Promoter's Fee (ii) initial commission payable to intermediaries of Professional Client Investors and Execution-Only Investors and (iii) up-front adviser charges agreed by Retail Client Investors with their authorised financial intermediaries are each included in the Pricing Formula for determining how many Shares are allotted to each Investor. The Company will pay on-going trail commission where applicable. Each percentage above is expressed as a percentage of NAV.

LETTER FROM THE CHAIRMAN OF FORESIGHT VCT PLC

26 SEPTEMBER 2013

Dear Investor

On behalf of the Board, I am delighted to introduce this prospectus offer to invest in the evergreen Ordinary Shares fund of Foresight VCT plc (the "Company"). Since their creation in 1995, VCTs have raised over £4.5 billion and investors in the Company's Ordinary Shares at Launch in 1997 have benefited from the largest Total Return per Share of any VCT (£2.29 per £1 invested, excluding the tax benefits associated with VCTs). The Company's Ordinary Shares fund currently comprises over £28 million of assets, with investments in seventeen UK unquoted companies. Originally a technology focused fund, it has been progressively reshaped and today it is a diversified, generalist fund, typically investing in profitable UK SME growth companies. To take advantage of the current increased level of private equity opportunities available for investments, the Directors believe that the fund would benefit from having further substantial monies available to make new investments, as well as help maintain regular dividend payments and support an active share buy-back programme.

The purpose of this Offer is to provide you with the information relevant to assess the opportunity to invest in the Company. The Directors consider that this is an opportune time in the private equity cycle as the economy gradually recovers and while bank lending to SMEs remains constrained. Subject to personal circumstances, you should be able to reclaim up to 30% of your initial investment against your income tax bill. Any dividends you receive on these Offer Shares, or capital gains you might make when you dispose of them, should be free of tax. The tax benefits of VCT investment are available on subscriptions of up to £200,000 per individual in any one tax year. Further details of the tax benefits are described on page 21 of this document.

Investment focus

The Ordinary Shares fund is an evergreen fund and, as such, over time the investment focus should evolve in anticipation of how investment returns may best be maintained for the benefit of Ordinary Shareholders. Over the past two years the Ordinary Shares fund has focused its available funds on private equity investments across a broad range of sectors. This has resulted in a steady rate of new investments into businesses with demonstrable potential for both revenue and sustainable profit growth. The Board believes that there is currently an attractive opportunity, post the recent recession, to make further private equity type investments in order to enhance returns for Ordinary Shareholders. This Offer is being launched to take advantage of a continuing flow of attractive investment opportunities being received by the Company's Investment Manager.

Current portfolio

Investors in the Offer will receive immediate exposure to a diversified portfolio of seventeen unquoted investments. A number of these investments are performing strongly, including payments software business Alaric, which is enjoying record profits, and recent investment Blackstar, which has doubled annual revenues to £10 million in its first year post the Company's investment. Following recent provisioning, the current portfolio includes only one environmental holding, Closed Loop Recycling, which recently raised £12.8 million to double its capacity and turnover which is expected to result in substantial profits being generated.

The Directors are also encouraged by the performances of recent private equity investments, several of which were made during the last year. These performances will, over time, be reflected in the net asset value of the Company's Ordinary Shares.

Realisation track record

The Company has achieved a number of profitable realisations in the Ordinary Shares fund over the past three years and these have both funded dividends and the diversification of the portfolio in recent years. During 2011 and 2012 for example, the Company sold investments in Irisys, Autologic, Actimax and Smartfocus for over three times the amount originally invested (at the same time

retaining a significant stake in Autologic). The highlight, however, was the sale of software business AppDNA to Citrix for \$92 million, returning £8 million or, 32 times the original investment to Foresight VCT. A number of other businesses within the current portfolio are maturing well and the Board considers there is the potential within the fund for more successful realisations within the next 12 months.

Strength of the manager

Foresight, the Company's Investment Manager, has been raising and managing VCT funds for over 15 years. Foresight currently manages £800 million of assets with 31 investment professionals and a further 26 support staff and is one of the largest VCT fund managers.

Dividend track record

Having paid out over £32 million of dividends to investors, the Ordinary Shares Fund, when measured by Total Return since Launch, is the best performing of all VCTs. During 2012 Ordinary Shareholders received a special dividend of 7.5p per share, equivalent to a 15% tax free yield (gross equivalent for higher rate taxpayers), following the 5p per share dividend paid in 2011, equivalent to an 10% tax free yield (gross equivalent for higher rate taxpayers). In June 2013 Ordinary Shareholders received a further 5p dividend per share. The Company's policy in relation to dividends is and will remain wherever practical to maintain a steady flow of tax-free dividends, generated from income or capital profits realised on the sale of investments.

Share buy-backs

Since 30 June 2013, consistent with the Company's continuing share buy-back programme, 206,574 Ordinary Shares have been purchased for cancellation at a cost of £188,840. It is the Directors' intention to continue to manage the cash resources of the Ordinary Shares fund in order to be in a position to maintain this programme of regular share buy-backs to facilitate Shareholder disposals, estate planning and endeavour that Shares trade at a reasonable discount to their Net Asset Value.

Investment opportunity

Foresight is currently experiencing particularly strong deal flow and seeing attractive entry valuations in the market. The Company has recently concluded several new investments including media services company Procam TV, guitar amplification business Blackstar, engineering services business Aerospace Tooling Corporation and facilities management provider, Fire and Air Services. All of these businesses are generating material profits and are considered by the Directors and the Investment Manager as having significant growth opportunities ahead of them.

Together with the rest of the Board, I believe this Offer represents a compelling investment opportunity and one in which I and my fellow Directors will be participating. It is the Board's expectation that the Offer will be attractive to a wide range of investors, including existing Shareholders, experienced investors and those investing in VCTs for the first time.

In order to invest, please read the Prospectus in full and complete the Application Form which is attached at the end of this Securities Note. Please contact your authorised financial adviser if you have questions in regards making the investment. For any questions regarding the application process, please call Foresight on 01732 471 812.

I look forward to welcoming you as a Shareholder.

Yours faithfully

John Gregory
Chairman

THE INVESTMENT OPPORTUNITY

Foresight has an established, robust and proven investment process developed over 28 years of activity and is experiencing particularly strong deal flow at this time, despite continuing uncertainties in the macro economy.

During 2012 Foresight reviewed over 420 investment opportunities for the Company to which Foresight applied a high degree of selectivity.

The Company has recently concluded investments in:

- **Procam TV**, which is a leading provider of cameras, equipment and crew to the UK TV production market
- **Flowrite**, a national refrigeration and air conditioning services company which focuses on the leisure sector across the UK
- **Blackstar**, a fast growing guitar amplifier manufacturer
- **Aerospace Tooling Corporation**, a provider of specialist repair, refurbishment and remanufacturing services for components in high-specification aerospace and turbine engines
- **Fire & Air Services**, a hard facilities management provider, designing, installing and maintaining customised air conditioning and fire sprinkler systems for retail, commercial and residential properties.

All of these businesses are generating significant profits and have significant growth opportunities ahead of them.

Foresight looks to invest in growing, profitable UK headquartered companies making £0.5 million to £3 million of EBITDA profit, with enterprise values typically between £5 million and £15 million. Foresight looks for strong management teams, attractive market characteristics and a defensible competitive position and will invest in the most attractive opportunities without sector bias. Foresight VCT has invested across a variety of transaction types including management buyouts, growth capital, equity release and management buy-ins.

Whilst each opportunity is driven by its own individual circumstances, the following themes are collectively driving opportunities for equity investments in small and medium-sized enterprises ("SMEs").

Tax incentives to grow and sell small businesses

Recent developments in UK tax legislation, notably improvements to Enterprise Management Incentive ("EMI") share option schemes, which apply only to smaller businesses (which are often suitable for VCT investment), and enhancements to Entrepreneur's Relief, which reduces business owners' capital gains tax on a sale of the business, provide management teams with greater incentives to grow and realise value from their businesses.

Timing within the economic cycle

In the immediate aftermath of the collapse of Lehman Brothers and the sharp recession of 2009, business owners put growth plans to one side to focus on cost reduction and the survival of their businesses. Exit plans were similarly delayed, awaiting an improved economic environment. Several years later, the economy is only now beginning to show signs of improvement, although in real terms UK economic output remains behind 2008 levels. As the economy shows gradual signs of improvement, Foresight reports a number of business managers are now beginning to focus on growth and eventual exit once more, driving opportunities for private equity investment.

After several years of economic stagnation, the pricing expectations of vendors and SME management teams have readjusted and Foresight reports investments can, in general, currently be concluded at historically attractive enterprise valuations (i.e. at a lower multiple of profits). In general, the best private equity fund vintages tend to be invested at times of economic stagnation or while the economy is poised for recovery.

Reduced competition from private equity competitors

While many private equity firms have increasingly concentrated on mid-market and larger transactions, Foresight has remained focused on generating attractive returns for investors by applying its expertise in smaller growth companies.

Banks withdrawing from the market

Despite political pressure, many banks are continuing to shrink their loan books and rebuild their balance sheets. Tightening banking legislation and greater capital adequacy requirements are forcing banks to set aside a greater quantum of capital against loans to small businesses, making lending to SMEs less attractive to the banking community. This provides greater opportunity for SME-focused private equity to be deployed.

Weak sterling aiding export led growth

Following the global financial crisis and huge quantities of quantitative easing within the UK, sterling has significantly devalued. Whilst this has driven a rise in inflation and a fall in real terms living standards for many, UK exporters have become far more competitive. This has helped drive investment opportunities across sectors including electronics, software, advanced manufacturing and consumer products.

CURRENT PORTFOLIO





Investors will receive immediate exposure to Foresight VCT's Ordinary Share portfolio, which comprises a diversified range of holdings in seventeen unquoted companies, many of which are generating significant profits and enjoying strong growth. Foresight expects a number of realisations from the portfolio in the next twelve months. A new VCT fund in contrast, might take three years to build a diversified portfolio and then regular realisations might only occur two years after completion of its investment phase.

The most recently available unaudited Net Asset Value per Ordinary Share, being as at 30 June 2013, was 103.5p.

At that date, the ten largest unquoted holdings which combined made up £21.7 million of assets (76% of the net assets of the Ordinary Shares fund), are set out below. The other assets within the £28.5 million Ordinary Share fund comprised £1.7 million of other venture capital investments and £5.1 million of current assets, predominantly cash.

Company	Cost £'000	Valuation £'000	Revenues at first investment*	Current Revenues** (latest available)	% of net assets by value of the Ordinary Shares fund	Sector
	1,338	6,375	£1.61m	£10.4m	22.4	Software
Alaric develops payments software, principally within the credit card authorisation and card fraud detection sectors, which is sold to major financial institutions, card processors and, increasingly, major retailers worldwide. Alaric continues to enjoy strong growth and significant contracts have recently been won in the USA, Mexico, Australia, Europe and the Far East. For the year to 31 March 2013 sales of £10.4 million and profit before interest and tax (PBIT) of £2 million reflects continued growth (£1.46 million PBIT on £8.67 million revenues in 2012). Growth is budgeted to accelerate in the current year to 31 March 2014.						
	2,500	3,230	£5.12m	£9.67m	11.3	Consumer
Blackstar designs and manufactures innovative guitar amplifiers and associated products for the UK and international music instrument market. Based in Northampton, Blackstar has established a global brand via a catalogue of over 50 products, many of which have received industry acclaim, most recently the ID:Series of ground-breaking digital amps. Since Foresight VCT's investment in 2012, revenues have doubled.						
	1,618	2,646	£5.53m	£17.2m	9.3	Electronics & Advanced Engineering
Founded in 1999, Autologic provides sophisticated automotive diagnostic software and hardware that enables independent mechanics, dealerships and garages to service and repair vehicles. As cars have become increasingly sophisticated and more reliant on electronic systems, mechanics need to be able to communicate with the in-car computer which in turn requires a diagnostic tool. Autologic's products are used with well-known car brands including Land Rover, BMW, Mercedes, Jaguar, VW, Audi, Skoda and Porsche. A secondary buy-out of Autologic was completed in 2012, realising proceeds of over £2 million for Foresight VCT (nearly 2.7 times original cost of £0.8 million). Foresight VCT retains a loan and share investment in the company. In the year ended 31 December 2012, Autologic recorded an operating profit of c.£6 million (before exceptional costs) on sales of over £17 million (c.£5.5 million operating profit, before exceptional costs, on sales of c.£11.5 million in 2011), with further growth expected, particularly in the USA.						
	1,000	2,211	£5.48m	£7.95m	7.8	Electronics & Advanced Engineering
Aquasium designs, manufactures, sells and services electron beam welding and vacuum furnace equipment at its facilities in Cambridgeshire. The products address a number of large global markets including the aerospace, automotive, oil & gas and defence sectors. In 2012 the group sold its US subsidiary (Ebttec) for c\$11 million. The sale resulted in Foresight VCT recouping c1.5x original investment. Foresight VCT retains a loan and equity investment in Aquasium. Aquasium continues to benefit from strong demand in many of its core markets, with operating profit in the year to December 2012 increasing 41% to £0.8 million. With promising new products in the pipeline and attractive partnerships with blue chip companies in the oil & gas sector being developed, the prospects for 2013 and 2014 are encouraging.						
	1,936	1,786	£0m	£11.23m	6.3	Environmental
Closed Loop Recycling is the first plant in the UK to recycle waste PET and HDPE plastic bottles into food grade packaging material and is now generating revenues of over £1.5 million a month. In the fourth quarter of 2012, the company signed several landmark agreements, notably a major new supply contract and new customer contracts worth up to £17 million per annum as well as securing £12.8 million of loan finance to double capacity at the Dagenham facility. The capacity expansion is underway and on plan and is expected to conclude towards the end of 2013.						

CURRENT PORTFOLIO

Company	Cost £'000	Valuation £'000	Revenues at first investment*	Current Revenues** (latest available)	% of net assets by value of the Ordinary Shares fund	Sector
	490	1,526	2004 accounts abbreviated therefore no revenue shown	£6.75m	5.4	IT Services
DCG provides data storage and back-up solutions to corporates either remotely as a managed service or at customers' premises. The demand for DCG's services is driven by greater compliance requirements for retention and retrieval of data and the ever growing volume of electronic data produced by organisations. The company continues to build its managed service customer base and its recurring revenues.						
	1,500	1,500	£5.24m	N/A (Recent Investment)	5.3	Electronics & Advanced Engineering
Aerospace Tooling Limited is a precision engineering, heat treatment and coatings company, with a niche specialism in the remanufacturing of aerospace and industrial gas turbine high value components. It works with some of the UK's best known aircraft engine manufacturers and has been awarded Best Repair Supplier in the World by a major global corporation. The business made £1.7 million EBITDA on total revenues of £5.2 million in financial year 2012.						
	517	857	£7.49m	N/a (recent investment)	3.0	Business Services
Headquartered in Maidstone, Kent, Flowrite is a refrigeration and air conditioning services business, specialising in the leisure, commercial and retail industries across the UK. The company provides emergency reactive repairs, planned maintenance and installation for commercial refrigeration and air conditioning equipment. In the year since Foresight VCT's investment in May 2012, revenues have grown and are now trading c.30% ahead of last financial year. The company is also outperforming budget with EBITDA generation at more than double budget for the financial year to date.						
	1,175	803	£3.255m	£8.56m	2.8	Electronics & Advanced Engineering
Trilogy supplies audio communications equipment to the defence, industrial and broadcast sectors, with customers including the BBC, Sony, Radio France, Raytheon, Northrop Grumman, Lockheed Martin and BAE. Trilogy's Mercury ES system allows organisations to communicate between multiple levels of security over IP networks. In addition, radios, telephones, and other communications technologies can be linked to the system to provide users with a unified communications control panel.						
	800	800	£5.7m	N/a (recent investment)	2.8	Business Services
Headquartered in Battersea, London, with additional facilities in Manchester, Procam TV has been providing camera equipment and crew to many of the biggest UK broadcasters and production companies for over 20 years. Procam has worked on many of the UK's best loved shows, including Made in Chelsea, Splash, Derren Brown and The Great British Bake Off and customers include BSkyB, the BBC and ITV. Over the last four years growth has been particularly rapid, with revenues doubling following the introduction of new camera formats. Record results were achieved in the calendar year 2012, with revenues of £5.7 million and operating profit of £0.915 million.						
Total Top 10	12,874	21,734	n/a	n/a	76.4%	n/a

For information relating to the investment portfolio of the Company as a whole (including the investments of the infrastructure Shares Fund and the Planned Exit Shares Fund), please refer to Part Two of the Registration Document, which includes information extruded from the latest available audited accounts of those Companies representing the largest ten investments of the Company, where those Companies have published audited accounts following the Company's investment.

* Source: latest audited accounts prior to investment

** Most recent published audited accounts or, if later, the most recently available unaudited management accounts

CURRENT PORTFOLIO

The current sector exposure across the venture capital investments is set out below. Investors should note the net proceeds of the Offer will be invested in accordance with the Company's investment policy and sector exposure will vary over time.

Sector	% of venture capital investments by value
Business Services	7.1
Consumer	14.6
Electronics & Advanced Engineering	31.0
Environmental	7.7
IT Services	11.1
Software	27.2
Healthcare	1.3
Total	100

The information on investee companies' sales, profits and losses detailed above has been extracted from the Company's unaudited half-yearly report to 30 June 2013. These have been taken from the latest financial year end accounts published (unless stated otherwise) by those investee companies as referred to ("Third Party Information"). As at the date of this document, there has been no material change in the valuations set out in this section since 30 June 2013 in respect of the Company. The Third Party Information has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published, no facts have been omitted which would render the reproduced information inaccurate or misleading.

REALISATION TRACK RECORD

Foresight VCT has a long track record of profitable realisations. Investments have been successfully sold to domestic and international buyers in the trade and private equity sectors alike.

In its early years, the Company positioned itself to take advantage of investing in technology focused companies and made a number of strong early realisations. These included the sale of Advanced Composites Group in 2004, which generated a 6x return on investment (see Case Study 1), and the strategically timed flotation of Telecom Plus in 1999, which produced a return in excess of 5x cost.

Following the softening of global technology markets in the early 2000s, the Company repositioned its holdings across a broad variety of sectors, including advanced engineering, environmental and business services. In 2005 for example, the Company invested in Covion, a rapidly growing facilities management business. This was successfully sold to Balfour Beatty in 2007 generating a return of over 4x for Shareholders (see Case Study 2).



Case Study 01: Advanced Composites Group

In 1999 Foresight VCT led a £4 million syndicated growth and buyout investment into Advanced Composites, a manufacturer of carbon-fibre components. At the time of investment, the company was loss-making but with revenues of £15 million and a strong market position. A Foresight partner joined the board as non-executive director to help guide the company through a management transition and rapid growth.

Over a five year period, revenues more than doubled and the company moved into strong profitability. The company was sold in 2004 to a listed plc for £44 million, securing Foresight VCT a 6.2x return on investment.



Case Study 02: Covion

Foresight VCT invested £1 million in the management buyout of Covion in May 2005, at which point Covion had revenues of £10 million per annum.

Over the holding period this grew to an annualised run rate in excess of £30 million and in 2007 Covion was sold to Balfour Beatty for total proceeds of £33 million, of which Foresight VCT received in excess of £4 million, over four times its original investment of £1 million.



Case Study 03: Autologic

Founded in 1999, Autologic develops and sells sophisticated automotive diagnostic software and hardware that enables independent mechanics, dealerships and garages to service and repair leading vehicle brands. As cars have become increasingly sophisticated and more reliant on electronic systems, mechanics need to be able to communicate with on-board electronics to diagnose and fix faults, hence the need for such a sophisticated diagnostic tool. In 2009, Foresight VCT invested £750k in a combination of debt and equity as part of an £8.2 million BIMBO. Autologic has developed into one of the fastest growing vehicle diagnostic services companies in the world. It is based in Oxfordshire and during the Company's investment period opened offices in New York and Hong Kong.

In January 2012, Foresight VCT sold just over 50% of its stake in Autologic in a secondary management buyout at an enterprise value of £46 million. The secondary buyout, together with a recapitalisation of the company completed in July 2011, has already returned 3.4 times the original investment. Foresight VCT has retained a minority shareholding and loan position.



Case Study 04: AppDNA

AppDNA was spun out of Foresight VCT portfolio company Camwood in 2010. Foresight, the investment manager, first invested in Camwood in 2003.

AppDNA rapidly became the leading specialist in Application Migration and Compatibility Software including AppDNA™ and AppTitude™ which it distributes to blue chip companies around the world.

The software enables enterprise customers and system integrators to automate the testing of application compatibility for operating system upgrades or for virtualisation. AppDNA grew from strength to strength, opening offices in USA, France, Germany and Australia and saw an increase in staff numbers from 7 in 2007 to over 80 at the time of Foresight VCT's exit.

In October 2011 AppDNA was acquired by Citrix Systems for \$92 million, returning £8 million for Foresight VCT, an exceptional 32x the original investment of Foresight VCT.

REALISATIONS

In recent years the volume of and prices achieved in realisations have been particularly strong and during 2011 and 2012 successful realisations were achieved from investments such as Autologic and AppDNA, as well as:

Camwood

Foresight VCT realised £2.4 million, a return of over 3x cost, from the sale of its investment in Camwood, an IT consultancy that specialises in application migration and portfolio management.

Irisys

Irisys, a global leader in thermal imaging, was sold to a US corporate, producing a 3.6x return for Foresight VCT.

Aquasium

Portfolio company Aquasium successfully sold its US subsidiary Ebtec, a specialist electron beam welding service provider to Nasdaq listed EDAC for \$11 million. This returned £2.9 million to Foresight VCT, over 1.5x cost of Foresight VCT's investment. Aquasium's remaining subsidiary, Cambridge based engineering company CVE, is trading strongly and is poised to enter a number of new markets with an exciting new product development.

Actimax

VOIP telecoms business Actimax, in which Foresight VCT invested growth capital, was sold to a private equity backed roll up company, generating £2.1 million for Foresight VCT, a 3.1x cash return.

Smartfocus

Smartfocus, an AIM listed software business, into which Foresight VCT invested growth capital prior to its flotation, was acquired for £25 million by a US venture capital-backed entity. This generated £3.9 million and a 3x return for Foresight VCT.

STRENGTH OF THE INVESTMENT MANAGER

The Board believes that the success of any VCT is dependent on the judgement, experience and skills of the investment manager.

Foresight was founded in 1984 and is an award-winning VCT and infrastructure investment manager, with awards including VCT of the Year (Investor AllStars Awards 2010) and Venture Capital House of the Year (Unquote British Private Equity Awards 2009). Foresight manages a number of VCTs which are amongst the best-performing within their vintages and include Foresight VCT, which is the best performing VCT by Total Return since Launch.

Foresight's Infrastructure team was established in 2007 and specialises in investing in solar infrastructure and secondary PFI assets. The team currently manages £455 million of solar assets in the UK and across continental Europe, as well as thirteen school and four healthcare PFI projects across the UK.

In 2011 and 2012 Foresight's Environmental team was appointed by the European Investment Bank (EIB) and the UK Government's Green Investment Bank (GIB) to manage funds which target investment in green infrastructure. In July 2013, Foresight became a signatory to the United Nations Principles for Responsible Investing (UNPRI), which is a global collaborative network of investors established in 2006.

In 2013, Foresight's Private Equity team was appointed by Capital for Enterprise to manage a regional fund of more than £37 million on behalf of Nottingham City and County Councils to target investment in dynamic growth companies in and around Nottinghamshire to stimulate enterprise, to create jobs and to attract inward investment to the region.

Awards won by Foresight include:

Euromoney Renewable Energy Awards 2011
Equity Provider of the year 2011

REI Awards 2011
Financial Provider of the year 2011

Investor AllStars Awards 2010
VCT of the year-Foresight 3

Unquote Private Equity Awards
Venture Capital House of the Year 2009

Rosenblatt New Energy Awards
Renewable Energy Investor of the Year 2009

EISA
EIS fundraising of the Year 2007

PRIVATE EQUITY TEAM

The Private Equity team at Foresight, which manages the Foresight VCT, comprises investment professionals with a wide range of experience - from venture capital at 3i and Advent Venture Partners, to hands-on operational experience at Thomson Reuters and high-tech start-up Joost, as well as corporate finance experience at UBS, Rothschild and Grant Thornton together with strategic consulting experience at Spectrum Strategy Consultants and Deloitte.

The team has over 200 years' worth of collective investment experience and combines investors' capital and its own hands-on expertise with the intention of creating long-term value and generating attractive returns for shareholders.

With regards to portfolio management, Foresight takes a particularly active, hands on approach and as a matter of policy, on unquoted investments, seeks board representation and the ability to appoint a senior industry expert as Chairman.

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
- fundraising from banks and other external sources
- mergers, acquisitions and exit planning

FORESIGHT TEAM

FOUNDERS



Bernard Fairman

- Chairman and co-founder.
- 32 years' private equity, venture capital and fund management experience
- 7 years' clean technology investment experience
- Sourced and negotiated over 40 investments
- Has led Foresight since co-founding the firm in 1984



Peter English

- Co-founder and Partner
- 30 years' SME investment experience
- 10 years' experience in the semiconductor industry, at GEC Semiconductors and Nortel

PARTNERS



David Hughes

- Partner and Foresight Group CIO. He has venture capital experience from 3i, Framlington, Bank Austria and most recently at Advent Venture Partners
- 39 years' private equity, venture capital and fund management experience
- First Class Chemistry graduate from the University of Bristol
- Sourced and executed over 50 venture capital transactions
- Chartered Certified Accountant



Russell Healey

- Partner and Head of Private Equity
- 8 years' experience in fund management and venture capital investing
- 10 years' senior management experience as CTO of a financial information company sold to Thomson Reuters
- MBA with distinction from London Business School

INVESTMENT TEAM



James Livingston

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



Tom Thorp

- Investment Director
- 4 years' private equity and sustainable energy investing
- 8 years' audit and transaction services experience at KPMG
- Chartered Accountant and graduate of Edinburgh University



Matt Smith

- Investment Director
- 3 years' venture capital investment experience
- 6 years' banking experience at Rothschilds
- International athlete
- MA in Biological Sciences and Physiology from University of Oxford



Darrel Connell

- Senior Investment Manager
- 5 years' venture capital investment experience
- 4 years' corporate finance and venture advisory experience at Grant Thornton
- Member of the start-up team at Joost, the internet TV company established by the Skype founders
- CIMA Business Accounting Qualification and graduate of the University of Nottingham



Andrew Shannon

- Senior Investment Manager
- 2 years' private equity and venture capital experience
- 6 years' banking experience at UBS and Société Générale
- MA in Economics from Cambridge University and a BSc in Technology & Business Studies from the Robert Gordon University



Henry Alty

- Investment Manager
- 1 year's private equity and venture capital experience
- 6 years' Technology, Media and Telecoms strategy consulting and commercial due diligence experience
- First class PPE degree from the University of Oxford, CFA charterholder

FORESIGHT VCT'S INVESTEE PARTNERS

“ALTHOUGH WE HAD INITIAL BANK FUNDING IN PLACE TO UNDERTAKE THE MBI, WE QUICKLY RECOGNISED THAT HAVING A PRIVATE EQUITY BACKER WAS A BETTER OPTION. WE WERE ATTRACTED BY FORESIGHT'S ACCESSIBILITY AND THEIR INVESTMENT SCOPE AND FOCUS. AS A TEAM, WE FEEL CONVINCED THAT WE MADE THE RIGHT CHOICE IN WORKING WITH FORESIGHT.”

Peter Mazalon

Managing Director, Channel Safety Systems

“HAVING WORKED WITH FORESIGHT BEFORE, I UNDERSTOOD THEIR QUICK DECISION-MAKING PROCESS AND PRAGMATIC APPROACH, WHICH MADE FOR A SMOOTH INVESTMENT PROCESS - ENABLING US TO FOCUS ON THE BUSINESS. I LOOK FORWARD TO WORKING WITH THEM, AND ALONGSIDE MY COLLEAGUES AND OUR PARTNERS, ACHIEVING THE POTENTIAL OF BIOFORTUNA.”

Simon Douglas

CEO, Biofortuna

“HAVING WORKED ALONGSIDE A NUMBER OF PRIVATE EQUITY ORGANISATIONS FORESIGHT STANDS OUT AS A BEACON WITHIN THE INDUSTRY, IT HAS A WELL-DISCIPLINED PROCESS, WITH A MANAGEMENT TEAM WHO HAS SHOWN COMMITMENT, BUSINESS SENSITIVITY AND PROFESSIONALISM. THEY HAVE AN ENVIABLE RECORD OF “WHEN THE GOING GET TOUGH THE TOUGH GET GOING”, WHICH DEMONSTRATES A TRUE PARTNERSHIP APPROACH TO ITS BUSINESS DEALINGS AND INVESTMENT STRATEGY.”

Dawson Buck

Chairman, AlwaysOn

“IN FORESIGHT WE HAVE FOUND A SUPERB PARTNER THAT SHARES OUR PASSION AND OUR AMBITION TO GROW INTO NEW SECTORS AND GEOGRAPHIES.”

John Brennan

Group CEO, Procam TV

“WE WERE INTRODUCED TO FORESIGHT AFTER AN ABORTED EXPERIENCE WITH ANOTHER PRIVATE EQUITY HOUSE. THEY WERE CLEAR FROM THE OUTSET WHAT THEY REQUIRED TO COMPLETE THE DEAL AND TOOK A COMMERCIAL VIEW ON ISSUES. FORESIGHT DID WHAT THEY SAID THEY WOULD, WHEN THEY SAID THEY WOULD, AND WE ARE DELIGHTED TO RETAIN THEM AS A STAKEHOLDER IN THE BUSINESS.”

Kevin Finn

Chairman, Autologic Diagnostics

“HAVING RECENTLY TAKEN ON A SIZEABLE INVESTMENT FROM FORESIGHT, I HAVE BEEN IMPRESSED BY THEIR PROFESSIONALISM, RIGOUR AND STRATEGIC INPUT. AS A FIRM WITH A HIGHLY IMPRESSIVE GROWTH TRACK RECORD, I LOOK FORWARD TO THEIR SUPPORT AND GUIDANCE IN TAKING BLACKSTAR TO THE NEXT LEVEL.”

Ian Robinson

Managing Director, Blackstar Amplification

PART 2: THE OFFER

SECTION A

i. Introduction to the Offer

The Company is offering up to £20 million of additional Shares in its historically successful Ordinary Shares fund in order to raise funds to take advantage of an increasing number of private equity investment opportunities that are currently being sourced by its investment manager, Foresight. Following a series of profitable realisations, the Directors believe that the Company can build on its recent success and take advantage of certain economic and legislative conditions which make this an opportune moment for a further round of fund raising and investment.

ii. Costs of the Offer

Retail Client Investors

Promoter's Fee	2.5%
Up-front charges agreed between an Investor and his or her independent financial adviser. The payment of these charges can be facilitated by the Company through the application of the Pricing Formula.	Variable

Professional Client Investors and Execution-Only Investors

Promoter's Fee	2.5%
Initial commission to intermediaries	3%
Trail commission to intermediaries (subject to cumulative maximum of 3%)	0.5% per annum

Direct Investors

Promoter's Fee	5.5%
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By offering Investors a bespoke issue price per Offer Share as determined by the Pricing Formula (see below), all Investors are entitled to claim tax relief on the full amount of their investment, including any facilitated payment and all Investors are treated fairly as regards the payment of up-front commission and Adviser Charges.

iii. Pricing: The X Formula

In December 2012, the rules on payment of commission to financial advisers changed to effectively prevent commission being paid to the advisers of "Retail Client Investors" (investors whose advisers classify them as retail clients under the FCA rules).

In place of a fixed commission rate for each financial product (e.g. a VCT share offer) determined and paid by the product provider, advisers and their retail clients must now agree the adviser's fee between them in advance. All product providers can do is facilitate the payment of such agreed fee to the adviser.

Because adviser fees are set at whatever level is agreed between adviser and client, there could be a wide range of different fees that need to be facilitated. The Company can neatly achieve this by applying a pricing formula which gives each applicant a "bespoke" share price - dividing the amount subscribed (say £10,000) by this price gives the number of shares that will be issued to that investor.

The particular pricing formula that Foresight VCT uses (the "X Formula") has two major advantages:

1. Investors receive tax relief on the gross amount of their subscription, including the amounts attributable to any agreed adviser charge and the promoter's fee

In some VCT offers, adviser charges and other offer costs (such as the promoter's fee) are deducted at the outset and VCT tax relief is only available on the net amount which is applied in actually buying shares. By using the X Formula, ALL of the money invested by a given Investor is applied in buying Shares, but at an adjusted price that takes into account the Offer costs specific to that Investor. The Company then simply pays the adviser's, and the Promoter's, agreed fees and the Investor can claim tax relief on the total amount invested.

2. Each Investor pays their own specific costs through a reduction in the number of Shares they receive

Rather than levying a blanket charge on Investors from which to pay their various financial advisers, the X Formula allows each Investor's shareholding to be reduced by an exact amount which is equivalent to the aggregate of whatever adviser charge they have agreed and the fee payable to the Promoter of the Offer, meaning a fair outcome for all.

It should be noted that commission is still determined by the Company in respect of applications made by Professional Client Investors and Execution-Only Investors. This commission has been set at 3%. This figure is inputted into the pricing formula in respect of Investors who fall into either of those two categories.

Trail commission of 0.5% per annum (subject to a maximum cumulative payment of 3%) is payable to the advisers of Execution-Only Investors and Professional Client Investors but this is a cost borne by the Company. The Directors feel that the benefits of attracting greater investment (including economies of scale and the spreading of costs over a larger asset base) mean that this is a cost worth bearing and one that will benefit the Shareholders generally.

Investors are invited to subscribe an amount in pounds sterling rather than apply for a particular number of Offer Shares. The number of Offer Shares issued to a successful applicant will be determined by reference to the Pricing Formula shown overleaf.

Price = NAV / X

where NAV is the latest Net Asset Value per Ordinary Share at the time of each allotment; and

$$X = \frac{\text{NAV} + (A) - (B) - (C)}{\text{NAV}}$$

Where: (A) is the percentage of additional Offer Shares to be allotted to an investor whose applications are received and accepted by the Receiving Agent during the Early Bird priority periods set out on page 3 of this document;

(B) is the Promoter's Fee;

(C) is either initial commission (taking into account any amount of waived commission); OR Adviser Charge.

The number of Offer Shares to be allotted will be determined by dividing the amount subscribed by that applicant by the bespoke issue price given by the Pricing Formula.

Worked Example 1

On 1 March 2014 a Retail Client Investor receives a personal recommendation from his adviser in respect of the Offer and decides to subscribe £10,000 in the Company. No additional Offer Shares are to be allotted since the Early Bird priority period has passed. (A) is therefore zero. The Promoter's Fee is 2.5% of NAV (B). The adviser's standard charge for this, as agreed between the Retail Client Investor and the adviser, is 2.0% of funds subscribed up-front, with no on-going fees (C). The hypothetical NAV is 100p.

Therefore: Price = $100 / 0.955 = 104.71\text{p}$ (rounded down to the nearest 0.01p)

$$X = \frac{100 + A - B - C}{100} = \frac{100 + 0 - 2.5 - 2.00}{100} = 0.955$$

The NAV per Share of 100 divided by 0.955 gives a subscription price of 104.71p (rounded down to the nearest 0.01p). For £10,000 subscribed, this will result in an allocation of 9,550 Ordinary Shares.

The Company then pays the Promoter's Fee of 2.5% and the Adviser's up-front facilitation payment of 2.0%.

Worked Example 2

On 1 October 2013 an investor applies through an Execution-Only Broker. The investor is entitled to receive 2% additional Offer Shares pursuant to the Early Bird. (A) is therefore 2%. The Promoter's Fee is 2.5% of NAV (B). Initial Commission is payable to the Execution-Only Broker of 3% of funds subscribed (C). The hypothetical NAV is 100p.

The price is: NAV / X

$$X = \frac{100 + A - B - C}{100} = \frac{100 + 2 - 2.5 - 3}{100} = 0.965$$

The NAV per Share of 100 divided by 0.965 gives a subscription price of 103.63p (rounded down to the nearest 0.01p). For £10,000 subscribed, this will result in an allocation of 9,649 Offer Shares.

The Company will itself pay the Promoter 2.5% of NAV and the initial commission to the Execution-Only broker of 3%. The Company will later pay annual trail commission to the Execution-Only broker (though this is not taken into account in this formula).

iv. Tax benefits for Investors

The tax reliefs available make the Offer Shares tax efficient for UK income tax payers. Although there is no maximum size of investment, VCT tax reliefs are available on investments up to a maximum by any individual of £200,000 in the 2013/14 tax year.

Further details are set out in Part 3 of this document. Potential Investors are recommended to seek their own independent tax advice.

v. Illustrative initial tax benefits

Cost of Investment	£10,000
Less income tax relief (at 30%)	(£3,000)
Net Investment	£7,000

vi. Use of proceeds

The additional funds raised under the Offer will be invested in accordance with the Company's investment policy.

vii. Investment objectives

The investment objective of Foresight VCT's three Share classes are as follows:

Ordinary Shares Fund

The investment objective of the Ordinary Shares fund is to provide private investors with attractive returns from a portfolio of investments in fast-growing unquoted companies in the United Kingdom.

Planned Exit Shares Fund

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

Infrastructure Shares Fund

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

viii. Investment policy

Foresight VCT will target UK unquoted companies which it believes will achieve the objective of producing attractive returns for Ordinary Shareholders.

Investment securities

Foresight VCT invests in a range of securities including, but not limited to, ordinary and preferred shares, loan stocks,

convertible securities and fixed-interest securities as well as cash. Unquoted investments are usually structured as a combination of ordinary shares and loan stocks, while AIM investments are primarily held in ordinary shares. Pending investment in unquoted and AIM listed securities, cash is primarily held in interest bearing money market open ended investment companies (OEIC) as well as a range of non-qualifying companies. Non Qualifying Investments may include holdings in money-market instruments, short-dated bonds, unit trusts, OEICs, structured products, guarantees to banks or third parties providing loans or other investment into investee companies and other assets where Foresight Group believes that the risk/return portfolio is consistent with the overall investment objectives of the portfolio.

UK Company

Investments are primarily made in companies which are substantially based in the UK, although many will trade overseas. The companies in which investments are made must have no more than £7 million of gross assets at the time of investment (or £15 million) depending on when the funds being invested were raised to be classed as a VCT qualifying holding.

Asset mix

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

Risk diversification and maximum exposures

Risk is spread by investing in a number of different businesses within different industry sectors using a mixture of securities. The maximum amount invested in any one company, including any guarantees to banks or third parties providing loans or other investment into investee companies, is limited to 15% of the Company's investments (including cash) at the time of investment.

Investment style

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

Borrowing powers

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

ix. Co-investment policy

The Company currently invests, and expects to continue to invest, alongside other funds managed or advised by Foresight ("Foresight Funds") as well as potentially between the various share classes in the Company. This will enable the Company (or the relevant share class) to invest in a wider range and a larger size of transaction than it might otherwise be able to access.

Where more than one Foresight Fund wishes to participate in an investment opportunity, allocations will be made in accordance with Foresight's allocation policy as at the date of allocation. The policy provides that allocations are made firstly to any fund (or the relevant fund attributable to a share class) with an existing investment in the relevant company, secondly to any fund (or the relevant fund attributable to a share class) whose investment strategy is specifically focused on the business of the relevant company and thirdly to all other funds (or the relevant fund attributable to a share class) whose investment strategy is consistent with the business of the relevant company.

Within each stage, allocations are made pro rata to the net funds raised by each fund (or the relevant fund attributable to a share class), except where there is an existing investment, in which case allocation is pro rata to such existing investment.

Implementation of this policy will be subject to the availability of monies to make the investment and other portfolio considerations such as sector exposure and the requirement to achieve or maintain a minimum of 70% of a particular VCT's portfolio in Qualifying Investments.

Any variation from this co-investment policy insofar as it affects the Company (or relevant class of Shares) may only be made with the prior approval of the independent Directors.

x. Valuation policy

Investments held by the Company have been valued at fair value in accordance with the International Private Equity and Venture Capital (IPEVC) valuation guidelines. Ordinarily, unquoted investments will be valued at cost for a limited period following the date of acquisition, being the most suitable approximation of fair value unless there is an impairment or significant accretion in value during the period. Investments in AIM and ISDX are valued at the prevailing bid price.

xi. Share buyback policy

The Company aims, but is not committed, to offer liquidity to Shareholders through on-going buy backs, subject to the availability of distributable reserves, at a target discount of 10% to net asset value.

xii. Dividend policy

The Company's policy in respect of the Ordinary Shares fund is, whenever possible and subject to sufficient funds being available, to maintain a steady stream of tax-free dividends. In pursuance of this, an interim dividend of 5p per Ordinary Share was paid on 14 June 2013.

Please note: The dividend figures described in this Securities Note are based on the reconstructed Ordinary Share capital of the Company, following a merger with the "C" share class in 2007 and an Ordinary Share reconstruction carried out in March 2011 whereby the NAV per Ordinary Share was increased from 55.44p to 100p by the rateable redesignation of a number of Ordinary Shares as worthless deferred shares.

xiii. The Offer Shares

The securities being offered pursuant to the Offer are Ordinary Shares of one penny each (ISIN: GB00B68K3716) and are freely transferable.

These Offer Shares will be created pursuant to resolutions to be proposed at the Meeting. All Shareholders will have the same voting rights in respect of the existing share capital of the Company.

All investments and cash attributable to the Ordinary Shares fund, of which the Offer Shares will be part, will be kept separate from the Planned Exit Shares fund and the Infrastructure Shares fund, being the other classes of Shares issued by the Company. Accordingly, Investors in the Offer Shares will not have any exposure to the investment gains and losses of the other Share classes.

The holders of Offer Shares will have the right to Distributions from the assets within the Ordinary Share fund but not from the assets attributable to other Shares. Equally the holders of other Shares will continue to have the exclusive right to Distributions from assets attributable to such Shares but not from assets attributable to the Ordinary Shares. All Shareholders will share the benefit of spreading the Company's administration costs over a wider asset base. Ordinary Shareholders will be entitled to receive certificates in respect of their Ordinary Shares and will also be eligible for electronic settlement. Holders of Ordinary Shares will be entitled to vote at meetings of the Company in the same way as existing shareholders. No change may be made to the rights attaching to Ordinary Shares without the approval of the holders of Ordinary Shares.

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 a dilution of approximately 40% in terms of the percentage of the Company they own.

SECTION B

i. The Directors

John Gregory (Chairman)

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

Peter Dicks

Peter Dicks was a founder director of Abingworth plc, a successful venture capital company. He is currently a director

of a number of quoted and unquoted companies, including Private Equity Investor plc where he is chairman, and Graphite Enterprise Trust plc. In addition, he has been a director of the Company since its incorporation in 1997 and is a director of Foresight 2 VCT plc, Foresight 3 VCT plc and Foresight 4 VCT plc. He is also chairman of Unicorn AIM VCT plc.

Gordon Humphries

Gordon Humphries qualified as a chartered accountant with PricewaterhouseCoopers before moving into financial services, where he has over 25 years' experience. He is currently head of investment companies at Standard Life Investments and before that he was deputy head of investment trusts at F&C Asset Management plc. Gordon is a non-executive director of Maven Income and Growth VCT 5 plc.

SECTION C

i. Annual fees and expenses

Foresight is entitled to an annual fee of 2% of the Net Asset Value of the Ordinary Shares fund in respect of investment management services. This fee is calculated and payable quarterly in advance, together with any applicable VAT.

Foresight Fund Managers Limited receives an annual fee of £100,000 (calculated and payable quarterly in arrears) in respect of its appointment as company secretary and accountant to the Company.

ii. Performance incentive

Foresight is entitled to a performance incentive payment equal to 15% of the dividends paid to Ordinary Shareholders subject to the Net Asset Value plus cumulative dividends paid ('Total Return') per Ordinary Share exceeding 180.4p per Ordinary Share both immediately before and immediately after the performance incentive fee is paid.

For these purposes "Total Return" shall mean the aggregate of (i) the then NAV of Ordinary Shares and (ii) an amount equal to 19.4p (rebased) (these being the distributions as at 16 January 2007 per old Foresight VCT plc C share) and (iii) all distributions following that date per Ordinary Share. Any such performance fee will be calculated each time a distribution is declared and any Ordinary Shares to be allotted will be issued on the date the distribution is made to Shareholders (or as soon as practicable thereafter).

SECTION D

i. The offer for subscription

It is proposed to allot, pursuant to the Offer, up to £20 million worth of Ordinary Shares to the public, unless the amount of the Offer is increased at the discretion of the Directors, subject to the issue of a supplementary prospectus. These Offer Shares will be offered to individual Investors at a price determined in accordance with the Pricing Formula on page 15, such price per Share to be payable in full, by cheque or bankers draft, on application. Application has been made to the UK Listing Authority for all of the Ordinary Shares issued pursuant to the Offer to be admitted to the Official

List. Application has also been made to the London Stock Exchange for Admission to trading on the London Stock Exchange's market for listed securities. The Offer will open on 26 September 2013 until 30 June 2014, but may close earlier if fully subscribed or otherwise be extended, in either case at the discretion of the Directors. The Offer will not be extended beyond 12 months from the date of the Prospectus.

In the event that the Offer is oversubscribed and Directors choose not to increase the size of the Offer, allotment will be made to investors on a first come-first served basis. Any excess amounts paid by applicants will be refunded by cheque to the person named in Box 1 of the Application Form.

The Company is seeking to raise £20 million under the Offer (before expenses and unless increased by the Directors). The Offer Shares will be issued on a fully paid basis in registered form. Offer Shares will be allotted and issued in respect of valid applications under the Offer at any time as the Directors decide.

Details of allotments will be announced through a Regulatory Information Service provider by no later than the end of the Business Day following the allotment and dealings in such Shares are expected to commence within three Business Days following allotment. If the Company is required to publish a supplementary prospectus, subscribers who have yet to be entered on to the Company's registers of members will be given two days to withdraw their subscription. In the event that the notification of withdrawal is given by post, such notification will be effected at the time the subscriber posts such notification rather than at the time of receipt by the Company.

The terms and conditions of application are set out at the back of this document along with an application form and details of the application procedure.

ii. Minimum and maximum investment

The minimum subscription under the Offer will be £3,000. Applications in excess of £3,000 may be made for any higher amount in multiples of £1,000. The maximum investment on which income tax relief can be claimed by any individual is £200,000 in the 2013/14 tax year and is expected to be £200,000 in the 2014/15 tax year.

iii. Early bird additional Shares and loyalty bonus

Investors whose application forms are received before 29 November 2013 will receive additional Offer Shares equal to 2% of the number of Shares they would normally receive through application of the Pricing Formula. Investors whose application forms are received between 30 November 2013 and 28 February 2014 will receive additional Offer Shares equal to 1% of the number of Offer Shares they would normally receive through application of the Pricing Formula.

In addition, existing investors in VCTs managed by Foresight who invest before 28 February 2014 will receive a loyalty bonus of an additional 0.5% of the number of Shares they would normally receive through application of the Pricing Formula.

iv. Claiming income tax relief

The Company will send you a share certificate and a tax certificate as quickly as possible after Shares are allotted to you. You then have two options on how to reclaim the tax relief: You can write to your HM Revenue & Customs office to ask them to change your tax coding under the PAYE system (this is the system that calculates how much tax you pay each month), so you will receive your income tax relief on a monthly basis through your pay cheques. Alternatively, you can claim income tax relief as part of your annual tax return.

v. Launch costs

The Company, through the mechanism of the Pricing Formula, will pay to Foresight a fee of:

a) 2.5% of the NAV per Ordinary Share issued to investors who subscribe through authorised intermediaries;

or

b) 5.5% of the NAV per Ordinary Share issued to investors who subscribe directly to the Company,

subject to a maximum payment of £1.1 million, in consideration of its acting as Promoter of the Offer. All costs, charges and expenses of or incidental to the Offer, including the fees of BDO LLP and RW Blears LLP shall be paid by Foresight. In addition, the Company shall, pursuant to the terms of the Offer, pay to Foresight an annual trail commission of 0.5% per annum of the NAV of those Offer Shares subscribed by Professional Client Investors and Execution-Only Investors until a maximum of 3% of the amount subscribed for them has been paid out of which Foresight will pay annual trail commission to the advisers of Professional Client Investors and Execution-Only Investors. The Company will be responsible for paying such Initial Commission and Adviser Charge facilitation payments to financial intermediaries as are calculated in accordance with the Pricing Formula set out on page 15.

vi. Category of potential Investors

A typical investor for whom the Offer is designed is a UK higher-rate income tax payer over 18 years of age with an investment range of between £5,000 and £200,000 who, having regard to the risk factors set out at the front of this document, considers the investment policy as detailed in Part 2 of this document to be attractive. Investment in a VCT may not be suitable for all investors and should be considered as a long-term investment.

Before deciding whether to apply for Ordinary Shares under the Offer you are recommended to consult an independent adviser.

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. The Chairman and Peter Dicks each intend to subscribe up to £10,000 each under the Offer, and Gordon Humphries intends to subscribe £3,000 under the Offer.

vii. Client categorisation

In order for an authorised financial intermediary ("Adviser") who gives a personal recommendation to receive the commission payable by the Company as outlined on page 14 the investor must have been classified by the Adviser as an elective professional client for the purposes of the FCA rules ("Professional Client Investor").

This means that Advisers must undertake an adequate assessment of an individual investor's expertise, experience and knowledge that gives reasonable assurance, in light of the nature of an investment in the Company, that an investor is capable of making his or her own investment decisions and understanding the risks involved.

If an investor is classified as a Professional Client Investor by their Adviser, he or she will lose the protections applicable exclusively to retail clients under the FCA rules. As set out below, certain of the FCA rules will automatically be limited or modified in their application to such investors and certain of the FCA rules will be capable of modification in their application to those investors in relation to any business carried out by their Adviser.

In respect of Professional Client Investors:

(a) An Adviser will not be obliged to take reasonable steps to ensure, when making a personal recommendation, that it is suitable for those investors having regard to the investor's knowledge and experience of similar investments, the investor's financial situation and investment objectives.

(b) An Adviser will not be obliged to warn the investor of the nature of any risks involved in any potential investments in the Company. The risks of investing in the Company are set out on pages 1 and 2 of this document.

(c) An Adviser will not be obliged to disclose the basis or amount of its charges for any services it provides to an investor or on his or her behalf or the amount of any other income that may be received from third parties in connection with such services.

(d) An Adviser will not be obliged to set out any of the prescribed contents, disclosures or risk warnings needed for retail customers in prospectuses, marketing brochures and other non-real time financial promotions material, nor will they be subject to the restrictions that apply to a retail client in relation to unsolicited real time communications.

(e) An Adviser will not be required to give an investor the warnings required for retail clients in relation to material which may lead them to deal with or use overseas firms which are not regulated by the FSMA nor have to satisfy itself that the overseas firm will deal with an investor in an honest and reliable way.

(f) An Adviser will also not be required to comply with the FCA rules relating to restrictions on and the content of direct offer advertisements.

The following rules will be limited or modified in their application to Professional Client Investors.

(a) The majority of the FCA rules in relation to the form and content of financial promotions will not be applicable in respect of any financial promotion communicated or approved by an Adviser.

(b) An Adviser will not be required by the FCA to provide

an investor with a periodic statement on the value and composition of his or her portfolios of investments where he or she has requested the Adviser not to do so or where the Adviser has taken reasonable steps to establish that such an investor does not want this.

(c) In complying with the FCA requirement that an Adviser should take reasonable steps to obtain, when executing orders, the best possible result for his clients taking into account the following execution factors: price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to making investments, an investor's Adviser may take into account the following criteria for determining the relative importance of these execution factors: an investor's categorisation as a professional client (rather than as a retail client); the characteristics and investment objectives of the Company and the VCT rules and the normal commercial practice of the counterparties and strategic partners with which the Company will do business. In particular, factors such as the suitability, expertise and market position of counterparties and strategic partners may be more important than price in obtaining the best possible execution result in the context of achieving the investment objective.

viii. Investor communications

The Directors recognise the importance of maintaining regular communications with Shareholders. In addition to the announcement and publication of the annual report and accounts and the interim results for the Company as detailed below, the Company will also publish quarterly statements of Net Asset Value. Foresight will also publish information on new investments and the progress of companies within the Company's portfolio from time to time.

ix. Reporting dates

Year end	31 December
Announcement and publication of annual report and accounts	April
Announcement and publication of interim results	August

x. Working capital

The Company is of the opinion that its working capital is sufficient for its present requirements, that is for the twelve month period following the date of this document.

xi. Net assets

The Offer will have a positive impact on the net assets of the Company by increasing its net assets by the same amount as the net funds raised and is expected to have a positive impact on earnings.

xii. Capitalisation and indebtedness

As at 25 September 2013, the latest practicable date prior to the publication of this document, the Company has incurred no indebtedness, whether guaranteed, unguaranteed, secured, unsecured, indirect or contingent. The Company has the power to borrow, details of which are set out on page 16, although the Directors have no present intention of utilising this power.

The capitalisation of the Company as at 30 June 2013 extracted without material adjustment from the Company's

unaudited half-yearly report to 30 June 2013 was as follows:

Shareholders' Equity	£'000
Share capital	503
Legal reserve	4,092
Other reserves	(1,288)
Special distributable reserve	46,645
TOTAL	49,952

There has been no material change to the Company's capitalisation between 30 June 2013 and 25 September 2013, the latest practicable date prior to the publication of this document.

xiii. Miscellaneous

As at 25 September 2013, being the latest practicable date prior to the publication of this document, the Company is not aware of any person who, directly or indirectly, has or will have an interest in the capital of the Company or voting rights which is notifiable under UK law (under which, pursuant to the Act and the Listing Rules and Disclosure and Transparency Rules of the FCA, a holding of 3% or more will be notified to the Company).

The Company and the Directors consent to the use of this Prospectus by financial intermediaries and accept responsibility for the information contained in this document in respect of any final placement of Offer Shares by any financial intermediary which was given consent to use this document. 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 Securities Note is given commences 26 September 2013 and closes on 30 June 2014. In the event of an offer being made by a financial intermediary, financial intermediaries must give investors information on the terms and conditions of the Offer at the time they introduce the Offer to investors. Financial intermediaries may use this Prospectus in the UK.

Any financial intermediary that uses this document must state on its website that it uses this document in accordance with the Company's consent. 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.

xiv. General Meeting - Resolutions relating to the Offer

The Offer is conditional on the passing of certain resolutions of the Company to be proposed at a general meeting of the Company to be held on 30 October 2013, specifically:

1. That:

in addition to existing authorities, the Directors be generally and unconditionally authorised in accordance with section 551 of the CA 2006 to exercise all the powers of the Company to allot Ordinary Shares and to grant rights to subscribe for or to convert any security into Ordinary Shares ("Rights") up to an aggregate nominal amount of £250,000, provided that the authority conferred expires on the second anniversary of the date of the passing of the resolution (unless renewed, varied or revoked by the Company in a general meeting), save that the Company shall be entitled to make offers or agreements before the expiry of this authority which would or might require Ordinary Shares to be allotted or Rights to be granted after such expiry and the Directors shall be entitled to allot Ordinary Shares and grant Rights pursuant to any such offer or agreement as if this authority had not expired.

2. That:

conditionally upon the passing of Resolution 1, the Directors be and hereby are given the general power to allot equity securities (as defined by section 560 of the Act) for cash pursuant to the authority conferred by Resolution 1 as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities with an aggregate nominal value not exceeding £250,000 in connection with the offer for subscription described in the Prospectus of even date herewith.

The power granted by this resolution will expire on the second anniversary of the date of the passing of this resolution save that the Company may, before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

This resolution is additional to and does not revoke or replace existing and unexercised powers previously granted to the Directors to allot equity securities as if section 561(1) of the Act did not apply.

3. That:

conditionally upon the passing of Resolutions 1 and 2, in accordance with Section 641 of the Act the Company be generally authorised to reduce its share premium account (the amount standing to the credit of which will be increased on the issue of Ordinary Shares under the Offer) by up to 100% of the amount standing to the credit thereof immediately following the close of the Offer provided that any reduction pursuant to this resolution is confirmed by order of the court.

PART 3: TAXATION CONSIDERATIONS FOR INVESTORS

Tax reliefs

The following is only a summary of the law concerning the tax position of individual investors in VCTs. Potential investors are recommended to consult a professional adviser as to the taxation consequences of an investment in a VCT. The tax reliefs set out below are those currently available to individuals aged 18 or over who subscribe for Shares on their own behalf under the Offer. Whilst there is no specific limit on the amount of an individual's acquisition of shares in a VCT, tax reliefs will only be given to the extent that the total of an individual's subscriptions or other acquisitions of shares in VCTs in any tax year do not exceed £200,000. Investors who intend to invest more than £200,000 in VCTs in any one tax year should consult their professional advisers.

(a) Income tax

(i) Relief from income tax on investment

An investor subscribing for Ordinary Shares will be entitled to claim income tax relief on amounts subscribed up to a maximum of £200,000 in any tax year. To obtain relief an investor must subscribe on his own behalf although the Ordinary Shares may subsequently be transferred to a nominee. The relief is given at the rate of 30% on the amount subscribed regardless of whether the investor is a higher rate or basic rate tax payer, provided that the relief is limited to the amount which reduces the investor's income tax liability to nil. Investments to be used as security for or financed by loans may not qualify for relief, depending on the circumstances.

(ii) Dividend relief

An investor who acquires in any tax year VCT shares (including Ordinary Shares) having a value of up to a maximum of £200,000 will not be liable to income tax on dividends paid on those shares and there is no withholding tax thereon.

(iii) Purchasers in the market

An individual purchaser of existing Ordinary Shares in the market will be entitled to claim dividend relief (as described in paragraph (ii) above) but not relief from income tax on investment (as described in paragraph (i) above).

(iv) Withdrawal of relief

Relief from income tax on a subscription for VCT shares (including Ordinary Shares) will be withdrawn if the VCT shares are disposed of (other than between spouses) within five years of issue or if the VCT loses its HMRC approval as a VCT.

(b) Capital gains tax

(i) Relief from capital gains tax on the disposal of Ordinary Shares

A disposal by an investor of Ordinary Shares will give rise to neither a chargeable gain nor an allowable loss for the purposes of UK capital gains tax provided that the approval of the company as a VCT has not been withdrawn by HM Revenue & Customs prior to the time of disposal. The relief is limited to the disposal of VCT shares acquired within the limit of £200,000 for any tax year.

(ii) Purchasers in the market

An individual purchaser of existing Ordinary Shares in the market will be entitled to claim relief from capital gains tax on disposal (as described in paragraph (i) above). If a company which has been granted HMRC approval as a VCT subsequently fails to comply with the conditions for approval, approval as a VCT may be withdrawn or treated as never having been given.

In these circumstances, relief from income tax on the initial investment is repayable unless loss of approval occurs more than five years after the issue of the relevant VCT shares. In addition, relief ceases to be available on any dividend paid in respect of profits or gains in any accounting period ending when VCT status has been lost and any gains on the VCT shares up to the date from which loss of VCT status is treated as taking effect will be exempt, but gains thereafter will be taxable.

2. Illustration of effect of tax relief for Investors

The table below has been prepared for illustrative purposes only and does not form part of the summary of the tax reliefs contained in this section. The table shows how the initial tax reliefs available can reduce the effective cost of an investment of £10,000 in a VCT by a qualifying investor subscribing for VCT shares to only £7,000:

	Effective cost	Tax relief
Investor unable to claim any tax reliefs	£10,000	nil
VCT investor able to claim full 30% income tax relief	£7,000	£3,000

The combined effect of the initial income tax relief, tax free dividends and tax-free capital growth can substantially improve the net returns of an investment in a VCT. For example, after the costs of the Offer (5.5p per Share assuming subscription by Professional Client Investors and Execution-Only Investors), an investment of £10,000 would show an immediate return of 35% over the base cost of £7,000 after 30% income tax relief, which is only available if the shares are held for the minimum holding period of five years. Although there is no maximum size of investment, VCT tax reliefs are available on investments in VCTs up to a maximum per individual of £200,000 in any one tax year.

3. Obtaining tax reliefs

The Company will provide to each investor a certificate which the investor may use to claim income tax relief, either by obtaining from HM Revenue & Customs an adjustment to his tax coding under the PAYE system or by waiting until the end of the tax year and using his tax return to claim relief.

4. Investors not resident in the UK

Investors not resident in the UK should seek their own professional advice as to the consequences of making an investment in a VCT as they may be subject to tax in other jurisdictions as well as in the UK.

5. Facilitation of Adviser Charges and payment of initial commission

An investor should not be taxed in respect of payments made to facilitate adviser charges or initial commission paid to investment advisers as, despite ongoing internal deliberations, HMRC have indicated previously that they do not regard such payments as income in the hands of the investor. Such payments may however be treated by HMRC as reducing the base cost of an investment for capital gains tax purposes. Such payments will be taxed as trade income in the hands of the recipient investment advisers.

PART 4: CONDITIONS TO BE MET BY VENTURE CAPITAL TRUSTS

The Company must satisfy a number of tests to qualify as a VCT.

A summary of these tests is set out below.

1. Qualification as a VCT

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

- (a) not be a close company;
- (b) have each class of its ordinary share capital quoted on a European Regulated Market;
- (c) derive its income wholly or mainly from shares or securities;
- (d) have at least 70% by VCT Value of its portfolio of investments in shares or securities in Qualifying Investments, of which at least 70% by VCT Value must be in Eligible Shares, which may carry a preferential right to a dividend, expressed as a fixed or variable rate of the amount invested, but which must not be entitled to a preferential return of assets on a winding-up nor have rights to be redeemed;
- (e) have at least 10% by VCT Value of each Qualifying Investment in Eligible Shares;
- (f) not have more than 15% by VCT Value of its investments in a single company or group (other than a VCT or a company which would, if its shares were listed, qualify as a VCT); and
- (g) not retain more than 15% of its income derived from shares and securities in any accounting period.

2. Qualifying Investments

A Qualifying Investment consists of shares or securities first issued to the VCT (and held by it ever since) by a company satisfying the conditions set out in Parts 3 and 4 of Chapter 6 of the Tax Act. The conditions are detailed but include that the company must be a Qualifying Company, have gross assets not exceeding £15 million immediately before and £16 million immediately after the investment, apply the money raised for the purposes of a qualifying trade within certain time periods and not be controlled by another company. In certain circumstances, an investment in a company by a VCT can be split into a part which is a qualifying holding and a part which is a non-qualifying holding. In addition, to be qualifying holdings, VCT funds raised after 5 April 2012 must invest in companies which have no more than 250 full time (equivalent) employees and do not obtain more than £5 million of investment from VCTs and individuals claiming relief under the Enterprise Incentive Scheme in any rolling 12 month period.

3. Qualifying Company

A Qualifying Company must be unquoted (for VCT purposes this includes companies whose shares are traded on AIM and ISDX) and must carry on a qualifying trade. For this purpose certain activities are excluded (such as dealing in land or shares or providing financial services). The qualifying trade

must either be carried on by, or be intended to be carried on by, the Qualifying Company or by a qualifying subsidiary at the time of the issue of shares or securities to the VCT (and at all times thereafter).

To be a Qualifying Company, an investee company must have a permanent establishment in the UK from which it must carry on activities which are more than of a 'preparatory or auxiliary character'. 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.

A Qualifying Company may have no subsidiaries other than qualifying subsidiaries which must, in most cases, be at least 51% owned.

4. Approval as a VCT

A VCT must be approved at all times by HMRC. Approval has effect from the time specified in the approval. A VCT cannot be approved unless the tests detailed above are met throughout the most recent complete accounting period of the VCT and HMRC is satisfied that they will be met in relation to the accounting period of the VCT which is current when the application is made. However, where a VCT raises further funds, VCTs are given grace periods to invest those funds before such funds need to meet such tests. The Company has received provisional HMRC approval as a VCT.

5. Withdrawal of approval

Approval of a VCT may be withdrawn by HMRC if the various tests set out above are not satisfied. Withdrawal of approval generally has effect from the time when notice is given to the VCT but, in relation to capital gains of the VCT only, can be backdated to not earlier than the first day of the accounting period commencing immediately after the last accounting period of the VCT in which all of the tests were satisfied.

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

PART 5: DEFINITIONS

AC Percentage	in accordance with COBs 6.1A, the charge agreed to be paid by a Retail Client Investor to his or her FCA authorised adviser in relation to the provision of a personal recommendation to invest in Offer Shares expressed as a percentage of the amount subscribed by the Retail Client Investor
Admission	the date on which the Offer Shares allotted pursuant to the Offer are listed on the Official List of the UKLA and admitted to trading on the London Stock Exchange's market for listed securities
Adviser Charge	an amount equal to the AC Percentage of NAV per share
AIM	The Alternative Investment Market
Articles	the current articles of association of the Company
BDO	BDO LLP, which is authorised and regulated by the FCA as a UKLA regulated sponsor
Board or Directors	the board of directors of the Company
Business Day	any day (other than a Saturday or Sunday) on which clearing banks are open for normal banking business in sterling
CA 2006 or the Act	the Companies Act 2006 (as amended)
Circular	the circular sent to Shareholders dated 26 September 2013 convening the General Meeting
Closing Date	30 June 2014 unless extended at the discretion of the Directors
Close Period	as defined in paragraph 1(a) of the Model Code
Company or Foresight VCT	Foresight VCT plc
Distributions	amounts paid by way of dividends, tender offers, share buy-backs, proceeds on a sale or liquidation of the Company and any other proceeds or value received, or deemed to be received, by Shareholders in the Company in respect of Shares, excluding any income tax relief on subscription
Eligible Shares	in relation to a company which is a Qualifying Company, means shares which may carry a non-cumulative and non-discretionary preferential right to dividends but not to the assets of the Company on its winding up, and which may carry no present or future right to be redeemed
Execution-Only (Investor)	a transaction which is executed by an FCA authorised firm upon the specific instructions of a client where the firm does not give advice relating to the merits of the transaction or make a personal recommendation (and 'Execution-Only Investor' shall mean an Investor who subscribes for Offer Shares in such a manner)
FCA	the Financial Conduct Authority
Foresight or Foresight Group	Foresight Group LLP, the promoter of the Offer, which is authorised and regulated by the FCA, or Foresight Group CI Limited, the Company's investment manager, which is licensed by the Guernsey Financial Services commission, as the context dictates
Foresight Funds	funds managed or advised by Foresight
FSMA	the Financial Services and Markets Act 2000, as amended
General Meeting or Meeting	the meeting of the members of the Company to be held on 30 October 2013 and convened in accordance with the notice set out in the Circular
Infrastructure Shares	infrastructure shares of one penny each in the capital of the Company
Infrastructure Shares Fund	the aggregate of the capital raised by subscriptions for Infrastructure Shares issued by the Company, all income and assets derived therefrom and all expenses and liabilities attributable thereto
Investor	an individual who subscribes for Offer Shares pursuant to the Offer
Launch	the offer for subscription of, <i>inter alia</i> , Ordinary Shares made by the Company pursuant to a prospectus dated 1 October 1997, following which the first admission of Ordinary Shares to the Official List was made on 17 November 1997.
Listing Rules	the listing rules of the UKLA
London Stock Exchange or LSE	London Stock Exchange plc
NAV or Net Asset Value	the net asset value attributable to the Shares calculated in accordance with the Company's normal accounting policies in force at the date of circulation
Offer	the offer for subscription to raise in aggregate up to £20,000,000 by issues of Ordinary Shares by the Company pursuant to the Prospectus published on 26 September 2013 and prepared in accordance with the prospectus rules made under Section 84 of FSMA and approved by the FCA in accordance with FSMA

PART 5: DEFINITIONS

Offer Shares	those Ordinary Shares being made available for subscription pursuant to the Offer
Official List	the official list of the UK Listing Authority maintained in accordance with section 74(1) FSMA
Ordinary Shares	ordinary shares of one penny each in the capital of the Company
Ordinary Shares fund	the aggregate of the capital raised by subscriptions for Ordinary Shares issued by the Company, (including under the Offer), all income and assets derived therefrom and all expenses and liabilities attributable thereto
Planned Exit Shares	planned exit shares of one penny each in the capital of the Company
Planned Exit Shares fund	the aggregate of the capital raised by subscriptions for Planned Exit issued by the Company, all income and assets derived therefrom and all expenses and liabilities attributable thereto
Pricing Formula	the pricing formula used to calculate the bespoke prices at which Offer Shares will be issued to Investors under the Offer set out in this document
Professional Client Investor	an Investor who applies for Offer Shares through their IFA where the IFA has classified that Investor as an elective professional client for the purposes of the FCA rules and their IFA is an Article 3 MiFID exempt firm
Prohibited Period	any Close Period or any period when there exists any matter which constitutes inside information in relation to the Company
Promoter's Fee	the fee payable to the Promoter under the Offer set out on page 14 of this document
Prospectus	together this Securities Note, the Registration Document and the Summary
Prospectus Rules	the prospectus rules of the UKLA
Qualifying Company	an unquoted (including an AIM-listed) company which satisfies the requirements of Part 4 of Chapter 6 of the Tax Act
Qualifying Investments	shares in, or securities of, a Qualifying Company held by a venture capital trust which meets the requirements described in Parts 3 and 4 of Chapter 6 of the Tax Act
Receiving Agent	The City Partnership (UK) Limited
Registrar	Computershare Investor Services plc
Registration Document	the registration document dated 26 September 2013
Resolutions	the resolutions to be proposed at the Meetings (and each a "Resolution")
Retail Client Investor	Investors who apply for Offer Shares through their IFA where the IFA has classified the Investor as a retail client for the purposes of the FCA rules
Securities Note	this document
Shareholders	the holders of Shares
Shares	Ordinary Shares and/or Planned Exit Shares and/or Infrastructure Shares as the context requires
Summary	the summary issued by the Company dated 26 September 2013
Tax Act	the Income Tax Act 2007 (as amended from time to time)
Total Return	the net asset value of a share plus the total dividends paid on that share since the date of issue
UK Listing Authority or UKLA	the UK Listing Authority, being the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of FSMA
VCT Rules	the legislation, rules and HMRC interpretation and practice regulating the establishment and operation of venture capital trusts
VCT Value	the value of an investment(s) calculated in accordance with section 278 of the Tax Act
Venture Capital Trust or VCT	a venture capital trust as defined in section 259 of the Tax Act

PART 6: APPLICATIONS FOR OFFER SHARES

1. The contract created by the acceptance of applications in the manner herein set out will be conditional upon the Admission of the Offer Shares to the Official List of the UK Listing Authority and to trading on the London Stock Exchange's main market for listed securities unless otherwise so resolved by the Board. Offer Shares will be issued conditional on the relevant Resolutions being passed at the General Meeting. If any application is not accepted or if any application is accepted for fewer Offer Shares than the number applied for, or if there is a surplus of funds from the application amount, the application monies or the balance of the amount paid on application will be returned without interest by post at the risk of the applicant. In the meantime application monies will be retained by the Company in a separate client account.

2. The Company reserves the right to present all cheques and banker's drafts for payment on receipt and to retain documents of title and surplus application monies pending clearance of the successful applicants' cheques and banker's drafts.

3. By completing and delivering an Application Form, you (as the applicant):

(a) irrevocably offer to subscribe the amount of money specified in your Application Form which will be applied to purchase Offer Shares, subject to the provisions of (i) the Prospectus; (ii) these Terms and Conditions; (iii) the Memorandum and Articles; and (iv) any document mentioned in paragraph (h) below;

(b) authorise the Company's Registrars to send definitive documents of title for the number of Offer Shares for which your application is accepted and to procure that your name is placed on the register of members of the Company in respect of such Offer Shares and authorise the Receiving Agent to send you a crossed cheque for any monies returnable, by post to your address as set out in your Application Form;

(c) 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 until the closing date of the Offer, and that this paragraph constitutes a collateral contract between you and the Company which will become binding upon dispatch by post or delivery by hand of your Application Form duly completed to the Receiving Agent;

(d) understand that your cheque or banker's draft will be presented for payment on receipt, and agree and warrant that it will be honoured on first presentation and agree that, if it is not so honoured, you will not be entitled to receive 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 (which 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 their 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);

(e) agree that monies subscribed for Offer Shares will be held for the account of the Company pending allotment of Offer Shares (which may not take place until several weeks after cleared funds have been received) and that all interest thereon shall belong to the Company and further that any documents of title and any monies returnable to you may be retained pending clearance of your remittance and that such monies will not bear interest;

(f) agree that all applications, acceptances of applications and contracts resulting therefrom will 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 proceeding 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;

(g) agree that, in respect of those Offer Shares for which your application has been received and processed and not refused, acceptance of your application shall be constituted by inclusion in an allotment of Offer Shares to you by the Receiving Agent;

(h) agree that, having had the opportunity to read the Prospectus and any supplementary prospectus issued by the Company and filed with the FCA, you shall be deemed to have had notice of all information and representations concerning the Company contained therein and in any supplementary prospectus issued by the Company and filed with the FCA and in any announcement made by the Company on an appropriate Regulatory Information Service (whether or not so read);

(i) agree that all documents in connection with the Offer and any returned monies will be sent at your risk and may be sent by post to you at your address as set out in the Application Form;

(j) confirm that in making such application you are not relying on any information or representation in relation to the Company other than those contained in the Prospectus and any supplementary prospectus filed with the FCA and you accordingly agree that no person responsible solely or jointly for the Prospectus and/or any supplementary prospectus or any part thereof or involved in the preparation thereof shall have any liability for any such information or representation;

(k) confirm that you have reviewed the restrictions contained in this paragraph 3 and paragraph 4 below and warrant as provided therein;

(l) you are not under the age of 18 years;

(m) agree that these warranties are made to the Company, BDO LLP and the Receiving Agent;

(n) agree to provide the Company and/or the Receiving Agent with any information which either may request in connection with your application and/ or in order to comply with the Venture Capital Trust or other relevant legislation and/or the Money Laundering Regulations 2007 (as the same may be amended from time to time);

(o) warrant that, in connection with your application, you have observed the laws of all relevant 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, BDO LLP, the Receiving Agent or Foresight acting in breach of the regulatory or legal requirements of any territory in connection with the Offer or your application;

(p) agree that neither BDO LLP nor Foresight will regard you as its customer by virtue of you having made an application for Offer Shares or by virtue of such application being accepted; and

(q) declare that a loan has not been made to you or any associate, which would not have been made or not have been made on the same terms, but for you offering to subscribe for, or acquiring Offer Shares and that the Offer Shares are being acquired for bona fide commercial purposes and not as part of a scheme of arrangement the main purpose of which, or one of the main purposes of which, is the avoidance of tax.

4. No action has been or will be taken in any jurisdiction by, or on behalf of, the Company which would permit a public offer of Offer Shares in any jurisdiction where action for that purpose is required, other than the United Kingdom, nor has any such action been taken with respect to the possession or distribution of this document other than in the United Kingdom. No person receiving a copy of this document or any supplementary prospectus filed with the FCA or an Application Form in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him nor should he in any event use such Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to him 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 for Offer Shares to satisfy himself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.

5. The basis of allocation will be determined by the Company (after consultation with BDO LLP and/or the Receiving Agent) 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 30 June 2014 or as soon as full subscription is reached (unless extended by the Directors or closed earlier at their discretion). The right is reserved, notwithstanding the basis so determined, to reject in whole or in part and/or scale down any application, in particular multiple and suspected multiple applications which may otherwise be accepted. Application monies not accepted or if the Offer is withdrawn will be returned to the applicant in full by means of a cheque, posted at the applicant's risk. The right is also reserved to treat as valid any application not complying fully with these terms and conditions of application or not in all respects complying with the application procedures set out on page 28. In particular, but without limitation, the Company (after consultation with BDO LLP and/or the Receiving Agent) may accept applications made otherwise than by completion of an Application Form where the applicant has agreed in some other manner to apply in accordance with these terms and conditions. The Offer is not underwritten. The Offer will be suspended if at any time the Company is prohibited by statute or other regulations from issuing Offer Shares.

6. Save where the context requires otherwise, terms defined in the Prospectus and any supplementary prospectus filed with the FCA bear the same meaning when used in these terms and conditions of application and in the Application Form.

7. Authorised financial intermediaries who, acting on behalf of their clients where those clients are Execution-Only Investors or Professional Client Investors, return valid Application Forms bearing their stamp and FCA number will normally be paid 3% commission on the amount payable in respect of the Offer Shares allotted for each such Application Form. In addition, provided they continue to act for their client and the client continues to hold such Offer Shares, such intermediaries will be paid an annual trail commission of 0.5% of the net asset base value for each such Offer Share. For this purpose, "net asset base value" means the net assets attributable to the Offer Share in question as determined from the audited annual accounts of the Company as at the end of the preceding financial year.

It is expected that annual trail commission will be paid approximately 5 months after the year end of the Company in each year. The administration of annual trail commission will be managed on behalf of Foresight by Foresight Fund Managers Limited which will maintain a register of intermediaries entitled to trail commission. Foresight shall be entitled to rely on a notification from a client that he has changed his adviser, in which case, the trail commission will cease to be payable to the original adviser and will be payable to the new adviser if one is appointed. No payment of trail commission shall be made to the extent that the cumulative trail commission would exceed 3% of the Offer price of each such Offer Share or in respect of any period commencing after the sixth anniversary of the closing date of the Offer. Financial intermediaries should keep a record of Application Forms submitted bearing their stamp to substantiate any claim for commission. The Receiving Agent will collate the

PART 6: APPLICATIONS FOR OFFER SHARES

Application Forms bearing the financial intermediaries' stamps and calculate the initial commission payable which will be paid within one month of the allotment.

8. Financial intermediaries may agree to waive initial commission in respect of your application. If this is the case then the amount of commission taken into account in calculating your bespoke issue price for Ordinary Shares under the Pricing Formula will be reduced to the extent that such commission has been waived, thereby increasing the number of Ordinary Shares which you will be Issued under the Offer.

9. For the avoidance of doubt, any commission payable to a financial intermediary under clause 7 above will be expressed, for the purposes of calculating a bespoke issue price to an investor as described in the pricing formula, as a percentage of NAV per ordinary share. This will however not affect the amount of commission payable to a financial intermediary.

10. Where Application Forms are returned by you or on your behalf by an authorised financial intermediary who has given you a personal recommendation in respect of your application having first categorised you as a Retail Client Investor, the

Company will facilitate the payment of any Adviser Charge agreed between you and your intermediary, as validated by your completion of Box 3 on the Application Form. The amount of the agreed Adviser Charge will be facilitated by the Company making a payment equal to the Adviser Charge direct to the intermediary which will be taken into account when applying the Pricing Formula to your subscription, and will reduce the number of Offer Shares which are issued to you on the basis set out in Part 2 of this document.

11. There has been no material disparity in the past year (from the date of this document), nor shall there be under the Offer in the effective cash cost of Offer Shares to members of the public as compared with the effective cash cost of Offer Shares to members of the Company's management (including its administrative and supervisory bodies) or their affiliates.

12. Where Application Forms are returned on your behalf by an authorised financial intermediary, the Promoter at its sole discretion will determine the Promoter's Fee applicable to your application for Offer Shares, subject to a maximum of 2.5% of the Net Asset Value per Offer Share.

LODGING OF APPLICATION FORMS AND DEALING ARRANGEMENTS

Completed Application Forms with the appropriate remittance must be posted or delivered by hand on a Business Day between 9.00am and 5.30pm to The City Partnership (UK) Limited, Thistle House, 21-23 Thistle Street, Edinburgh, EH2 1DF. The Offer opens on 26 September 2013 and will close on 30 June 2014, or earlier at the discretion of the Directors. The Directors in their absolute discretion may also decide to extend the Offer to 25 September 2014 at the latest. If you post your Application Form, you are recommended to use first class post and to allow at least two Business Days for delivery.

It is expected that dealings in the Offer Shares will commence three Business Days following allotment and that share certificates will be dispatched ten Business Days after

allotment of the Offer Shares. Allotments will be announced on an appropriate Regulatory Information Service. Temporary documents of title will not be issued. Dealings prior to receipt of share certificates will be at the risk of applicants. A person so dealing must recognise the risk that an application may not have been accepted to the extent anticipated or at all. To the extent that any application is not accepted any excess payment will be returned without interest by returning the applicant's cheque or banker's draft or by sending a crossed cheque in favour of the applicant through the post, at the risk of the person entitled thereto.

APPLICATION PROCEDURES

Before making any application to acquire Offer Shares you are strongly recommended to consult an independent financial adviser authorised under the Financial Services and Markets Act 2000. To fill out the Application Form:

BOX 1

Insert your full name and address in BLOCK CAPITALS. Individuals can only apply on their own behalf and in their own name. You must be the beneficial owner of the Offer Shares issued to you pursuant to the Offer. You must not use a nominee name, as this will jeopardise your entitlement to tax reliefs. You must also give your own address, full postcode, telephone number, date of birth and National Insurance Number. Telephone numbers will only be used in case of a query with regard to your application.

BOX 2

Insert (in figures) the total amount you wish to invest. Your application must be for a minimum of £3,000 and thereafter in multiples of £1,000. You can also specify in Box 2 how you would like your subscription monies split between tax years 2013/14 and 2014/15, allowing for more efficient tax planning.

If you are paying by cheque please make it payable to "The City Partnership - Foresight VCT Offer". Cheques must be honoured on first presentation. A separate cheque must accompany each application. No receipt for your payment will be issued. The cheque or banker's draft must be drawn in sterling on an account at a bank branch or building society in the United Kingdom or the Channel Islands and bear a bank sort code number in the top right hand corner. You may, if you wish, use a personal cheque drawn by someone else, in which case your full name and address should be written on the back of the other person's cheque. Additionally, if you use a building society cheque or banker's draft, you should write the name, address and date of birth of the person named in Box 1 of the Application Form on the back of the cheque or banker's draft. Any monies not accepted will be returned by the applicant's cheque or banker's draft or by sending a cheque crossed "Account Payee Only" in favour of the applicant.

BOX 3

To be completed by Retail Client Investors only.

If you have an authorised financial intermediary, such as an IFA, who has made a personal recommendation in relation to your application having classified you as a Retail Client Investor, and you would like the payment of your agreed adviser's fee with your intermediary to be facilitated through your subscription for Offer Shares, please specify in Box 3 the amount of the initial up-front adviser fee (as an amount or percentage) agreed between you in relation to this product (which may not exceed the limitation specified in section 553 Companies Act 2006 less the Promoter's Fee) which will be paid by the Company to your authorised financial intermediary. Charges may be described in pounds or as a percentage of funds invested, as agreed between you and your adviser.

For the avoidance of doubt, any Adviser Charge payable to a financial intermediary in connection with an application for Offer Shares will be expressed, for the purposes of calculating a bespoke issue price to an Investor under the Pricing Formula, as the same percentage of NAV per Offer Share as the percentage which the Adviser Charge bears to the amount subscribed by the Investor. This will however not affect the amount of commission payable to a financial intermediary.

BOX 4

Tick this box if you are an existing shareholder in one or more of the VCTs managed by Foresight.

BOX 5

Sign and date the form. If the form is signed on your behalf by an attorney or other agent, that person should state on the form the capacity in which they are signing and the original power(s) of attorney or a copy thereof duly certified by a solicitor must be enclosed for inspection and will be returned in due course.

BOX 6 to 10

These boxes are to be completed by your authorised intermediary.

MONEY LAUNDERING NOTICE - IMPORTANT

If the application is for the Sterling equivalent of €15,000 or more (or is one of a series of a linked applications the value of which exceeds that amount), the identity of the applicant must be verified and, if a cheque is drawn by a third party, of that third party, as set out below. If The City Partnership (UK) Limited has previously received the appropriate documents, you will not need to provide them again.

If an application is made direct (not through an authorised intermediary), you must ensure that the following documents are enclosed with the Application Form:

1. a certified copy of either the passport or the driving licence of the applicant (and cheque payer if different); and
2. an original bank or building society statement or utility bill (no more than 3 months old), or recent tax bill, in the name of the applicant (and cheque payer if different).

Copies should be certified by a solicitor or bank. Original documents will be returned by post at your risk.

Please send the entire Application Form and a cheque made payable to "The City Partnership - Foresight VCT Offer" by post to the Receiving Agent using the following address:

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

Bank transfers should be paid to:

Sort Code: 80 - 22 - 60
A/C no: 10663766
A/C name: The City Partnership - Foresight VCT
Bank: Bank of Scotland
SWIFT: BOFSGB25 **IBAN:** GB09 BOFS 8022 6011 2565 62

Please reference bank transfers with your surname and initials.

BEST
PERFORMING
VCT*

TOTAL RETURN
229.30
*based on Total
Return since Launch

3,427
SHAREHOLDERS*

*ORDINARY SHARES
DIVIDENDS PAID



SUM TOTAL OF ALL DIVIDENDS PAID
BY FORESIGHT VCT

JOB'S CREATED
OVER 550



FROM COMPANIES IN
CURRENT PORTFOLIO

SECTORS



CONSUMER
ENVIRONMENTAL
ELECTRONIC &
ENGINEERING
SOFTWARE
BUSINESS
SERVICES

INVESTING
ACROSS THE UK



MORE THAN
15 COMPANIES
WITH TOTAL
ANNUAL REVENUES

OF OVER
£110
MILLION

FORESIGHT VCT PLC (THE COMPANY)

APPLICATION FORM



PRIVATE INVESTORS

OFFER SHARES OF 1P EACH IN THE COMPANY

This Application Form should be completed in full and sent by post or by hand addressed to: "Foresight VCT Offer", The City Partnership (UK) Limited, Thistle House, 21-23 Thistle Street, Edinburgh, EH2 1DF so as to arrive as soon as possible but in any case no later than 5.00 p.m. on 4 April 2014 in the case of applications for the 2013/14 tax year and no later than 5.00 p.m. on 30 June 2014 in the case of applications for the 2014/15 tax year. Cheques should be enclosed with the Application Form made payable to 'The City Partnership - Foresight VCT Offer'. Before completing this Application Form you should read the terms and conditions of application on pages 25 to 27 and the application procedures on page 28.

Cheques: make payable to 'The City Partnership - Foresight VCT Offer'

Bank Transfers: Sort Code: 80-22-60 A/c no: 10663766 **Bank:** Bank of Scotland **SWIFT:** BOFSGB25 **IBAN:** GB09 BOFS 8022 6011 2565 62

The application list will open on 26 September 2013 and will be closed at any time thereafter (provided the Offer is fully subscribed or otherwise at the Directors' discretion) but not later than 5.00 p.m. on 30 June 2014 (unless the closing date is extended by the Directors).

BOX 1

Title Mr/Mrs/Ms/Miss/Dr/Other:

Forenames:

Surname(s):

Address:

Post Code:

Telephone (work):

Telephone (home):

Date of Birth:

National Insurance No:

BOX 2

I offer to subscribe for the following amount in the Company on the terms and conditions of application as set out in the Prospectus and subject to the Memorandum and Articles of Association of the Company. (Applications must be for a minimum of £3,000 and thereafter in multiples of £1,000).

Total	Tax year 2013/14	2014/15
£	£	£

I enclose a cheque or banker's draft drawn on a UK clearing bank, made payable to "The City Partnership-Foresight VCT Offer" ☐

I have made the above payment by electronic bank transfer ☐

By signing this Application form I HEREBY IRREVOCABLY DECLARE THAT:

- (i) I have read and understood the procedure for application contained herein and agree to be bound by the Terms and Conditions of subscription contained in Part 6 of the Securities Note;
- (ii) if I have completed Box 3, I am declaring and validating to Foresight and the Receiving Agent the amount of the facilitation charge(s) specified therein and am agreeing to the making, by the Company, of a facilitation payment of that amount;
- (iii) if my authorised financial intermediary has classified me as an elective Professional Client for the purposes of this application, I am aware of the risks involved in such classification and of the rights I am giving up which are set out on page 19 of the Securities Note and I wish to be treated as a Professional Client in respect of my application; and
- (iv) to the best of my knowledge and belief, the particulars I have given are correct.

BOX 3 (TO BE COMPLETED BY RETAIL CLIENT INVESTORS ONLY)

Amount of the agreed initial up-front adviser fee

£

or

%

Please note: the company will not facilitate on-going adviser charges

BOX 4

I am an existing shareholder in one or more of the VCTs managed by Foresight ☐

BOX 5

Signature of Applicant

Date

FORESIGHT VCT PLC (THE COMPANY)

APPLICATION FORM

AUTHORISED INTERMEDIARIES AND REPRESENTATIONS



BOX 6 TO BE COMPLETED BY THE INVESTOR'S AUTHORISED INTERMEDIARY

Firm Name:

.....

Contact Name:

.....

Directly Authorised by FCA ☐ or authorised by Network ☐

Name of Network:

.....

Address:

.....

.....

Post Code:

.....

Telephone:

Fax:

.....

Email:

.....

FCA registration no:

.....

Signature:

Date:

.....

.....

BOX 7 INTERMEDIARY REMUNERATION (YOU MUST ELECT ONE OF THE TWO OPTIONS)

Either: Tick this box if you are entitled to receive commission ☐

Reason:

.....

.....

Or: Tick this box if Adviser Charges have been agreed with your client and comply with COBS 6.1A ☐

BOX 8 COMMISSION WAIVER DETAILS (ONLY COMPLETE IF COMMISSION SELECTED IN BOX 7)

Initial commission waived will be invested in Foresight VCT for your client. Please insert the amount of commission you wish to be waived in the box.

£

BOX 9 INTERMEDIARY'S BANK DETAILS

Please provide details of your bank or building society account for Adviser Charges or commission (as applicable)

Account Name:

Bank/building society:

.....

Sort Code: - -

Account Number

FORESIGHT VCT PLC (THE COMPANY)

APPLICATION FORM



AUTHORISED INTERMEDIARY CERTIFICATE

BOX 10 TO BE COMPLETED BY THE INVESTORS AUTHORISED INTERMEDIARY:

We have applied customer due diligence measures on a risk-sensitive basis in respect of the Investor to the standard required by The Money Laundering Regulations 2007 within the guidance for the UK Financial Sector issued by the Joint Money Laundering Steering Group and we certify that we have identified that the beneficial owner is:

.....
and (in the case of a legal person, trust or similar arrangement), the ownership and control structure of the person, trust or arrangement is:

.....
The purpose of the investment is:

SPECIAL INSTRUCTIONS

By submitting this application form:

- i. I agree that I have read and understood the Foresight Terms of Business for Intermediaries and that I agree to be bound by such Terms of Business;
- ii. To the extent I am an Appointed Representative, I warrant and represent that my principal has also accepted the Foresight Terms of Business for Intermediaries.

NOTES

CORPORATE INFORMATION

Directors (Non-executive)

John Gregory (Chairman)
Peter Dicks
Gordon Humphries

Registered Office and Head Office

ECA Court
24-26 South Park
Sevenoaks
Kent TN13 1DU

Company Registration Number

0421340

Telephone Number

01732 471 800

Website

www.foresightgroup.eu

Company Secretary and Administrator

Foresight Fund Managers Limited
ECA Court
24-26 South Park
Sevenoaks
Kent TN13 1DU

Registrars

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

Investment Manager

Foresight Group CI Limited
Frances House
Sir William Place
St Peter Port
Guernsey GY1 4EU

Sponsor

BDO LLP
125 Colmore Row
Birmingham B3 3SD

Bankers

Barclays Bank plc
54 Lombard Street
London EC3P 3AH

Solicitors and VCT Tax Advisers

RW Blears LLP
125 Old Broad Street
London EC2N 1AR

Promoter

Foresight Group LLP
ECA Court
24-26 South Park
Sevenoaks
Kent TN13 1DU

Broker

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

Receiving Agent

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

Auditors

KPMG LLP
Saltire Court
20 Castle Terrace
Edinburgh EH1 2EG

Foresight Group

ECA Court
24-26 South Park
Sevenoaks
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www.foresightgroup.eu



Foresight
g r o u p



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