

# SUMMARY

Summaries are made up of disclosure requirements known as “**Elements**”. These Elements are numbered in Sections A to E. This summary contains all of the Elements required to be included in a summary for the type of shares being issued pursuant to the prospectus issued by the Companies on 22 January 2014 (“**Prospectus**”) containing an offer for subscription (“**Offer**”) of ordinary shares of 10p each in the capital of each of the Companies (“**Shares**”) and the Companies being closed-ended investment funds. Some of the Elements are not required to be addressed and, as a result, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in this summary, it is possible that no relevant information can be given regarding that Element. In these instances, a short description of the Element is included, together with an appropriate ‘Not applicable’ statement.

A		Introduction and Warnings
A1	Warning	This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities of the Companies should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in the Prospectus is brought before a Court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled this summary including any translation thereof, but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.
A2	Use of the Prospectus by financial intermediaries for subsequent resale or final placement	<p>Each Company and their respective Directors consent to the use of the Prospectus, and accept responsibility for the content of the Prospectus, with respect to subsequent resale or final placement of securities by financial intermediaries from the date of the Prospectus until the close of the Offers. The Offers are expected to close on or before 2 April 2014, unless fully subscribed early or otherwise closed earlier or extended by the respective Board to a date not later than 25 April 2014. There are no conditions attaching to this consent.</p> <p><b>Financial intermediaries must give investors information on the terms and conditions of the offer at the time they introduce the offer to investors. Any financial intermediary using the Prospectus must state on its website that it is using the Prospectus in accordance with the consent set out in the above paragraph.</b></p>

B		Issuers
B1	Legal and commercial name	<p>Baronsmead VCT plc (“<b>Baronsmead VCT</b>”)</p> <p>Baronsmead VCT 2 plc (“<b>Baronsmead VCT 2</b>”)</p> <p>Baronsmead VCT 3 plc (“<b>Baronsmead VCT 3</b>”)</p> <p>Baronsmead VCT 4 plc (“<b>Baronsmead VCT 4</b>”)</p> <p>(together “<b>the Companies</b>” and each a “<b>Company</b>”).</p>
B2	Domicile / Legal form Legislation / Country of incorporation	<p>Baronsmead VCT was incorporated and registered in England and Wales on 21 March 1995 with limited liability as a public limited company under the Companies Act 1985 with registered number 03035709.</p> <p>Baronsmead VCT 2 was incorporated and registered in England and Wales on 29 January 1998 with limited liability as a public limited company under the Companies Act 1985 with registered number 03504214.</p> <p>Baronsmead VCT 3 was incorporated and registered in England and Wales on 22 November 2000 with limited liability as a public limited company under the Companies Act 1985 with registered number 04115341.</p> <p>Baronsmead VCT 4 was incorporated and registered in England and Wales on 30 October 2001 with limited liability as a public limited company under the Companies Act 1985 with registered number 04313537.</p> <p>The principal legislation under which each Company operates is the Companies Act 2006 (and regulations made thereunder) (“<b>the Act</b>”).</p>
B5	Group description	Not applicable. No Company is part of a group.

B6	Material shareholders / Different voting rights / Control	<p>Not applicable. As at 21 January 2014 (this being the latest practicable date prior to publication of this document), no Company is aware of any person who, directly or indirectly, has or will have an interest in its share capital 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 Financial Conduct Authority, a holding of 3 per cent. or more is required to be notified to it).</p> <p>All shareholders in each Company have the same voting rights in respect of the existing share capital of that Company.</p> <p>As at 21 January 2014 (this being the latest practicable date prior to publication of this document), no Company is aware of any person who directly or indirectly, jointly or severally, exercises or could exercise control over a Company.</p>																																																																																																																														
B7	Selected financial information and statement of any significant changes	<p>Certain selected historical information of each Company, which has been extracted without material adjustment from the audited and unaudited financial statements referenced in the following tables, is set out below:</p> <table><tr><td><b>Baronsmead VCT</b></td><td colspan="5"><b>Financial year end to 30 September (audited)</b></td></tr><tr><td></td><td><b>2011</b></td><td><b>2012</b></td><td colspan="3"><b>2013</b></td></tr><tr><td>Profit / loss on ordinary activities before taxation (£'000)</td><td>5,928</td><td>4,082</td><td colspan="3">9,644</td></tr><tr><td>Earnings per Share (p)</td><td>7.62</td><td>5.13</td><td colspan="3">10.68</td></tr><tr><td>Dividends per Share (p)</td><td>8.00</td><td>6.00</td><td colspan="3">6.00</td></tr><tr><td>Net assets (£'000)</td><td>56,506</td><td>61,978</td><td colspan="3">71,706</td></tr><tr><td>NAV per Share (p)</td><td>73.52</td><td>76.12</td><td colspan="3">77.36</td></tr></table> <table><tr><td><b>Baronmead VCT 2</b></td><td colspan="5"><b>Financial year end to 30 September (audited)</b></td></tr><tr><td></td><td><b>2011</b></td><td><b>2012</b></td><td colspan="3"><b>2013</b></td></tr><tr><td>Profit / loss on ordinary activities before taxation (£'000)</td><td>6,975</td><td>5,964</td><td colspan="3">10,325</td></tr><tr><td>Earnings per Share (p)</td><td>10.19</td><td>8.45</td><td colspan="3">13.88</td></tr><tr><td>Dividends per Share (p)</td><td>7.00</td><td>7.50</td><td colspan="3">9.50</td></tr><tr><td>Net assets (£'000)</td><td>64,999</td><td>72,433</td><td colspan="3">75,789</td></tr><tr><td>NAV per Share (p)</td><td>95.15</td><td>101.10</td><td colspan="3">100.63</td></tr></table> <table><tr><td><b>Baronmead VCT 3</b></td><td colspan="3"><b>Financial year end to 31 December (audited)</b></td><td colspan="2"><b>Half-year to 30 June (unaudited)</b></td></tr><tr><td></td><td><b>2010</b></td><td><b>2011</b></td><td><b>2012</b></td><td><b>2012</b></td><td><b>2013</b></td></tr><tr><td>Profit / loss on ordinary activities before taxation (£'000)</td><td>7,235</td><td>3,285</td><td>8,959</td><td>4,838</td><td>2,268</td></tr><tr><td>Earnings per Share (p)</td><td>12.07</td><td>5.46</td><td>14.25</td><td>7.74</td><td>3.41</td></tr><tr><td>Dividends per Share (p)</td><td>7.50</td><td>7.50</td><td>7.50</td><td>3.00</td><td>3.00</td></tr><tr><td>Net assets (£'000)</td><td>64,643</td><td>60,095</td><td>74,562</td><td>68,253</td><td>73,002</td></tr><tr><td>NAV per Share (p)</td><td>106.60</td><td>100.16</td><td>111.62</td><td>108.01</td><td>110.55</td></tr></table>	<b>Baronsmead VCT</b>	<b>Financial year end to 30 September (audited)</b>						<b>2011</b>	<b>2012</b>	<b>2013</b>			Profit / loss on ordinary activities before taxation (£'000)	5,928	4,082	9,644			Earnings per Share (p)	7.62	5.13	10.68			Dividends per Share (p)	8.00	6.00	6.00			Net assets (£'000)	56,506	61,978	71,706			NAV per Share (p)	73.52	76.12	77.36			<b>Baronmead VCT 2</b>	<b>Financial year end to 30 September (audited)</b>						<b>2011</b>	<b>2012</b>	<b>2013</b>			Profit / loss on ordinary activities before taxation (£'000)	6,975	5,964	10,325			Earnings per Share (p)	10.19	8.45	13.88			Dividends per Share (p)	7.00	7.50	9.50			Net assets (£'000)	64,999	72,433	75,789			NAV per Share (p)	95.15	101.10	100.63			<b>Baronmead VCT 3</b>	<b>Financial year end to 31 December (audited)</b>			<b>Half-year to 30 June (unaudited)</b>			<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2012</b>	<b>2013</b>	Profit / loss on ordinary activities before taxation (£'000)	7,235	3,285	8,959	4,838	2,268	Earnings per Share (p)	12.07	5.46	14.25	7.74	3.41	Dividends per Share (p)	7.50	7.50	7.50	3.00	3.00	Net assets (£'000)	64,643	60,095	74,562	68,253	73,002	NAV per Share (p)	106.60	100.16	111.62	108.01	110.55
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		Baronsmead VCT 4	Financial year end to 31 December (audited)			Half-year to 30 June (unaudited)	
			2010	2011	2012	2012	2013
		Profit / loss on ordinary activities before taxation (£'000)	6,707	3,393	6,606	4,027	1,792
		Earnings per Share (p)	11.49	5.78	10.75	6.60	2.74
		Dividends per Share (p)	7.00	7.00	7.00	3.00	3.00
		Net assets (£'000)	58,704	54,786	66,246	62,282	65,758
		NAV per Share (p)	99.09	94.01	101.92	100.68	100.71
		Save for the cancellation of the share premium account and capital redemption reserve of each of Baronsmead VCT 3 and Baronsmead VCT 4 (as approved by Shareholders of Baronsmead VCT 3 on 6 April 2011 and Shareholders of Baronsmead VCT 4 on 11 April 2011 and confirmed, in each case, by the Court on 18 December 2013 resulting in the sum of £33,727,760 and £37,620,583, respectively, being transferred to their respective special reserves), there have been no significant changes in the financial condition and operating results of any of the Companies during or subsequent to the period covered by the historical information set out above.					
B8	Key pro forma financial information	Not applicable. No pro forma financial information is included in the Prospectus.					
B9	Profit forecast	Not applicable. There are no profit forecasts in the Prospectus.					
B10	Qualifications in the audit reports	Not applicable. There were no qualifications in the audit reports for Baronsmead VCT or Baronsmead VCT 2 for the three years ended 30 September 2011, 2012 and 2013. There were no qualifications in the audit reports for Baronsmead VCT 3 and Baronsmead VCT 4 for the three years ended 31 December 2010, 2011 and 2012.					
B11	Insufficient working capital	Not applicable. Each Company is of the opinion that its working capital is sufficient for its present requirements, that is for at least the twelve month period from the date of the Prospectus.					
B34	Investment objective and policy, including investment restrictions	<p>The Companies' investment objectives and investment policies are materially the same, being to invest primarily in a diverse portfolio of UK growth businesses, whether unquoted or traded on AIM. Investments are made selectively across a range of sectors in companies that have the potential to grow and enhance their value.</p> <p>The Companies invest in a range of securities including, but not limited to, ordinary and preference shares, loan stocks, convertible securities and fixed interest bearing securities as well as cash. Unquoted investments are usually structured as a combination of ordinary shares and loan stocks, while AIM-traded investments are primarily held in ordinary shares. Pending investment in VCT qualifying and non-VCT qualifying unquoted, AIM-traded and other quoted securities (which may be held directly or indirectly through collective investment vehicles), cash is primarily held in interest bearing accounts, money market open ended investment companies ("OEICs"), UK gilts and treasury bills.</p> <p>Investments are primarily made in companies which are substantially based in the UK, although many of these investees may have some trade overseas.</p>					

		<p>The investment policies are designed to ensure that the Companies continue to qualify and are approved as VCTs by HM Revenue and Customs. Amongst other conditions, the Companies may not invest more than 15 per cent. by value of their respective investments calculated in accordance with Section 278 of the Tax Act (as amended) (“VCT Value”) in a single company or group of companies and must have at least 70 per cent. of their investments by VCT Value throughout the period in shares and securities comprised in qualifying holdings. At least 70 per cent. by VCT Value of qualifying holdings in each Company must be in “eligible shares”, which are ordinary shares which have no preferential rights to assets on a winding up and no rights to be redeemed, but may have certain preferential rights to dividends. For funds raised before 6 April 2011, at least 30 per cent. by VCT Value of qualifying holdings in each Company must be in “eligible shares” which are ordinary shares which do not carry any rights to be redeemed or preferential rights to dividends or to assets on a winding up. At least 10 per cent. of each qualifying investment must be in “eligible shares”.</p> <p>The companies in which investments are made must have no more than £15 million of gross assets at the time of investment to be classed as a VCT qualifying holding.</p> <p>The Companies aim to be at least 90 per cent. invested, directly or indirectly, in VCT qualifying and non-qualifying growth businesses subject always to the quality of investment opportunities and the timing of realisations. It is intended that at least 75 per cent. of any funds raised by each Company will be invested in VCT qualifying investments. With regards to Baronsmead VCT, Baronsmead VCT 2 and Baronsmead VCT 3, non-VCT qualifying investments held in unquoted, AIM-traded and other quoted companies may be held directly or indirectly through collective investment vehicles.</p> <p>Risk is spread by investing in a number of different businesses within different qualifying industry sectors using a mixture of securities. Generally no more than £2.5 million, at cost, is invested in the same company. The maximum each Company will invest in a single company (including a collective investment vehicle) is 15 per cent. of its investments by VCT Value. The value of an individual investment is expected to increase over time as a result of trading progress and a continuous assessment is made of its suitability for sale.</p> <p>Investments are selected in the expectation that the application of private equity disciplines including an active management style for unquoted companies will enhance value and enable profits to be realised from planned exits.</p> <p>The Companies aim to invest in larger more mature unquoted and AIM-traded companies and to achieve this they invest alongside each other.</p> <p>Founding members and certain members and employees of ISIS EP LLP (“ISIS”) invest in unquoted investments alongside the Companies. This scheme is in line with current practice of private equity houses and its objective is to attract, recruit and retain and incentivise ISIS’s team and is made on terms which align the interests of shareholders and ISIS.</p> <p>Each Company’s policy is to use borrowing for short term liquidity purposes only up to a maximum of 25 per cent. of that Company’s gross assets, as permitted by its articles.</p>
B35	Borrowing limits	Each Company’s policy is to use borrowing for short term liquidity purposes only and the articles of association of each Company restrict borrowings such that the aggregate principal amount outstanding in respect of monies borrowed by each Company shall not, without the previous sanction of an ordinary resolution, exceed an amount equal to 25 per cent. of the value of its gross assets.
B36	Regulatory status	Not applicable. The Companies are not regulated by the Financial Conduct Authority or any other regulatory body.
B37	Typical investor	The typical investor for whom investment in each Company is designed is an individual retail investor aged 18 or over who is resident and a tax payer in the UK and who already has a portfolio of VCT and non-VCT investments (such as unit trusts, OEICs, investment trusts and direct shareholdings in listed and non-listed companies).
B38	Investments of 20% or more in a single company	Not applicable. No Company has any investments which represent more than 20 per cent. of its gross assets in a single company or group.
B39	Investments of 40% or more in a single company	Not applicable. No Company has any investments which represent more than 40 per cent. of its gross assets in a single company or group.

B40	Service providers	<p>ISIS is the investment manager, administrator and secretary of the Companies (<b>“the Manager”</b>).</p> <p>ISIS is paid the following fees in respect of its appointment as manager, administrator and secretary of each of the Companies:</p> <p><b>Baronsmead VCT</b></p> <p>ISIS is paid an annual management fee equal to 2.0 per cent. of Baronsmead VCT’s net assets which is paid quarterly in arrears. ISIS is also entitled to a performance fee from Baronsmead VCT. No performance fee is payable to ISIS until the total return on shareholders’ funds exceeds an annual threshold of the higher of 4 per cent. or base rate plus 2 per cent. calculated on a compound basis. To the extent that the total return exceeds the threshold over the relevant period then a performance fee will be paid to ISIS of 10 per cent. of the excess. The amount of any performance fee which is paid in an accounting period shall be capped at 5 per cent. of shareholder’s funds for that period. ISIS is also entitled to a quarterly fee for the provision of company secretarial, accounting and other management and administrative services of £21,276. Such figure excludes VAT and is subject to adjustment by reference to increases in the Retail Prices Index.</p> <p><b>Baronsmead VCT 2</b></p> <p>ISIS is paid an annual management fee equal to 2.0 per cent. of Baronsmead VCT 2’s net assets which is paid quarterly in arrears. ISIS is also entitled to a performance fee from Baronsmead VCT 2. No performance fee is payable to ISIS until the total return on shareholders’ funds exceeds an annual threshold of the higher of 4 per cent. or base rate plus 2 per cent. calculated on a compound basis. To the extent that the total return exceeds the threshold over the relevant period then a performance fee will be paid to ISIS of 10 per cent. of the excess. The amount of any performance fee which is paid in an accounting period shall be capped at 5 per cent. of shareholder’s funds for that period. ISIS is also entitled to an annual fee for the provision of company secretarial, accounting and other management and administrative services of £9,095, plus a variable fee equal to 0.03125 per cent. multiplied by the amount by which the net assets of Baronsmead VCT 2 as of the close of business on the last business day of the relevant quarter exceed £5 million, but subject to a maximum annual fee of £105,634. Such figures exclude VAT and are subject to adjustment by reference to increases in the Retail Prices Index.</p> <p><b>Baronsmead VCT 3</b></p> <p>ISIS is paid an annual management fee equal to 2.5 per cent. of Baronsmead VCT 3’s net assets which is paid quarterly in arrears. ISIS is also entitled to a performance fee from Baronsmead VCT 3. No performance fee is payable to ISIS until the total return on net proceeds of the ordinary share exceeds 8 per cent. per annum (simple) on net funds raised. To the extent that the total return exceeds the threshold, a performance fee (plus VAT) will be paid to ISIS of 10 per cent. of the excess. The performance fee payable in any one year is capped at 5 per cent. of net assets. ISIS is also entitled to an annual fee for the provision of company secretarial, accounting and other management and administrative services of £8,454, plus a variable fee equal to 0.03125 per cent. multiplied by the amount by which the net assets of Baronsmead VCT 3 as of the close of business on the last business day of the relevant quarter exceed £5 million, but subject to a maximum annual fee of £102,212. Such figures exclude VAT and are subject to adjustment by reference to increases in the Retail Prices Index.</p> <p><b>Baronsmead VCT 4</b></p> <p>ISIS is paid an annual management fee equal to 2.5 per cent. of Baronsmead VCT 4’s net assets which is paid quarterly in arrears. ISIS is also entitled to a performance fee from Baronsmead VCT 4. No performance fee is payable to ISIS until the total return on net proceeds of the ordinary share exceeds 8 per cent. per annum (simple) on net funds raised. To the extent that the total return exceeds the threshold, a performance fee (plus VAT) will be paid to ISIS of 10 per cent. of the excess. The performance fee payable in any one year is capped at 5 per cent. of net assets. ISIS is also entitled to an annual fee for the provision of company secretarial, accounting and other management and administrative services of £11,181, plus a variable fee equal to 0.03125 per cent. multiplied by the amount by which the net assets of Baronsmead VCT 4 as of the close of business on the last business day of the relevant quarter exceed £5 million, but subject to a maximum annual fee of £100,000. Such figures exclude VAT and are subject to adjustment by reference to increases in the Retail Prices Index.</p>
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		<p>FPPE LLP (“FPPE”), a sister LLP to ISIS, manages each Company’s cash and fixed interest investments. FPPE is also the manager of a number of other funds including Wood Street Microcap Investment Fund, in which the Companies, other than Baronsmead VCT 4, have invested. ISIS also procures accounting and certain administration services from Capita Sinclair Henderson Limited.</p> <p>Each Company intends to register as its own alternative investment fund manager prior to the deadline of 22 July 2014 for the purpose of the Alternative Investment Fund Managers Directive. In connection with this, it is intended that in May 2014 each Company’s investment management arrangements with ISIS (as well as those of Baronsmead VCT 5 plc) will be novated to FPPE. The founding members of FPPE are the same as the founding members of ISIS. The professionals responsible for making investments and the management of the Companies are expected to transfer to FPPE at or prior to that time.</p> <p>ISIS is responsible for any fees payable to Capita Sinclair Henderson Limited in respect of accounting and certain administration services provided by Capita Sinclair Henderson Limited. Any fees paid with respect to FPPE’s management of cash and fixed interest investments are deducted from the management fee payable to ISIS.</p> <p>The London branch of JP Morgan Chase Bank acts as custodian for each Company’s quoted assets and, in that capacity, is responsible for ensuring safe custody and dealing with settlement arrangements. Each Company pays custodian fees based on where that Company’s assets are held (assets held in the UK are charged at an annual rate of 0.4 basis points), transaction fees based on where the transaction takes place (transactions in the UK are charged at a rate of £10 per transaction) and cash movement fees of £5.50 per movement.</p>																																																																																				
B41	Regulatory status of the manager / custodian	<p>ISIS acts as investment manager of each Company and is authorised and regulated by the Financial Conduct Authority.</p> <p>The London branch of JP Morgan Chase Bank, National Association, acts as custodian for each Company’s quoted assets and is authorised and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.</p>																																																																																				
B42	Calculation of net asset value	Each Company’s net asset value is calculated by ISIS monthly and published on an appropriate regulatory information service. If for any reason valuations are suspended, shareholders will be notified in a similar manner.																																																																																				
B43	Umbrella collective investment scheme	Not applicable. No Company is part of an umbrella collective investment scheme.																																																																																				
B44	Absence of financial statements	Not applicable. Each Company has commenced operations and published financial statements.																																																																																				
B45	Investment portfolio	<p>Each Company invests in a diversified portfolio of UK growth businesses, whether unquoted or traded on AIM. An unaudited summary of each Company’s unquoted and quoted portfolio (representing at least 50 per cent. of its respective gross assets as at the date of this document (the values of NAV being as at 30 November 2013)) is set out below:</p> <table><thead><tr><th></th><th colspan="3">Baronsmead VCT</th><th colspan="3">Baronsmead VCT 2</th></tr><tr><th></th><th>Cost</th><th>Market Value</th><th>% of NAV</th><th>Cost</th><th>Market Value</th><th>% of NAV</th></tr><tr><th></th><th>£’000</th><th>£’000</th><th></th><th>£’000</th><th>£’000</th><th></th></tr></thead><tbody><tr><td>Unquoted</td><td>19,126</td><td>24,148</td><td>32.49</td><td>19,126</td><td>24,148</td><td>30.89</td></tr><tr><td>Quoted</td><td>4,984</td><td>14,527</td><td>19.55</td><td>5,790</td><td>17,132</td><td>21.91</td></tr><tr><td>Wood Street</td><td>3,525</td><td>6,771</td><td>9.11</td><td>3,525</td><td>6,771</td><td>8.66</td></tr><tr><th></th><th colspan="3">Baronsmead VCT 3</th><th colspan="3">Baronsmead VCT 4</th></tr><tr><th></th><th>Cost</th><th>Market Value</th><th>% of NAV</th><th>Cost</th><th>Market Value</th><th>% of NAV</th></tr><tr><th></th><th>£’000</th><th>£’000</th><th></th><th>£’000</th><th>£’000</th><th></th></tr><tr><td>Unquoted</td><td>19,126</td><td>24,148</td><td>31.35</td><td>19,126</td><td>24,148</td><td>35.66</td></tr><tr><td>Quoted</td><td>5,838</td><td>14,468</td><td>18.78</td><td>5,112</td><td>12,616</td><td>18.63</td></tr><tr><td>Wood Street</td><td>3,525</td><td>6,771</td><td>8.79</td><td>-</td><td>-</td><td>-</td></tr></tbody></table>		Baronsmead VCT			Baronsmead VCT 2				Cost	Market Value	% of NAV	Cost	Market Value	% of NAV		£’000	£’000		£’000	£’000		Unquoted	19,126	24,148	32.49	19,126	24,148	30.89	Quoted	4,984	14,527	19.55	5,790	17,132	21.91	Wood Street	3,525	6,771	9.11	3,525	6,771	8.66		Baronsmead VCT 3			Baronsmead VCT 4				Cost	Market Value	% of NAV	Cost	Market Value	% of NAV		£’000	£’000		£’000	£’000		Unquoted	19,126	24,148	31.35	19,126	24,148	35.66	Quoted	5,838	14,468	18.78	5,112	12,616	18.63	Wood Street	3,525	6,771	8.79	-	-	-
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B46	Most recent net asset value per Share	<p>As at 30 November 2013 (the latest date in respect of which each Company has published its NAV per Share), the unaudited NAV per Share in each Company was:</p> <p>Baronsmead VCT - 80.19p</p> <p>Baronsmead VCT 2 - 103.80p</p> <p>Baronsmead VCT 3 - 116.64p</p> <p>Baronsmead VCT 4 - 103.72p.</p>
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C		<b>Securities</b>
C1	Description and class of securities	<p>The securities being offered pursuant to each Offer are ordinary shares of 10p each ("<b>Shares</b>") with the following ISIN codes:</p> <p>Baronsmead VCT                      GB0000803584</p> <p>Baronsmead VCT 2                      GB0002631934</p> <p>Baronsmead VCT 3                      GB0030028103</p> <p>Baronsmead VCT 4                      GB0031095283</p>
C2	Currency	The issue is in pounds sterling
C3	Shares in issue	<p>Baronsmead VCT has 92,385,680 Shares in issue at the date of this document (excluding 6,753,751 Shares held in treasury).</p> <p>Baronsmead VCT 2 has 75,214,950 Shares in issue at the date of this document (excluding 10,123,819 Shares held in treasury).</p> <p>Baronsmead VCT 3 has 66,032,705 Shares in issue at the date of this document (excluding 9,699,214 Shares held in treasury).</p> <p>Baronsmead VCT 4 has 65,297,059 Shares in issue at the date of this document (excluding 7,920,130 Shares held in treasury).</p> <p>All of the Shares have a nominal value of 10p each and are fully paid up.</p>
C4	Description of the rights attaching to the securities	<p>The Shares being offered ("<b>the New Shares</b>") by each of the Companies shall rank equally and pari passu with the existing Shares issued by that Company and shall have the following rights in relation to the Company which has issued them:</p> <ul style="list-style-type: none"> <li>• holders of the New Shares shall be entitled to receive all dividends and other distributions made, paid or declared by the relevant Company pari passu and equally with each other and with the existing Shares of that Company;</li> <li>• each New Share carries the right to receive notice of and to attend or vote at any general meeting of the relevant Company;</li> <li>• on a winding-up, the holders of the New Shares are entitled to receive back their nominal value and will participate in the distribution of any surplus assets of the relevant Company pro rata with all other Shares in the capital of that Company;</li> <li>• statutory pre-emption rights on any issue of new Shares or the sale of any existing Shares from treasury for cash unless disapplied in accordance with the Act; and</li> <li>• New Shares are not redeemable at the option of the relevant Company or the Shareholder.</li> </ul>
C5	Restrictions on transfer	Not applicable. There are no restrictions on the free transferability of the New Shares.
C6	Admission	Applications have been made to the UK Listing Authority for the New Shares to be listed on the premium segment of the Official List and will be made to the London Stock Exchange for such shares to be admitted to trading on its main market for listed securities. It is anticipated that dealings in the New Shares will commence within three business days following allotment.

C7	Dividend policy	<p><b>Baronsmead VCT</b></p> <p>The Board of Baronsmead VCT wishes to maintain a minimum dividend level of around 5.5p per Baronsmead VCT Share if possible, but this depends primarily on the level of realisations achieved and it cannot be guaranteed. There will be variations in the amount of dividends paid year on year.</p> <p><b>Baronsmead VCT 2</b></p> <p>The Board of Baronsmead VCT 2 aims to sustain a minimum annual dividend level at an average of 6.5p per Baronsmead VCT 2 Share, mindful of the need to maintain net asset value. The ability to meet these twin objectives depends significantly on the level and timing of profitable realisations and cannot be guaranteed. There will be variations in the amounts of dividends paid year on year.</p> <p><b>Baronsmead VCT 3</b></p> <p>The Board of Baronsmead VCT 3 has the objective to maintain a minimum annual dividend level of around 4.5p per Baronsmead VCT 3 Share if possible, but this depends primarily on the level of realisations achieved and cannot be guaranteed. There will be variations in the amount of dividends paid year on year.</p> <p><b>Baronsmead VCT 4</b></p> <p>The Board of Baronsmead VCT 4 has the objective to sustain a progressive dividend policy for shareholders but this depends primarily on the level of profitable realisations and it cannot be guaranteed. There may be variations in the amount of dividends paid year on year.</p>
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D		Risks
D1	Key information on the key risks specific to the Companies	<ul style="list-style-type: none"> <li>• There can be no guarantee that the respective investment objectives of the Companies will be achieved or that suitable investment opportunities will be available. The success of each Company will depend on the Manager's ability to identify, acquire and realise investments in accordance with each Company's investment policy and there can be no assurance that the Manager will be able to do so.</li> <li>• Investment in AIM-traded and unquoted companies involves a higher degree of risk than investment in companies traded on the main market of the London Stock Exchange. Smaller companies often have limited product lines, markets or financial resources and may be dependent for their management on a smaller number of key individuals. In addition, the market for stock in smaller companies is often less liquid than that for stock in larger companies, bringing with it potential difficulties in acquiring, valuing and disposing of such stock. Full information for determining their value or the risks to which they are exposed may also not be available.</li> <li>• An investment by a Company may be difficult to realise. The fact that a share is traded on AIM or ISDX does not guarantee its liquidity. The spread between the buying and selling price of such shares may be wide and thus the price used for valuation may not be achievable. The valuation of a Company's portfolio and opportunities for realisation may also depend on stock market conditions.</li> <li>• Changes in legislation concerning VCTs may limit the number of qualifying investment opportunities, reduce the level of returns which would otherwise have been achievable or result in a Company not being able to meet its investment objective.</li> </ul>



D3	Key information on the risks specific to the securities	<ul style="list-style-type: none"> <li>The value of an investment in a Company and the dividend stream, may go down as well as up. Shareholders may get back less than the amount originally invested in a Company, even taking into account the available tax reliefs.</li> <li>The value of Shares in a Company depends on the performance of its underlying assets. The market price of the New Shares may not fully reflect their underlying net asset value. Trading in VCT shares is not active, so shares tend to be valued at a discount to their net asset value and may be difficult to realise. As a result, Shareholders may be offered a price which is less than the full value of a Company's underlying assets.</li> <li>It is likely that there will not be a liquid market in the New Shares (which may be partly due to up front tax relief not being available for VCT shares bought in the market and as VCT shares generally trade at a discount to net asset value) and Shareholders may have difficulty in selling their Shares as a result. Shareholders may not be able to realise their investment at Net Asset Value or at all.</li> </ul>
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E		<b>Offers</b>															
E1	Offers net proceeds and expenses	<p>The total net proceeds and total expenses of each Offer (assuming each Offer is fully subscribed and the Manager meets all permissible annual trail commission payments) are set out below:</p> <table> <tr> <th></th><th><b>Total Net Proceeds (£)</b></th><th><b>Total Costs (£)</b></th></tr> <tr> <td>Baronsmead VCT</td><td>9,700,000</td><td>300,000</td></tr> <tr> <td>Baronsmead VCT 2</td><td>9,700,000</td><td>300,000</td></tr> <tr> <td>Baronsmead VCT 3</td><td>9,700,000</td><td>300,000</td></tr> <tr> <td>Baronsmead VCT 4</td><td>9,700,000</td><td>300,000</td></tr> </table> <p>Investors will indirectly bear the costs of the Offers in which they participate through the application of the pricing formula which determines the offer price to be paid for the New Shares and includes an allowance for issue costs of 3.0 per cent. The costs of each Offer will be paid by the relevant Company.</p> <p>The Manager has agreed to reimburse and indemnify each Company in respect of the costs of its Offer in excess of 3.0 per cent. of the gross proceeds of that Company's Offer (excluding permissible annual trail commission). ISIS, FPPE or a sister LLP to ISIS, has also agreed to meet any permissible annual trail commission payments of each Company, whilst it is appointed as the investment manager to that Company.</p>		<b>Total Net Proceeds (£)</b>	<b>Total Costs (£)</b>	Baronsmead VCT	9,700,000	300,000	Baronsmead VCT 2	9,700,000	300,000	Baronsmead VCT 3	9,700,000	300,000	Baronsmead VCT 4	9,700,000	300,000
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Baronsmead VCT 4	9,700,000	300,000															
E2a	Reasons for the Offers and use of the proceeds	<p>In aggregate, the Companies raised £23.7 million (after costs) between December 2012 and February 2013. Since 1 January 2013, the Companies have invested approximately £34.2 million, in aggregate, comprising 13 new investments and 13 follow-on investments. As a result, each Company is seeking to raise further funds pursuant to its Offer to augment its capacity to continue to invest across the business cycle and invest in new and existing portfolio companies in accordance with its investment policy.</p>															
E3	Terms and conditions of the Offers	<p>The maximum amount to be raised under each Offer is £10 million.</p> <p>Each Offer will open on 22 January 2014 and will close at 12 noon on 2 April 2014. Each Board may close its Company's Offer earlier than this date or may extend its Company's Offer to a date up to and including 25 April 2014. Applications under each Offer will be accepted on a first come, first served basis, subject always to the discretion of the relevant Board. Subscribers must subscribe a minimum in aggregate of £4,000, with a minimum per elected Offer of £1,000 and thereafter in multiples of £1,000 per elected Offer. The first allotments of Shares under the Offers are expected to occur on around 14 March 2014.</p> <p>In relation to each allotment, the Offer Price at which the relevant New Shares will be allotted will be calculated by using the pricing formula set out below and will be announced to the London Stock Exchange through a Regulatory Information Service prior to the date of allotment.</p> <p>The number of New Shares to be allotted under each Offer will be determined by dividing the Subscription amount for that Offer by a subscription price calculated on the basis of the following formula ("<b>the Pricing Formula</b>") applied to the relevant Company ("<b>Offer Price</b>"):</p>															

		<p><b>Latest published NAV of an existing Share at the time of allotment (adjusted, as necessary, for dividends declared but not yet paid) divided by 0.97 (to allow for issue costs of 3.0 per cent.) and rounded up to the nearest 0.1p per Share.</b></p> <p>The number of New Shares to be issued under each Offer will be rounded to the nearest whole number and fractions of New Shares will not be allotted. If there is a surplus of funds from an investor's subscription amount, the balance will be returned (without interest) in the form of a cheque, save where the surplus amount per Offer is less than £1, in which case such surplus will be retained by the relevant Company.</p> <p>Should one of the Offers close after a Subscription Form has been submitted, subscribers can elect to have their subscription amount re-allocated to one or more of the other Offers which remain open.</p>
E4	Description of any interest that is material to the issue	Not applicable. There are no interests that are material to the issue.
E5	Name of persons selling securities	Not applicable. No person or entity is selling securities in the Companies.
E6	Amount and percentage of dilution	<p>If the Baronsmead VCT Offer is fully subscribed (assuming the maximum 27,715,704 Baronsmead VCT Shares were to be allotted), the existing 92,385,680 Baronsmead VCT Shares (excluding treasury shares) would represent 76.92 per cent. of the enlarged issued Baronsmead VCT voting share capital.</p> <p>If the Baronsmead VCT 2 Offer is fully subscribed (assuming the maximum 22,564,485 Baronsmead VCT 2 Shares were to be allotted), the existing 75,214,950 Baronsmead VCT 2 Shares (excluding treasury shares) would represent 76.92 per cent. of the enlarged issued Baronsmead VCT 2 voting share capital.</p> <p>If the Baronsmead VCT 3 Offer is fully subscribed (assuming the maximum 19,974,811 Baronsmead VCT 3 Shares were to be allotted), the existing 66,032,705 Baronsmead VCT 3 Shares (excluding treasury shares) would represent 76.78 per cent. of the enlarged issued Baronsmead VCT 3 voting share capital.</p> <p>If the Baronsmead VCT 4 Offer is fully subscribed (assuming the maximum 19,703,117 Baronsmead VCT 4 Shares were to be allotted), the existing 65,297,059 Baronsmead VCT 4 Shares would represent 76.82 per cent. of the enlarged issued Baronsmead VCT 4 voting share capital.</p>
E7	Expenses charged to investors	<p>All expenses of the Offers will be paid by each Company out of the gross proceeds of its Offer, subject to a cap of 3.0 per cent. of the total proceeds of that Offer. To the extent that expenses of an Offer exceed 3.0 per cent. of the total proceeds of that Offer, ISIS will pay or reimburse the excess amount. However, investors will indirectly bear the costs of the Offers in which they participate through the application of the Pricing Formula which determines the Offer Price to be paid for the New Shares for which an investor subscribes and includes an allowance for issue costs of 3.0 per cent.</p> <p>For financial intermediaries who act on an "execution only" basis i.e. do not provide financial advice to their clients, permissible trail commission can be paid which will be borne by ISIS.</p>

Dated: 22 January 2014