

Thames Ventures VCT 2 plc

(formerly Downing FOUR VCT plc)

Registration Document

13 OCTOBER 2022

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

This document is a registration document (the "**Registration Document**") issued by Thames Ventures VCT 2 plc (the "**Company**") dated 13 October 2022 and has been prepared in compliance with Regulation (EU) 2017/1129 as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK Prospectus Regulation**").

This Registration Document has been approved by the Financial Conduct Authority ("**FCA**") as competent authority under the UK Prospectus Regulation. The FCA only approves this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by UK Prospectus Regulation. Such approval should not be considered an endorsement of the issuer that is the subject of this Registration Document. This Registration Document has been drawn up as part of a simplified prospectus in accordance with Article 14 of the UK Prospectus Regulation.

The Company and the Directors (whose names are set out on page 6) accept responsibility for the information contained in this Registration Document. To the best of the knowledge of the Company and the Directors, the information contained in this Registration Document is in accordance with the facts and makes no omission likely to affect its import.

Thames Ventures VCT 2 plc

(registered in England and Wales with registered number 06789187)

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

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

Copies of this document are available free of charge from the Company's registered office St. Magnus House, 3 Lower Thames Street, London EC3R 6HD and at the website of Foresight Group LLP at www.foresightgroup.eu and the website of Downing LLP at www.downing.co.uk and from the offices of SPARK, the Company's sponsor, at 5 St John's Lane, London EC1M 4BH.

Your attention is drawn to the risk factors set out on pages 4 and 5 of this document. An investment in the Company is only suitable for investors who are capable of evaluating the risks and merits of such an investment and who have sufficient resources to bear any loss which might arise. If you are in doubt as to the action you should take, you should consult an independent financial intermediary authorised under FSMA.

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PART ONE

RISK FACTORS

Investors should consider carefully the following risk factors in addition to the other information presented in the Registration Document. If any of the risks described below were to occur, it could have a material effect on the Company's businesses, financial condition or results of operations. The risks and uncertainties described below are not the only ones the Company, the Board or current and prospective Shareholders will face. Additional risks not currently known to the Company or the Board, or that the Company or the Board currently believe are not material, may also adversely affect the Company's businesses, financial condition and results of operations. The value of Shares could decline due to any of these risk factors, and Investors could lose part or all of their investment. Investors who are in any doubt about what to do should consult their independent financial adviser. The attention of prospective Investors is drawn to the following risks:

Valuation and sale of Shares

The value of the Shares and the income from them can fluctuate and Investors may not get back the amount invested. In addition, there is no certainty that the market price of the Shares will fully reflect the underlying Net Asset Value or that Shareholders will be able to realise their shareholding or that dividends will be paid. Existing and prospective Shareholders should be aware that the sale of Shares within five years of their subscription will require the repayment of some or all of the 30% VCT income tax relief obtained upon investment. Accordingly, an investment in the Company is not suitable as a short- or medium-term investment. The past performance of the Company or of other funds managed or advised by Downing LLP, the investment adviser to the Company in respect of the Healthcare Share pool, or Foresight Group LLP, the investment adviser to the Company in respect of its other share pools, is not necessarily an indication of the future performance of the Company.

Value of underlying assets

The Net Asset Value of the Shares will reflect the values and performance of the underlying assets in the respective portfolios. The value of the investments and income derived from them can rise and fall. Realisation of investments in small unquoted companies can be difficult and may take considerable time.

VCT Rules and the impact on the portfolio

There may also be constraints imposed on the realisation of investments in order to maintain the VCT status of Investee Companies which may restrict the Company's ability to obtain maximum value from its investments or to achieve the intended timing of distributions. For example, the Company must maintain at least 80% of its portfolio in VCT Qualifying Investments and must invest at least 30% of new funds raised within 12 months of the end of the financial year in which they were raised.

Investment opportunities

There can be no guarantee that suitable investment opportunities will be identified in order to meet the Company's objectives.

Minority interest

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 to fully protect its interests.

Nature of smaller companies

Investment in smaller and unquoted companies involves a higher degree of risk than investment in larger companies and those traded on the main market of the London Stock Exchange. To be qualifying holdings, VCT funds must be invested in smaller companies with gross assets of not more than £15 million prior to the investment and £16 million post investment. In addition, to be qualifying holdings, VCT funds must be invested in companies which have fewer than 250 full time (equivalent) employees and do not, in most cases, receive more than £5 million of investment from state aided risk capital sources in the 12 months ending on the date of

the VCT's investment. Smaller companies who meet these criteria generally have limited product lines, markets or financial resources and may be more dependent on their management or key individuals than larger companies. Markets for smaller companies' securities may be less regulated and are often less liquid, and this may cause difficulties in valuing and disposing of equity investments in such companies.

General Investment Risks

Economic and global political uncertainty, including the continuing impact of Brexit, the COVID-19 pandemic, the Ukraine conflict, inflation and potential low levels of economic growth, continues to present significant challenges and is adversely affecting, and may continue to adversely affect, the performance of companies in which the Company has invested or may invest, which in turn may adversely affect the performance of the Company. This may also negatively impact the number or quality of investment opportunities available to the Company. It is possible that currently unknown and unanticipated events, either domestic or international, may occur and have a negative effect on economic activity and adversely affect the future viability of the Company and/or the performance of companies in which the Company has invested or may invest which in turn may adversely affect the performance of the Company.

VCT legislation

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. Whilst it is the intention of the Directors that the Company will be managed so as to continue to qualify as a VCT, there can be no guarantee that this status will be maintained. A failure to meet the qualifying requirements could result in the loss of tax reliefs previously obtained, resulting in adverse tax consequences for Investors, including a requirement to repay the income tax relief obtained, and could also cause the Company to lose its exemption from corporation tax on capital gains and its ability to pay tax-free dividends to Investors.

VCTs such as the Company may only invest in companies which pass a "risk to capital" gateway test requiring the investee company to have long term growth and development objectives and for the investment to carry a significant risk that invested capital will be lost over and above the net return to the Company irrespective of whether the return takes the form of income, capital growth, fees, other payments or anything else. This prevents the making of VCT Qualifying investments which focus on capital preservation and ensures that VCTs may only invest in order to fuel the growth of genuine trading companies with the attendant higher risk to investor capital that that entails.

VCTs are also subject to other restrictions on the range of investments into which they can deploy funds and which have the effect of increasing investment risk. The Company is required to invest in businesses which are less than seven years old (less than 10 years for 'knowledge intensive' companies) and VCT funds cannot be used to finance acquisitions by investee companies. The penalty for breaching these rules is the loss of VCT status, so the Company and its investors may face a higher risk of the loss of tax benefits than under the previous rules. Qualifying investee companies are also subject to a lifetime risk finance investment limit of £12 million (£20 million for 'knowledge intensive' companies), which may restrict the Company's ability to make follow on investments. Further, more recent, changes to the VCT Rules have also prohibited the making of secured loans by VCTs. Loan capital held by the Company will therefore be unsecured and will rank behind secured creditors of the Investee Company in question. As loan capital investments by a VCT are separately restricted by the requirement that at least 70% of any new investments must be in eligible shares, and as Investee Companies which meet the above noted "risk to capital" test tend not to be able to provide significant assets against which to secure loans in any case, the Board do not consider that this restriction materially increases the risk profile of new investments made by the Company.

Although the current UK Government has signalled its intention to extend the VCT scheme, current UK legislation does not automatically provide for income tax relief for investors on new investments in VCTs to extend beyond 5 April 2025 (sometimes known as the "VCT Sunset Clause"). Should the UK Government not make amendments to the legislation to allow income tax relief for investors after that date, the ability of the Company to raise further funds after that date may be severely negatively impacted and the Company may suffer constraints on liquidity which may impact its ability to support portfolio companies, pay dividends and support share buybacks.

CORPORATE INFORMATION

Directors (all non-executive)	Sir Aubrey Brocklebank (Chairman) Chris Allner Steven Clarke Dr Andrew Mackintosh	all of: 6 th Floor, St. Magnus House 3 Lower Thames Street London EC3R 6HD
Secretary and Registered Office	Grant Whitehouse 6 th Floor, St. Magnus House 3 Lower Thames Street London EC3R 6HD	
Investment Managers	Ventures, AIM, DP67 and DSO D Share Classes ("Ventures Manager") Foresight Group LLP The Shard 32 London Bridge Street London SE1 9SG	Healthcare Share Class ("Healthcare Manager") Downing LLP 6 th Floor, St. Magnus House 3 Lower Thames Street London EC3R 6HD
Administrator	Downing LLP 6 th Floor, St. Magnus House 3 Lower Thames Street London EC3R 6HD	
Solicitors to the Company	RW Blears LLP 70 Colombo Street London SE1 8PB	
Sponsor	SPARK Advisory Partners Limited 5 St John's Lane London EC1M 4BH	
Auditors	BDO LLP 55 Baker Street London W1U 7EU	
Bankers	Royal Bank of Scotland Liverpool Csc Stephenson Way Wavertree Liverpool L13, 1HE	
Registrar and Receiving Agent	The City Partnership (UK) Limited The Mending Rooms Park Valley Mills Meltham Road Huddersfield HD4 7BH	
VCT Taxation Advisers	Philip Hare & Associates LLP 6 Snow Hill London EC1A 2AY	

There is no family relationship between any of the Directors, the Company Secretary or any member of Management.

DEFINITIONS

Where used in this document, the following words and expressions will, unless the context otherwise requires, have the following meanings:

2006 Act	Companies Act 2006, as amended from time to time
2021 Offers	the offers for subscription made by the Company pursuant to the 2021 Prospectus
2021 Prospectus	the prospectus issued by the Company on 12 August 2021
2022 Healthcare Offer	the public offer for New Healthcare Shares constituted by the 2022 Healthcare Prospectus
2022 Healthcare Prospectus	the prospectus constituted by this Registration Document, the Healthcare Summary and the Healthcare Securities Note
2022 Ventures Offer	the proposed public offer for New Ventures Shares constituted by the 2022 Ventures Prospectus
2022 Ventures Prospectus	the prospectus constituted by this Registration Document, the Ventures Summary and the Ventures Securities Note
Admission	Admission, from time to time, of new Shares issued by the Company to the premium segment of the Official List and to trading on the London Stock Exchange
AIM Shareholders	holders of AIM Shares
AIM Shares	AIM Shares of 0.1p each in the capital of the Company (ISIN: GB00BMYXV611)
Annual Running Costs	annual running costs incurred by the Company in the ordinary course of its business (including irrecoverable VAT but excluding any amount payable in respect of the Performance Incentive)
Articles	articles of association of the Company, as amended from time to time
Board of Directors	the board of directors of the Company
Business Days	any day, other than a Saturday, Sunday or public holiday, on which clearing banks in London are open for all normal banking business
Company or Thames Ventures 2 CREST	Thames Ventures VCT 2 plc (registered number 06789187, formerly Downing FOUR VCT plc)
	the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)) for the paperless settlement of transfers and the holding of Shares in uncertificated form which is administered by Euroclear UK & Ireland Limited (registered number 02878738)
CREST Regulations	Uncertificated Securities Regulations 1995 (SI 1995/3272)
Downing	Downing LLP, a limited liability partnership registered in England and Wales with registration number OC341575, authorised and regulated by the FCA with firm reference number 545025
DP67 Shares	DP67 shares of 0.1p each in the capital of the Company (ISIN: GB00BWX53D91)
DTR	the Disclosure Guidance and Transparency Rules, made by the FCA under part VII of FSMA and relating to the disclosure of information in respect of financial instruments
FCA	Financial Conduct Authority
FSMA	Financial Services and Markets Act 2000, as amended from time to time
Foresight	Foresight Group LLP, a limited liability partnership registered in England and Wales with registration number OC300878, authorised and regulated by the FCA with firm reference number 198020
Foresight Promoter	Foresight Group Promoter LLP, a limited liability partnership registered in England and Wales with registered number OC421343 which is an appointed representative of Foresight Group LLP with FCA reference number 806061
Healthcare Securities Note	the securities note published on the same day as this Registration Document which forms part of the 2022 Healthcare Prospectus

Healthcare Promoter	Downing
Healthcare Share(s)	Healthcare Ordinary Shares of 0.1p each in the capital of the Company (ISIN: GB00BDHF5D62)
Healthcare Shareholders	holders of Healthcare Shares
Healthcare Summary	the summary published on the same day as this Registration Document which forms part of the 2022 Healthcare Prospectus
Hurdle	achievement, calculated on a per Ventures or Healthcare Share basis, of (a) a Total Return in excess of £1 per share for the years ended 31 March 2018, 31 March 2019 and 31 March 2020 (b) subsequent annual Total Returns increasing by 3p per annum
Initial Adviser Charge	a one-off Adviser Charge to be paid at the time of, or shortly after, the investment being made
Intermediary	firm who signs the Application Form and whose details are set out in the Application Form
Investment Managers	Downing in respect of the Healthcare Share class, and Foresight in respect of the Shares other than the Healthcare Share class
Investor	a subscriber for, or purchaser of, Shares issued by the Company
IRR	internal rate of return, which, when applied to the relevant cash flows, produces a net present value of zero (expressed as a percentage)
ITA	Income Tax Act 2007, as amended from time to time
Listed	admitted to the premium segment of the Official List and to trading on the London Stock Exchange
Listing Rules	listing rules issued by the FCA, acting as the UK Listing Authority, pursuant to Part VII of the FSMA
London Stock Exchange or LSE	main market for listed securities of the London Stock Exchange plc (registered number 02075721)
Management	individuals engaged in the business of the Company and/or Downing (in respect of the Healthcare Shares) and/or Foresight (in respect of the Shares other than the Healthcare Shares)
Management Shares	those Ventures Shares and Healthcare Shares held, from time to time, by members of the Management to give effect to the existing arrangements for implementing the Performance Incentive
Merger	the transaction pursuant to section 110 of the Insolvency Act 1986 which took place on 20 July 2015, under which the Company acquired the assets and liabilities of Downing Planned Exit VCT 2011 plc, Downing Planned Exit VCT 6 plc and Downing Planned Exit VCT 7 plc
NAV or Net Asset Value	net asset value per Share (in the case of the Ventures and Healthcare Shares, calculated without including the Management Shares)
Net Assets	gross assets less all liabilities (excluding contingent liabilities) of the Company
New Healthcare Shares	Healthcare Shares issued under the 2022 Healthcare Offer
New Ventures Shares	Ventures Shares issued under the 2022 Ventures Offer
Official List	official list of the FCA
Performance Incentive	performance-related benefits accruing to the Management through their holdings of Management Shares in the event that the Hurdle is achieved
Prospectus Regulation Rules	prospectus rules issued by the FCA pursuant to Part VI of the FSMA
Qualifying Company/ies	unquoted company carrying on qualifying trades wholly or mainly in the United Kingdom and which satisfy certain other conditions as defined in Chapter 4, Part 6, of the ITA
Qualifying Investment	an investment in a Qualifying Company
Registrar and/or Receiving Agent	The City Partnership (UK) Limited (registered number SC269164)
Registration Document	this document

Shareholder Proceeds	amounts paid by way of dividends or other distributions, share buybacks, proceeds on a sale or liquidation of the Company and any other proceeds or value received, or deemed to be received, by Ventures Shareholders or Healthcare Shareholders in the Company, excluding any income tax relief on subscription
Shareholders	holders of Shares
Share(s)	Existing Share(s) and/or Offer Share(s), as the context requires
Sponsor	SPARK Advisory Partners Limited
Spouse	spouse or civil partner
Total Return	NAV, together with cumulative dividends paid or proposed
Ventures Promoter	Foresight Promoter
Ventures Securities Note	the securities note expected, subject to the discretion of the Board, to be published shortly after this Registration Document and which will, if and when so published, form part of the 2022 Ventures Prospectus
Ventures Share(s)	Ventures Ordinary Shares of 0.1p each in the capital of the Company (ISIN: GB00BDHF5B49)
Ventures Shareholders	holders of Ventures Shares
Ventures Summary	the summary expected, subject to the discretion of the Board, to be published shortly after this Registration Document and which will, if and when so published, form part of the 2022 Ventures Prospectus
VCT or Venture Capital Trust	venture capital trust as defined in Section 259 of the ITA
VCT Regulations or VCT Rules	Part 6 ITA 2007 and every other statute (including any orders, regulations or other subordinate legislation made under them) for the time being in force concerning VCTs as amended from time to time

THE DIRECTORS

The Company has a Board, comprising four Directors, all of whom are non-executive and three of whom are independent of the Investment Managers within the meaning of Listing Rule 15.2, the exception being Chris Allner who is a partner of Downing LLP, the Company's investment manager in respect of its Healthcare Share pool.

Sir Aubrey Brocklebank (Chairman) assumed his first role within the VCT industry in 1997, following a career in accountancy, corporate finance and venture capital. Since then, he has gone on to become one of the industry's most experienced directors. Sir Aubrey maintains a wide range of business interests and has been a director of six AIM quoted companies. He is currently also a non-executive director of Edge Performance VCT plc and has been chairman of a number of other VCTs.

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

Steven Clarke has 30 years' experience of investing in technology and data businesses including 21 years as a private equity investor with 3i, August Equity and ICG. Steven now supports founders through fundraising, international growth and exit as an investing non-executive director usually alongside a growth equity fund. Steven is also chair of the investment committee for Bethnal Green Ventures, a Tech for Good impact investor.

Dr Andrew Mackintosh has had a distinguished career in industry and investment as a former CEO of FTSE 250 company, Oxford Instruments, before later leading the creation of the Royal Society Enterprise Fund, a pioneering initiative in bringing together scientific expertise and early-stage investment. He was a board member of the Intellectual Property Office and a trustee of the Design Council. He is also chairman of UKI2S, a government-backed venture capital fund supporting companies from the UK's scientific research base.

Andrew has a longstanding interest in enhancing the commercialisation and wider economic impact of UK research and is the author of a report ('The Mackintosh Report') commissioned by HM Treasury and published in April 2021.

The following are directorships (unless otherwise stated) and partnerships held by the Directors in the five years prior to the date of this document and the principal activities of the Directors outside the Company where these are significant with respect to the Company:

Current and Past Directorships

Sir Aubrey Brocklebank Current

Appy Zebra Limited
Edge Performance VCT plc
Evoque Claims & Appraisals Limited
Evoque Group Limited
Talent Recognition Limited
Thos. & Jno. Brocklebank Limited
Toners & Cartridges Limited
TR Miner Limited

Past 5 Years

Downing Planned Exit VCT 2011 plc*
Hargreave Hale AIM VCT plc
Harrogate Group plc
Mast Investment Holdings Ltd (Guernsey)
NGS Corporation plc (in liquidation)
Puma VCT 8 plc*
Salt International Ltd
The Classic 2CV Racing Club Limited
The Media Vehicle Group Limited*

Chris Allner	Current	Past 5 Years
	Downing Group LLP Downing LLP Thames Ventures VCT 1 plc	Claresys Limited Curo Compensation Limited Firefly Learning Limited Xupes Handbags & Jewellery Ltd
Steven Clarke	Current	Past 5 Years
	Ellmorsa Limited Planix Grp Limited Quotevine Limited Reactive Technologies Limited Wiserfunding Limited	Pixelpin Ltd LNT Chemicals Research Limited
Dr Andrew Mackintosh	Current	Past 5 Years
	Angel Cofund	Oxford Quantum Circuits Limited Ploughshare Innovations Ltd Sphere Fluidics Limited

** This company has been dissolved*

Save as disclosed in this paragraph none of the Directors nor any member of Downing has for at least the previous five years:

- (i) had any convictions in relation to fraudulent offences; or
- (ii) been associated with bankruptcies, receiverships or liquidations in relation to an entity for which they have been acting as members of the administrative, management or supervisory bodies or senior management who was relevant to establishing that the entity had the appropriate expertise and experience for the management of its business; or
- (iii) been subject to any official public incrimination and/or sanctions by any statutory or regulatory authority (including designated professional bodies) or been disqualified by a Court from acting as a director or member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any issuer.

MEMORANDUM AND ARTICLES OF ASSOCIATION

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

The Company's Articles, including certain changes to be proposed at the General Meeting, are summarised below:

(a) *Voting rights*

Every Shareholder shall have the right to receive notice of, to attend, speak and vote at any General Meeting of the Company.

Shareholders who are present at a General Meeting and duly appointed proxies present at a General Meeting can vote on a show of hands. They will have one vote each.

On a poll each Shareholder present in person or by proxy shall be entitled to the number of votes per share of which he is the registered holder which is attributed to shares of that class as set out in the second column opposite each class of share named in the table below, as this number may be adjusted from time to time.

Class of share	Number of votes per share ("Base Votes")	Original net asset value per share at the date of the launch or merger of share class ("Base Value")	Current Net Asset Value (unaudited 31 August 2022)
Ventures Shares	1,146	100.0p	70.0p
Healthcare Shares	1,146	100.0p	78.4p
AIM Shares	1,146	100.0p	99.3p
DSO D Shares	925	80.7p	2.6p
DP67 Shares	750	63.8p (DP6), 63.5p (DP7)	27.9p

If the net asset value of any class of share, as announced prior to a General Meeting of the Company, adjusted by the deduction of the amount of any dividends declared in or since the announcement or paid since the announcement, is less than or greater than the Base Value in the third column set opposite that class of share in the table above by at least 25% or more of its Base Value then the number of Base Votes per share which each holder of shares of that class may cast upon a poll as set out in the second column of the table above shall correspondingly increase or decrease as set out in the table below:

Net Asset Value, adjusted as required, expressed as a % of the Base Value of a Class of Share	Adjusted Base Votes per share
Up to 25%	0.25 x Base Votes
Over 25% and less than 50%	0.50 x Base Votes
Over 50% and up to 75%	0.75 x Base Votes
Over 75% and up to 125%	Base Votes
Over 125% and up to 150%	1.25 x Base Votes

(b) *Transfer of shares*

The instrument of transfer of any share in the Company shall be in usual form or in such other form as shall be approved by the Directors, and shall be signed by or on behalf of the transferor (and in the case of a transfer of a partly paid share by the transferee) and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register in respect thereof, and when registered, the instrument of transfer shall be retained by the Company.

Title to any share in the Company in issue or to be issued (not including any shares referred to in Regulation 17 of the CREST Regulations), may be transferred by means of a relevant system (as defined in the CREST Regulations) such system to include CREST; any provision of these Articles shall accordingly not apply to the extent that it is inconsistent with the holding of any shares in the capital of the Company in uncertificated form, or the requirements of CREST and the provisions of the CREST Regulations.

Subject to the Statutes, the Directors may, in their absolute discretion and without assigning any further reason therefor, refuse to register any share transfer unless: -

- it is in respect of a fully paid share;
- it is in respect of a share on which the Company does not have a lien;
- it is in respect of only one class of shares;
- it is in favour of not more than four joint holders as transferees; and
- the conditions referred to in the next succeeding Article have been satisfied in respect thereof.

(c) *Distributions of income and capital*

The share capital of the Company comprises (or will comprise) DSO D Shares, DP67 Shares, Ventures Shares, Healthcare Shares and AIM Shares.

The holders of DSO D Shares, DP67 Shares, Ventures Shares, Healthcare Shares and AIM Shares shall be entitled, in their respective capacities, to receive dividends and any other distributions or a return of capital (otherwise than on a market purchase by the Company of any of its shares) only out of the assets attributable to those respective share classes and pro-rata between such Shareholders to the respective number of shares they hold in the relevant share class.

(d) *Disclosure of interests in shares*

If any member or other person appearing to be interested in shares of the Company is in default in supplying within 14 days after the date of service of a notice requiring such member or other person to supply to the Company in writing all or any such information as is referred to in section 793 of the 2006 Act, the Directors may, for such period as the default shall continue, impose restrictions upon the relevant shares. The restrictions available are the suspension of voting and rights of attendance at meetings of the Company in respect of the relevant shares and, additionally, in the case of a Shareholder representing at least 0.25% by nominal value of any class of shares of the Company then in issue the withholding of payment of any dividends on and the restriction of transfer of the relevant shares.

(e) *Changes in share capital*

- (i) Without prejudice to any rights attached to any existing shares, any share may be issued with such rights or conditions as the Company may by ordinary resolution determine or, in the absence of such determination, as the Directors may determine. Subject to the Acts, the Company may issue shares which are, or at the option of the Company or the holder are, liable to be redeemed.
- (ii) The Company may by ordinary resolution increase its share capital, consolidate and divide all or any of its share capital into shares of a larger amount, sub-divide its shares or any of them into shares of smaller amounts, cancel or reduce the nominal value of any shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount so cancelled or the amount of the reduction.
- (iii) Subject to the Acts, the Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account and may also, subject to the Acts, purchase its own shares.

(f) *Class consents and variation of rights*

Whenever the capital of the Company is divided into different classes of shares, the rights attached to any class may (unless otherwise provided by the terms of issue of that class) be varied or abrogated either with the consent in writing of the holders of three-fourths of the issued shares of the class or with the sanction of a special resolution passed at a separate meeting of such holders.

Inter alia, the Company shall not without the previous sanction of a Special Resolution passed at a separate General Meeting:

(A) create or issue any further shares or securities which would lead to NAV dilution on issue, conversion or exchange carry; or

(B) pass a future resolution to reduce the capital or share premium account of the Company attributable to the relevant class of shares save where such redemption is at a premium to the prevailing NAV of that class; or

(C) alter any objects set out in the Articles of Association of the Company; or

(D) increase the borrowing limit stated in these Articles or permit such limit to be exceeded; or

(E) pass any resolution to vary, modify or abrogate any of the special rights or privileges attached to the relevant class of shares.

(g) *Directors' interests*

(i) Subject to the provisions of the Acts and save as set out in the Articles, no such contract, arrangement, transaction or proposal entered into by or on behalf of the Company in which any Director or person connected with him is in any way interested, whether directly or indirectly, shall be avoided, nor shall any Director who enters into any such contract, arrangement, transaction or proposal or who is so interested be liable to account to the Company for any profit realised by any such contract, arrangement, transaction or proposal by reason of such Director holding that office or of the fiduciary relationship thereby established subject to the nature and extent of the Director's direct or indirect interest having been disclosed by him to the other Directors and authorisation being obtained from the Directors for the above in accordance with the provisions of the Acts.

(ii) Save as set out in the Articles, a Director shall not vote in respect of any contract, arrangement, transaction or any other proposal whatsoever in which he has any direct or indirect interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company unless the Director has made a declaration disclosing the nature and extent of such interests and has obtained from the other Directors their authorisation for the above in accordance with the provisions of the Acts. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

(iii) A Director shall (in the absence of some other material interest than is as indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning, inter alia, the following matters:

(a) the giving of any security or indemnity to him or to a third party in respect of monies lent or obligations incurred at the request of or for the benefit of the Company;

(b) any contract, arrangement, transaction or other proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever provided that he is not the holder of or beneficially interested in 1% or more of any class of the equity share capital of such company (or of a third company through which his interest is derived) or of the voting rights available to members of the Company;

- (c) any arrangement for purchasing or maintaining for any officer or auditor of the Company or any of its subsidiary's insurance against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, breach of duty or breach of trust for which he may be guilty in relation to the Company or any of its subsidiaries of which he is a director, officer or auditor.
- (iv) A Director shall not vote or be counted in the quorum on any resolution concerning his own appointment as the holder of any office or place of profit with the Company or any company in which the Company is interested including fixing or varying the terms of his appointment or the termination thereof.
- (v) Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Company or any company in which the Company is interested, such proposals shall be divided and considered in relation to each Director separately and in such cases each of the Directors concerned (if not otherwise debarred from voting) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.
- (h) *Remuneration of Directors*
- (i) The ordinary remuneration of the Directors (other than an executive director appointed under the Articles) shall be such amount as the Directors shall from time to time determine (provided that unless otherwise approved by the Company in general meeting, the aggregate of the ordinary remuneration of the Directors of the Company shall not exceed £150,000 per year (excluding any performance incentive fees), to be divided among them in such proportion and manner as the Directors may determine). The Directors shall also be paid by the Company all travelling, hotel and other expenses they may incur in attending meetings of the Directors or general meetings or otherwise in connection with the discharge of their duties.
- (ii) Any Director who, by request of the Directors, performs special services or goes or resides abroad for any purpose may be paid such extra remuneration as the Directors may determine.
- (iii) The emoluments and benefits of any executive director for his services as such shall be determined by the Directors and may be of any description, including membership of any pension or life assurance scheme for employees or their dependants or, apart from membership of any such scheme, the payment of a pension or other benefits to him or his dependant on or after retirement or death.
- (i) *Retirement of Directors*
- At the next annual general meeting of the Company following the first appointment of a Director he shall retire from office. A Director shall also retire from office at or before the third annual general meeting following the annual general meeting at which he last retired and was re-elected. At all times a retiring Director shall be eligible for re-election.
- (j) *Borrowing powers*
- The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertakings, property and uncalled capital. The Directors shall restrict the borrowings of the Company and, by the exercise of the Company's voting and other rights or powers of control over its subsidiary undertakings (if any), secure that they restrict their borrowings, so that the aggregate amount at any time outstanding in respect of money borrowed by the group, being the Company and its subsidiary undertakings for the time being (excluding intra-group borrowings), shall not, without the previous sanction of an ordinary resolution of the Company, exceed a sum equal to 15% of the aggregate total amount received from time to time on the subscription of shares to the Company.

(k) *Uncertificated Shares*

CREST, a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument, was introduced in July 1996. The Articles are consistent with CREST membership and allow for the holding and transfer of shares in uncertificated form pursuant to the CREST Regulations.

(l) *Calling of General Meetings*

- (i) The Company shall within six months of the financial year end hold a general meeting as its Annual General Meeting, in addition to any other meetings in that year, and shall specify the meeting as such in the notice convening it. The Annual General Meeting shall be held at such time and place as the Directors may appoint.
- (ii) The Directors shall determine in relation to each general meeting the means of attendance and participation in the meeting, including whether the persons entitled to attend and participate in the general meeting shall be enabled to do so by simultaneous attendance and participation at a physical place anywhere in the world determined by it, or by means of electronic facility or facilities determined by it, or partly in one way and partly in another. A meeting (whether electronic or otherwise) is deemed to take place at the place at which the Chairman of the meeting is present.
- (iii) An Annual General Meeting shall be called by not less than twenty-one days' notice and all other General Meetings of the Company, shall, subject to the statutes, be called by not less than 21 days' notice unless it is proposed to pass a resolution of which special notice is required by the Statutes, in which case 28 days' notice is required. The notice shall be exclusive of the day on which it is given and of the day of the meeting and shall, inter alia, specify the place, the day and hour of the meeting, and in case of special business the general nature of such business.

The business of an Annual General Meeting shall be to receive and consider the profit and loss account, the balance sheet and reports of the Directors and of the Auditors, and the documents required by law to be annexed to the balance sheet, to elect Directors and officers in the place of those retiring or ceasing to hold office pursuant to the Articles and to fix their remuneration if required, to declare dividends, to appoint the Auditors and to fix, or determine the manner of the fixing of, their remuneration. All other business transacted at an Annual General Meeting and all business transacted at a General Meeting shall be deemed special.

PART TWO

THAMES VENTURES VCT 2 PLC

(A) GENERAL INFORMATION ON THE COMPANY

1. INCORPORATION AND ADMINISTRATION

- (a) The Company was incorporated and registered in England and Wales as a public company with limited liability on 12 January 2009 with registered number 06789187, under the name Downing Protected Opportunities VCT 1 plc. The Company's name was changed to Downing Structured Opportunities VCT 1 plc on 12 November 2009 and was changed again to Downing FOUR VCT plc on 20 July 2015. On 2 September 2022 the Company's name was changed again to Thames Ventures VCT 2 plc.
- (b) The Company was issued with a trading certificate under section 117 of the CA 1985 on 23 January 2009 and, on the same date, gave notice of its intention to carry on business as an investment company. The Company revoked its status as an investment company under section 266 of the CA 1985 (now section 833 of 2006 Act) on 27 July 2009 and does not intend to re-apply for such status.
- (c) The Company's registered office and principal place of business is at 6th Floor, St. Magnus House, 3 Lower Thames Street, London, EC3R 6HD. The Company is domiciled in England. The Company's LEI number is 21380035MV1VRYEXPR95. The Company does not have, nor has it had since incorporation, any subsidiaries or employees (other than its Directors). The Company has no parent company and is owned by individuals, none of whom owns more than 3% of its ordinary share capital. The Company is not part of a group.
- (d) HM Revenue & Customs has granted approval of the Company as a VCT under section 274 of the Tax Act. The business of the Company has been, and it is intended will be, carried on so as to continue to comply with that section to maintain full VCT approval.
- (e) The Company is not authorised and/or regulated by the FCA or an equivalent overseas regulator. The Company is subject to the requirements of VCTs and, as an entity listed on the main market of the London Stock Exchange, will be subject to the rules and regulations issued by the FCA from time to time. The Company is not otherwise regulated.

2. SHARE CAPITAL

- (a) The Company has the following classes of shares in issue:
 - Ventures Shares (ISIN: GB00BDHF5B49)
 - Healthcare Shares (ISIN: GB00BDHF5D62)
 - AIM Shares (ISIN: GB00BMYXV611)
 - DSO D Shares (ISIN: GB00B6QPQ463)
 - DP67 Shares (ISIN: GB00BWX53D91)
- (b) As at 12 October 2022, being the most recent practicable date prior to publication of this document, the issued fully paid share capital of the Company was as follows:

Share Class	Issued	
	No. of Shares	Nominal Value
Ventures Shares (including Management Shares)	68,677,599	£68,677.60
Healthcare Shares (including Management Shares)	28,065,339	£28,065.34
AIM Shares	2,695,803	£2,695.80
DSO D Shares	7,867,247	£7,867.25
DP67 Shares	11,192,136	£11,192.14

(c) The entire issued ordinary share capital of the Company is admitted to the premium segment of the Official List and the Shares are freely transferable. Each Share issued has been fully paid and is free from all liens and from any restriction on the right of transfer (except to the extent that any restriction is imposed for failure to comply with a notice under section 793 of the Companies Act 2006).

(d) Each of the Company's Shares are denominated in sterling and created under the 2006 Act. The Company's Shares conform with the law of England and Wales and are duly authorised according to the requirements of the Company's Articles. There are no restrictions on the free transferability of any of the Company's Shares. The Company's Shares are in registered form and may be held in certified or uncertificated form.

(e) No share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option. No shares of the Company represent anything other than capital. No shares of the Company are held by or on behalf of the Company itself. There are no convertible securities, exchangeable securities or securities with warrants attached to them currently in issue by the Company and there exist no acquisition rights and/or obligations over authorised but unissued capital of the Company or any undertakings to increase the Company's capital.

3. DIRECTORS' AND OTHERS' INTERESTS IN THE COMPANY

- (a) The Company is not aware of any person, not being a member of its administrative, management or supervisory bodies, who, as at the date of this document, is directly or indirectly interested in 3% or more of the issued share capital of the Company and is required to notify such interest in accordance with the DTR.
- (b) As at 12 October 2022 (being the latest practicable date prior to the publication of this document), the interests (all of which are beneficial) of the Directors and their immediate families in the share capital of the Company which: (i) have been notified by each Director to the Company; (ii) are required pursuant to section 809 of the 2006 Act to be entered in the register referred to therein; or (iii) are interests of a connected person of the Director which would, if the connected person, within the meaning of section 252 of the 2006 Act, were a Director, be required to be disclosed under (i) or (ii) above, and the existence of which is known to or could with reasonable diligence be ascertained by that Director, were as follows:

Directors

	Ventures Shares	Healthcare Shares	AIM Shares	DSO D Shares	DP67 Shares
Number of Shares					
Sir Aubrey Brocklebank	32,679	5,000	-	-	-
Chris Allner	8,000	2,000	-	-	-
Steven Clarke	-	-	-	-	-
Andrew Mackintosh	-	-	-	-	-
Percentage of Issued Share Capital					
Sir Aubrey Brocklebank	0.06%	0.02%	-	-	-
Chris Allner	0.01%	0.01%	-	-	-
Steven Clarke	-	-	-	-	-
Andrew Mackintosh	-	-	-	-	-

The interests (all of which are beneficial) of the Directors and their immediate families in the share capital of the Company and (so far as is known or could with reasonable diligence be ascertained by the relevant Director) the interests of a person connected (within the meaning of section 252 of the 2006 Act) with a Director and which would be disclosed if they were interests of that Director following the close of the Offers (assuming Full Subscription under the Offers) are expected to be as follows::

Directors

	Ventures	Healthcare	AIM	DSO D	DP67
Number of Shares	Shares	Shares	Shares	Shares	Shares
Sir Aubrey Brocklebank	32,679	5,000	-	-	-
Chris Allner	8,000	2,000	-	-	-
Steven Clarke	-	-	-	-	-
Andrew Mackintosh	-	-	-	-	-
Percentage of Issued Share Capital					
Sir Aubrey Brocklebank	0.06%	0.02%	-	-	-
Chris Allner	0.01%	0.01%	-	-	-
Steven Clarke	-	-	-	-	-
Andrew Mackintosh	-	-	-	-	-

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

- (c) Each of the Directors has entered into an agreement with the Company, whereby they are required to devote such time to the Company as the Board reasonably requires consistent with their respective roles as non-executive directors. Sir Aubrey Brocklebank was appointed as a director on 21 July 2015.

The Directors' agreements with the Company are terminable on three months' notice by either party. Remuneration paid to the Directors for the past three years ended 31 March 2022, along with the rates for the current year ending 31 March 2023, are summarised as follows:

	Remuneration (excluding VAT, if applicable)			
	Year ending	Year ended	Year ended	Year ended
	31 March	31 March	31 March	31 March
	2023	2022	2021	2020
Name	£	£	£	£
Sir Aubrey Brocklebank (Chairman)	30,000	20,000	20,000	20,000
Chris Allner (appointed 8 Sept 2021)	20,000**	-	n/a	n/a
Steven Clarke (appointed 8 Sept 2021)	24,000	12,000	n/a	n/a
Andrew Mackintosh (appointed 8 Sept 2021)	24,000	12,000	n/a	n/a
Lord Flight (SID) (resigned 27 Sept 2022)	12,500*	20,000	20,000	20,000
Russell Catley (resigned 8 Sept 2021)	-	8,000*	18,000	18,000

* to date of resignation

** Chris Allner's remuneration will be reimbursed to the Company by Downing LLP until 4 July 2024

No benefits are payable on termination of these agreements. None of the Directors have entered into any service contracts with the Company.

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

Save as disclosed in paragraph (c) above, this paragraph and paragraph (i) below, no Director has an interest in any transaction effected by the Company since its incorporation which is or was unusual in its nature or conditions or significant to the business of the Company.

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

- (e) The Company is not aware of any persons who, directly or indirectly, exercises or could exercise control over the Company and the Company is not aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Company.
- (f) There are no material potential conflicts of interest between any Director or any member of the Company's administrative, management or supervisory bodies and his duties to the Company and the private interests and/or duties he may also have. All of the Company's Directors will be independent of Downing throughout its life.
- (g) None of the Company's major holders of Shares, under the Articles, have voting rights different from other holders of Shares. Under the Performance Incentive agreement which is in effect as at the date of this document, the Nominee has agreed to waive its right to vote in respect of the Management Shares.
- (h) No amounts have been set aside by the Company or Downing for pensions, retirement or similar benefits.
- (i) Other than with respect to the shareholdings in the Company held by the Directors as set out in paragraph 3(b) of this Part Two and the agreements referred to at (a) – (c) of paragraph 4 below the Company has not entered into any related party transactions since the date of its respective incorporation and up to the date of this document.
- (j) There are no service contracts with the Company or the Company's subsidiary providing for benefits upon termination of employment.
- (k) DTR5 requires a Shareholder to notify the Company of the percentage of its Shares he holds if such percentage reaches, exceeds or falls below 3% or subsequent 1% thresholds.

4. MATERIAL CONTRACTS

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

- (a) Under a Sponsor and Promotion Agreement, dated on or around the date of this Registration Document, between (1) the Company (2) the Sponsor (3) the Directors and (4) Downing (the "**2022 Healthcare Offer Agreement**"), the Sponsor has agreed to act as sponsor to the Company in relation to the Healthcare Offer and Downing has undertaken as agent of the Company to use its reasonable endeavours to procure subscribers for the New Healthcare Shares to be offered pursuant to the 2022 Healthcare Prospectus. Neither the Sponsor nor Downing is obliged to subscribe for New Healthcare Shares.

Under the 2022 Healthcare Offer Agreement, the Company will pay Downing 3.0% of the monies subscribed under the 2022 Healthcare Offer where Adviser commission is payable or the application is direct or 0% of the monies subscribed under the 2022 Healthcare Offer where no Adviser commission is payable (either because the investment is made direct and not through an Intermediary or because an Adviser Charge has been agreed).

The Company shall also be responsible for paying 0.25% per annum of the Net Asset Value of the New Healthcare Shares to Downing for a maximum of five years, from which Downing will pay annual trail commission to those intermediaries entitled to receive it. If the total sum due to intermediaries is less than the amount paid to Downing, Downing will reimburse the Company for the difference. Intermediaries will be paid commission, where permissible, by Downing, in respect of all applications accepted which bear their stamp. Downing will also pay all other costs and expenses of, or incidental to, the 2022 Healthcare Offer and the Admission of the New Healthcare Shares.

Under the 2022 Healthcare Offer Agreement, the Company has given certain warranties to, and agreed to indemnify, the Sponsor and Downing in respect of their roles as Sponsor and Promoter respectively. The warranties and indemnity are in usual form for a contract of this type. The 2022 Healthcare Offer Agreement may be terminated by the Sponsor if any statement in the Healthcare Offer Prospectus is untrue, any material omission from the Healthcare Offer Prospectus arises or any breach of warranty occurs.

If and when the 2022 Ventures Offer is launched, it is expected that an equivalent agreement in respect of the promotion of the 2022 Ventures Offer will be entered into by the Company with, *inter alios*, Foresight Group LLP and details of this agreement will be included in the 2022 Ventures Prospectus.

- (b) Under a Sponsor and Promotion Agreement, dated 12 August 2021, between (1) the Company (2) the Directors (3) the Sponsor and (4) Downing (the "**2021 Offers Agreement**"), the Sponsor agreed to act as sponsor in relation to the 2021 Offers and Downing undertook as agent of the Company to use its reasonable endeavours to procure subscribers for shares offered pursuant to the 2021 Offers.

Under the 2021 Offers Agreement, subject to shareholders' approval, the Company agreed to pay Downing a fee of 4.5% of the monies subscribed under the 2021 Offers where Adviser commission is payable or 2.5% of the monies subscribed under the 2021 Offers where no Adviser commission is payable (either because the investment is made direct and not through an Intermediary or because an Adviser Charge has been agreed). The Company is also responsible for paying 0.25% per annum of the Net Asset Value of the Shares subscribed under the 2021 Offers to Downing for a maximum of five years, from which Downing will pay annual trail commission to those intermediaries entitled to receive it. If the total sum due to intermediaries is less than the amount paid to Downing, Downing will reimburse the Company for the difference. Intermediaries will be paid commission, where permissible, by Downing, in respect of all applications accepted in respect of the 2021 Offers which bear their stamp. Downing also agreed to pay all other costs and expenses of, or incidental to, the 2021 Offers and the admission of the Shares issued thereunder to the premium segment of the Official List and to trading on the London Stock Exchange.

Under the 2021 Offers Agreement, the Company gave certain warranties to, and agreed to indemnify, the Sponsor and Downing in respect of their roles as sponsor and promoter in respect of the 2021 Offers respectively. The warranties and indemnity were in the usual form for a contract of this type. The 2021 Offers Agreement may be terminated by the Sponsor if any statement in the 2021 Prospectus is untrue, any material omission from the 2021 Prospectus arises or any breach of warranty occurs.

- (c) Under an investment management and administration agreement, dated 4 July 2022, between (1) the Company and (2) Downing, Downing has been appointed as the investment manager of the Healthcare Share Class to the Company.

The appointment may be terminated by either side giving not less than 12 months' notice in writing. Downing receives an annual fee and pays the Company's running costs above a cost-cap calculated in relation to the Company's NAV in its various share classes, each as set out in the following table:

Share Class	Investment Management Fee (p/a)	Running Cost Cap
Healthcare Shares	2.5%	3.3%

Downing is entitled to charge arrangement fees to investee companies under this agreement, subject that any such fee in excess of 3.0% of the funds invested must be accounted for to the Company. (Downing has subsequently agreed to also restrict arrangement fees so that total arrangement fees do not exceed more than 1% of all funds invested over a year.) Downing may also charge monitoring fees to investee companies under this agreement, capped at £10,000 per annum.

- (d) Under an investment management and administration agreement, dated 27 January 2009 and amended from time to time, between (1) the Company (2) Downing, Downing was appointed as the investment manager and administrator to the Company. This agreement was further amended and restated on 4 July 2022 in order to exclude the management of the Healthcare share class (which is now covered by the separate agreement described at paragraph (c) above) and, on the same date, novated from Downing LLP to Foresight Group LLP.

The appointment may be terminated by either side giving not less than 12 months' notice in writing. Foresight receives an annual fee and pays the Company's running costs above a cost-cap calculated in relation to the Company's NAV in its various share classes, each as set out in the following table:

Share Class	Investment Management Fee (p/a)	Running Cost Cap
DSO D Shares	1.5%	3.0%
DP67 Shares	1.35%	2.9%
Ventures Shares	2.0%	3.0%
AIM Shares	1.75%	3.0%

In respect of administration fees, Foresight is paid a formula-based fee comprising three elements: (i) a basic fee of £47,550 (adjusted for RPI); (ii) a fee of 0.1% of NAV per annum on funds in excess of £10 million; (iii) £5,000 per share pool (excluding the DSO D Shares).

Foresight is entitled to charge arrangement fees to investee companies under this agreement, subject that any such fee in excess of 3.0% of the funds invested must be accounted for to the Company. Foresight may also charge monitoring fees to investee companies under this agreement, capped at £10,000 per annum.

Foresight has subcontracted certain of the administration and management services to be provided under this agreement to Downing for a transitional period.

5. INVESTMENT POLICY

The Company's Investment Policy is as follows:

Asset allocation

It is intended that at least 80% of each share pools' funds are invested in VCT Qualifying Investments within three years of the close of the relevant share offer with 30% of new funds raised so invested within 12 months of the end of accounting period in which they were raised. The remainder of the funds will be held in cash or other Non-Qualifying Investments.

The DSO D and DP67 share pools operate a "planned exit" strategy. Downing is seeking realisations of the remaining investments in these pools such that funds can be returned to Shareholders.

VCT Qualifying Investments

New VCT Qualifying Investments will normally comprise investments in businesses that are less than seven years old and require funding to support the growth of the business. Investments may be in a range of sectors which are allowable under the VCT Regulations.

The Company will focus on development and expansion funding for quoted and unquoted businesses and will not usually undertake very early stage or start up investments.

Specific share pools may have a generalist focus or may focus on certain sectors according to the strategy of that specific share pool.

Non-Qualifying Investments

The funds not employed in VCT Qualifying Investments will be invested in Non-Qualifying Investments as allowed by the VCT Regulations. These will typically be cash deposits and investments in quoted securities, investment trusts or OEICs.

Liquidity investments will be made with the aim of producing capital appreciation, rather than income. Therefore, the profit arising from the disposal or maturity of the liquidity investments typically gives rise to capital gains, which are tax-free for the Company and can be distributed tax-free to Shareholders.

Risk diversification

The Directors control the overall risk of the Company. Downing ensures that, for each share pool, the Company has exposure to a diversified range of VCT Investments from different sectors and adheres to the holding limit that no investment in a company may represent more than 15% by value of the Company's total investments at the time of investment.

Listing Rules

As a company whose shares have been admitted to the Official List, the Company conducts its business in accordance with the Listing Rules.

Venture Capital Trust Regulations

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

Borrowing policy

It is not the Company's intention to have any borrowings, but it reserves the right to enter into such an arrangement should the need arise. The Company does, however, have the ability to borrow a maximum amount equal to 15% of the aggregate amount paid on any shares issued by the Company (together with any share premium thereon).

6. DIVIDEND POLICY

The Board is mindful that dividends are attractive to many VCT investors and seeks to pay dividends at an appropriate level while also taking into account liquidity considerations and compliance with VCT and other regulations.

The stated objective for the Ventures and Healthcare Share pools is to target an annual tax-free dividend of at least 4% of each pool's respective NAV, subject to the availability of sufficient distributable profits, capital resources and compliance with the VCT Regulations. There is no guarantee that this objective will be met.

The level of any dividends paid will be largely dependent on the performance of the investments in the Ventures and Healthcare Share pools.

The Company does not currently offer a dividend reinvestment scheme, however, the Directors review this policy from time to time and will consider introducing such a scheme if appropriate and believed to be cost effective.

7. GENERAL

- (a) The registered office of the Company is at 6th Floor, St. Magnus House, 3 Lower Thames Street, London, EC3R 6HD (telephone no: 020 7416 7780). The principal place of business of the Company is Foresight Group, The Shard, 32 London Bridge Street, London, SE1 9SG. The Company has not, nor has had since incorporation, any employees other than its directors.
- (b) Foresight Group LLP, the Ventures Manager, is UK domiciled and was incorporated in England and Wales under the Limited Liability Partnerships Act 2000 on 25 October 2001 with registered number OC300878. Foresight Group LLP's legal identity identifier is 213800WOK59EEP4B4Q11. Foresight Group LLP is authorised and regulated by the Financial Conduct Authority with registered number 198020. Foresight Group LLP provides investment advice and management services to the Company pursuant to the agreement set out at paragraph (d) on page 22.
- (c) Downing LLP, the Healthcare Manager, is UK domiciled and was incorporated in England and Wales under the Limited Liability Partnerships Act 2000 on 20 November 2008 with registered number OC341575. Downing LLP's legal identity identifier is 213800G3X76VBG9SB504. Downing LLP is authorised and regulated by the Financial Conduct Authority with registered number 545025. Downing LLP provides investment advice and management services to Foresight Group LLP pursuant to the agreement set out at paragraph (c) on page 21.
- (d) The Board is responsible for the determination and calculation of the Company's net asset value and announces it at least half-yearly, through a regulatory information service.
- (e) The Company does not intend to appoint an external custodian. The Company's assets will be held by the Company in certificated form.
- (f) All investments are designated as "fair value through profit or loss" assets and are measured at fair value.

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

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

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

- (g) The Company's annual report and accounts are made up to 31 March in each year and are normally sent to Shareholders in July. The Company's next accounting period will end on 31 March 2023. The Company's unaudited half-yearly reports are made up to 30 September each year and are normally published in December.
- (h) All material contracts of the Company will be in English and the Company and/or Downing will communicate with Investors and/or Shareholders in English.
- (i) Complaints about the Company, Foresight or Downing should be referred to the chairman of the Board of Directors of the Company at 6th Floor, St. Magnus House, 3 Lower Thames Street, London, EC3R 6HD, Investor Relations, Foresight Group, The Shard, 32 London Bridge Street, London SE1 9SG or Complaints, Downing at 6th Floor, St. Magnus House, 3 Lower Thames Street, London, EC3R 6HD as appropriate. Any such complaint may subsequently be referred to the Financial Ombudsman Service. Compensation will not be available from the Financial Services Compensation Scheme in the event of default by Foresight or Downing.
- (j) A typical investor in the Company will be a UK higher-rate income taxpayer, over 18 years of age and with an investment range of between £3,000 and £200,000 who is capable of understanding and is comfortable with the risks of VCT investment.
- (k) There has not been any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) in the 12 months prior to the date of this Prospectus which may have or have had in the recent past significant effects on the Company's financial position or profitability.
- (l) The Company has to satisfy a number of tests to qualify as a VCT and will be subject to various rules and regulations in order to continue to qualify as a VCT. In addition, under the rules relating to Admission, the Company must manage and invest its assets in accordance with the investment policy set out in the section headed "Investment Policy" set out on pages 22-23, which contains information about the policies which it will follow relating to asset allocation, risk diversification and gearing and which includes a maximum exposure. Material changes to the Company's investment policy may only be made with the approval of Shareholders in general meeting and the FCA. Investors will be informed through a regulatory information service of the action that the Board proposes to take in the event that any of these investment restrictions is breached. The Company was registered with the FCA as a Small Registered UK AIFM with effect from 9 July 2014.
- (m) The Company's auditors are BDO LLP of 55 Baker Street, London W1U 7EU. BDO LLP are registered to carry on audit work and is authorised to carry on investment business by the Institute of Chartered Accountants in England and Wales.

(B) ANALYSIS OF THE INVESTMENT PORTFOLIO

The following table of unaudited information is a summary of the main investments of the Company as at the date of this document. Information as to costs and valuations is unaudited and is stated as at 31 August 2022.

Ventures Shares Pool			
	Cost	Valuation	% of
Portfolio of investments	£'000	£'000	portfolio
Venture Capital investments			
Cornelis Networks, Inc.	1,402	2,431	6.3%
Virtual Class Limited (Third Space Learning)	1,053	2,302	6.0%
Rated People Limited	1,382	1,895	5.0%
Hackajob Limited	784	1,787	4.7%
Imagen Limited	1,000	1,763	4.6%
CommercelQ Limited	1,749	1,749	4.6%
Ayar Labs, Inc.	764	1,646	4.3%
Trinny London Limited	219	1,374	3.6%
Cambridge Touch Technologies Limited	959	1,353	3.5%
Ecstase Limited (t/a ADAY)	1,000	1,203	3.1%
Upp Technologies Group Limited	1,136	1,136	3.0%
Firefly Learning Limited	1,047	1,047	2.7%
Limitless Technology Limited	757	920	2.4%
Arecor Therapeutics plc^	418	888	2.3%
FVRVS Limited (t/a Fundamental VR)	777	861	2.3%
Parsable, Inc.	766	802	2.1%
Congenica Limited	734	746	2.0%
FundingXchange Limited	1,050	740	1.9%
Carbice Corporation	656	721	1.9%
Masters of Pie Limited	667	667	1.7%
Vivacity Labs Limited	493	493	1.3%
Maverick Pubs (Holdings) Limited	1,000	450	1.2%
Fenkle Street LLP*	301	411	1.1%
BBC Maestro Limited	340	340	0.9%
Channel Mum Limited	757	311	0.8%
MIP Diagnostics Limited	300	300	0.8%
Distributed Limited	275	275	0.7%
Bulbshare Limited	249	249	0.7%
Glisser Limited	200	200	0.5%
Destiny Pharma plc^	500	121	0.3%
Hummingbird Technologies Limited	750	-	
Live Better With Limited	1,211	-	0.0%
Ormsborough Limited	900	-	0.0%
Empiribox Holdings Limited	1,563	-	0.0%
Lignia Wood Company Limited	1,778	-	0.0%
Lineten Limited	400	-	0.0%
London and City Shopping Centre Limited	30	-	0.0%
	29,367	29,181	76.3%
Liquidity investments			
Downing Strategic Micro-Cap Investment Trust plc*^	4,269	2,640	6.9%
	33,636	31,821	83.2%
Cash at bank and in hand		6,408	16.8%
Total investments		38,229	100.0%

* non-qualifying investment

^ listed and traded on the Main Market of the London Stock Exchange

Healthcare Share Pool			
	Cost	Valuation	% of
Portfolio of investments	£'000	£'000	portfolio
Venture Capital investments			
Arecor Therapeutics plc^	1,533	3,256	18.3%
Adaptix Limited	1,056	1,843	10.3%
Open Bionics Limited	1,000	1,630	9.2%
FVRVS Limited (t/a Fundamental VR)	1,305	1,472	8.3%
Congenica Limited	1,184	1,215	6.8%
GENinCode plc^	1,202	1,082	6.1%
Cambridge Respiratory Innovations Limited	800	800	4.5%
Closed Loop Medicine Limited	650	650	3.7%
The Electrospinning Company Limited	478	544	3.1%
Invizius Limited	500	500	2.8%
DiA Imaging Analysis Limited	415	484	2.7%
MIP Diagnostics Limited	300	300	1.7%
Destiny Pharma plc^	750	182	1.0%
Future Health Works Limited (t/a MyRecovery)	-	-	0.0%
Live Better With Limited	1,107	-	0.0%
	12,280	13,958	78.5%
Liquidity Investments			
Downing Strategic Micro-Cap Investment Trust plc*^	729	451	2.5%
	13,009	14,409	81.0%
Cash at bank and in hand		3,382	19.0%
Total investments		17,791	100.0%

* non-qualifying investment

^ listed and traded on the London Stock Exchange

AIM Share Pool			
	Cost	Valuation	% of
Portfolio of investments	£'000	£'000	portfolio
Cash at bank and in hand		2,790	100.0%
Total investments		2,790	100.0%

DSO D Share Pool			
	Cost	Valuation	% of
Portfolio of investments	£'000	£'000	portfolio
Venture Capital investments			
Pearce and Saunders Limited	255	25	18.1%
Pearce and Saunders DevCo Limited*	19	16	11.6%
	274	41	
Cash at bank and in hand		97	70.3%
Total investments		138	100.0%

* non-qualifying investment

DP67 Share pool			
	Cost	Valuation	% of
Portfolio of investments	£'000	£'000	portfolio
Venture Capital investments			
Cadbury House Holdings Limited	1,409	791	41.3%
Fenkle Street LLP**	405	771	40.2%
Gatewales Limited*	343	344	18.0%
Yamuna Renewables Limited	400	-	0.0%
London City Shopping Centre Limited**	99	-	0.0%
	2,656	1,906	99.5%
Cash at bank and in hand		10	0.5%
Total investments		1,916	100.0%

* non-qualifying investment

** partially qualifying investment

The Company's Fifteen Largest Holdings

As at 31 August 2022, the fifteen largest investments, representing in total approximately 68% of the net assets of the Company, are as follows:

1. Arecor Therapeutics plc^

Areacor is a leader in developing superior biopharmaceuticals through the application of its innovative formulation technology platform. The company also provides the use of its platform as a service to drug development customers. On 3 June 2021, Areacor admitted its shares to trading on AIM and raised a further £20 million via a new placing. The proceeds will be used to facilitate the development of its internal proprietary diabetes and specialty hospital products.

			Valuation £'000	Percentage of equity held
Audited accounts date:	31/12/2021			
Turnover	1.7m	Equity	4,144	5.5%
Profit/(loss) before tax	6.9m			
Net asset/(liabilities)	18.5m			

2. Downing Strategic Micro-Cap Investment Trust plc

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

			Valuation £'000	Percentage of equity held
Audited accounts date:	28/02/2022			
Turnover	3.2m	Equity	3,091	5.5%
Profit/(loss) before tax	2.4m			
Net asset/(liabilities)	43.1m			

3. Cornelis Networks, Inc.

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

			Valuation £'000	Percentage of equity held
Audited accounts date:	31/12/2019			
Turnover	n/a	Equity	2,431	3.3%
Profit/(loss) before tax	n/a			
Net asset/(liabilities)	10.0m			

4. FVRVS Limited (t/a Fundamental VR)

FVRVS has developed a platform, Fundamental Surgery, which is the market leading medical education platform delivering multimodal simulation and education across tethered and all-in-one VR, mixed reality and mobile, harnessing the very latest AI techniques.

			Valuation £'000	Percentage of equity held
Audited accounts date:	31/12/2020			
Turnover	n/a	Equity	1,958	6.5%
Profit/(loss) before tax	n/a	Loan Notes	375	
Net asset/(liabilities)	1.3m			

5. Virtual Class Limited (Third Space Learning)

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

			Valuation £'000	Percentage of equity held
Audited accounts date:	31/07/2021			
Turnover	n/a	Equity	2,302	4.5%
Profit/(loss) before tax	n/a			
Net asset/(liabilities)	1.8m			

6. Congenica Limited

Congenica has developed a genomics-based diagnostic decision support platform which helps doctors identify rare diseases in patients. The platform analyses DNA sequence data to suggest a diagnosis, speed up the time to diagnosis, and support clinical trials and drug development. Congenica has partnered with leading institutions and customers in the UK, US, China and Europe to better serve different patient populations and as a result is revenue generating

			Valuation £'000	Percentage of equity held
Audited accounts date:	31/12/2021			
Turnover	1.2m	Equity	1,961	2.1%
Profit/(loss) before tax	14.9m			
Net asset/(liabilities)	23.0m			

7. Rated People Limited

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

			Valuation £'000	Percentage of equity held
Audited accounts date:	31/12/2020			
Turnover	11.6m	Equity	1,895	1.3%
Profit/(loss) before tax	0.1m			
Net asset/(liabilities)	4.4m			

8. Adaptix Limited

Adaptix has designed a flatpanel x-ray source to improve the accuracy and mobility of 3D imaging. The company's technology will make portable, low radiation-dose 3D imaging more accessible and less costly than systems currently available on the market. The technology will also allow hospitals to provide faster and more definitive diagnoses.

			Valuation £'000	Percentage of equity held
Audited accounts date:	31/03/2021			
Turnover	0.9m	Equity	1,843	5.1%
Profit/(loss) before tax	1.1m			
Net asset/(liabilities)	11.3m			

9. Hackajob Limited

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

			Valuation £'000	Percentage of equity held
Audited accounts date:	31/10/2021			
Turnover	n/a	Equity	1,787	4.7%
Profit/(loss) before tax	n/a			
Net asset/(liabilities)	2.6m			

10. Imagen Limited

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

			Valuation £'000	Percentage of equity held
Audited accounts date:	31/05/2021			
Turnover	n/a	Equity	1,763	4.9%
Profit/(loss) before tax	n/a			
Net asset/(liabilities)	1.9m			

11. CommerceIQ Limited

CommerceIQ is an intelligent automation tool for help consumer brands to analyse marketing, supply chains and sales operations in ecommerce.

			Valuation £'000	Percentage of equity held
Audited accounts date:	30/06/2021			
Turnover	n/a	Equity	1,749	0.2%
Profit/(loss) before tax	n/a			
Net asset/(liabilities)	23.4m			

12. Ayar Labs, Inc.

Ayar Labs is developing a solution to overcome the power/performance scaling challenges of semiconductors as well as the interconnect bandwidth bottleneck between those devices, through the use of its Optical I/O technology.

			Valuation £'000	Percentage of equity held
Audited accounts date:	31/07/2020			
Turnover	n/a	Equity	1,646	0.5%
Profit/(loss) before tax	n/a			
Net asset/(liabilities)	0.6m			

13. Open Bionics Limited

Open Bionics is a Bristol-based engineering start-up that designs and manufactures affordable bionic prosthetic hands by using 3D scanning and printing. Founded in 2014, their current focus is on becoming the market leader for bionic hands, before entering new higher-growth prosthetic/orthotic markets.

			Valuation £'000	Percentage of equity held
Audited accounts date:	31/12/2021			
Turnover	n/a	Equity	1,630	6.6%
Profit/(loss) before tax	n/a			
Net asset/(liabilities)	0.8m			

14. Trinny London Limited

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

			Valuation £'000	Percentage of equity held
Audited accounts date:	31/03/2021			
Turnover	44.2m	Equity	1,374	0.5%
Profit/(loss) before tax	3.4m			
Net asset/(liabilities)	7.1m			

15. Cambridge Touch Technologies Limited

Cambridge Touch Technology is developing pressure sensitive multi touch technology that is cheaper and simpler to integrate in touch screen panels of mobile devices. UltraTouch will work in rain, with gloves and underwater on curved and foldable screens.

		Equity	Valuation	Percentage of
			£'000	equity held
Audited accounts date:	30/09/2021			
Turnover	n/a		1,353	1.7%
Profit/(loss) before tax	n/a			
Net asset/(liabilities)	2.6m			

Note: turnover and profit/(loss) before tax figures are only shown where this information is publicly available.

(C) FINANCIAL INFORMATION

1. Introduction

Audited statutory accounts of the Company for the periods ended 31 March 2020, 31 March 2021 and 31 March 2022, in respect of which the Company's auditors, BDO LLP, 55 Baker Street, London W1U 7EU, registered auditors under the Statutory Audit Directive (2006/43/EC) and members of the Institute of Chartered Accountants in England and Wales, made unqualified reports under section 495 of the 2006 Act, have been delivered to the Registrar of Companies and such reports did not contain any statements under section 498(2) or (3) of the 2006 Act. Copies of these audited statutory accounts are available at the Company's registered office at 6th Floor, St. Magnus House, 3 Lower Thames Street, London, EC3R 6HD.

The audited statutory accounts of the Company are drawn up under the Financial Reporting Standard 102 ("FRS 102"), and in accordance with the Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" revised February 2018 ("SORP") in respect of the 31 March 2020 and 31 March 2021 accounts and the Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" revised April 2021 ("SORP") in respect of the 31 March 2022 accounts. The Company and the Directors confirm that the Company's most recent financial information for the year ended 31 March 2022 (prepared under Financial Reporting Standard 102) and, prior to that, the audited results for the years to 31 March 2021 and 31 March 2020, have been presented and prepared in a form which is consistent with that which will be adopted in the Company's next published annual financial statements having regard to accounting standards, policies and legislation applicable to such annual financial statements.

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

The most recent unaudited NAVs announced by the Company were as at 31 August 2022 and were 70.0p per Ventures Share, 78.4p per Healthcare Share, 99.3p per AIM Share, 2.6p per DSO D Share and 27.9p per DP67 Share.

2. Historical Financial Information

Historical financial information relating to the Company on the matters referred to below is included in the following sections of the published annual report and audited statutory accounts of the Company for the periods stated (which are incorporated by reference into the Prospectus as noted in paragraph 5 below) as follows:

Description	2022	2021	2020
	Annual	Annual	Annual
	Report	Report	Report
	Page No.	Page No.	Page No.
Balance sheet	75	71	74
Income statement (or equivalent)	71	68	70
Statement showing all changes in equity (or equivalent)	79	74	77
Cash flow statement	80	75	78
Accounting policies and notes	82	77	80
Auditors' report	64	62	64

3. Operating and Financial Review

A description of the changes in the performance of the Company, both capital and revenue, and changes to the Company's portfolio of investments is set out in the sections headed "Chairman's Statement", "Investment Manager's Report" in the published audited statutory accounts of the Company for the periods stated which are incorporated by reference into the Prospectus as noted in paragraph 5 below.

	2022	2021	2020
	Annual Report	Annual Report	Annual Report
	<i>Page No.</i>	<i>Page No.</i>	<i>Page No.</i>
Chairman's statement	4	4	4
Investment Manager's report	9	9	9

4. Capital Resources

A description of cash flows, funding and treasury policies, covenants and liquidity is set out in the financial statements and notes to the financial statements published in the published audited statutory accounts of the Company for the periods stated which are incorporated by reference into the Prospectus as noted in paragraph 6 below. The Company's capital resources are restricted insofar as they may be used only in putting into effect the investment policy described on pages 22-23 and in accordance with the VCT Rules.

	2022	2021	2020
	Annual Report	Annual Report	Annual Report
	<i>Page No.</i>	<i>Page No.</i>	<i>Page No.</i>
Balance sheet	75	71	74
Income statement (or equivalent)	71	68	70
Statement showing all changes in equity (or equivalent)	79	74	77
Cash flow statement	80	75	78
Accounting policies and notes	82	77	80

5. Significant Change

Since 31 March 2022, being the date of the last published financial information of the Company (its audited annual report and accounts), there has been no significant change in the financial performance or financial position of the Company, with the exception of those set out below.

Dividends

Following Shareholders' approval at the AGM that took place on 27 September 2022, dividends of 2.75p per Ventures Share and 3.5p per Healthcare Share were paid on 30 September 2022 to Shareholders on the register on 2 September 2022.

6. Historical Financial Information Incorporated by Reference

Those parts of the audited statutory accounts for the Company for the periods ended 31 March 2020, 31 March 2021 and 31 March 2022 which are referred to in paragraphs 2 and 3 above are being incorporated by reference in this Prospectus. These audited statutory accounts are available as set out in Part Three. Where these documents make reference to other documents, such other documents are not incorporated into and do not form part of this Prospectus. Those parts of the audited statutory accounts not referred to in paragraphs 2 and 3 above, are not being incorporated into this document by reference and are either not relevant for Investors or are covered elsewhere in this Prospectus.

7. Comparable dividend per share

The Company has declared and paid the dividends per share for each financial year from 31 March 2020 until 31 March 2022 set out in the table at paragraph 7 (*Key Financial Information*) below.

8. Key Financial Information

Please note that this information has been extracted from the Company's audited financial statements without material adjustment.

	Audited year ended 31 March 2022	Audited year ended 31 March 2021	Audited year ended 31 March 2020
Ventures Shares			
Net Assets	£36,891,000	£32,000,000	£28,110,000
Number of Ventures Shares in issue (excluding Management Shares)	54,052,919	47,308,832	44,865,567
Net asset value per Ventures Share	68.2p	67.2p	61.7p
Dividends paid per Ventures Share in the year	2.75p	2.5p	-
Healthcare Shares			
Net Assets	£18,751,000	£13,184,000	£12,675,000
Number of Healthcare Shares in issue (excluding Management Shares)	22,191,549	19,230,091	18,421,889
Net asset value per Healthcare Share	84.4p	68.5p	68.1p
Dividends paid per Healthcare Share in the year	2.75p	2.5p	-
AIM Shares			
Net Assets	£2,029,000	n/a	n/a
Number of AIM Shares in issue	2,034,990	n/a	n/a
Net asset value per AIM Share	99.9p	n/a	n/a
Dividends paid per AIM Share in the year	-	n/a	n/a
DP67 Shares			
Net Assets	£2,029,000	£2,064,000	£2,096,000
Number of DP67 Shares in issue	11,192,136	11,192,136	11,192,136
Net asset value per DP67 Share	26.8p	18.4p	18.8p
Dividends paid per DP67 Share in the year	-	-	18.0p
DSO D Shares			
Net Assets	£208,000	£801,000	£944,000
Number of DSO D Shares in issue	7,867,247	7,867,247	7,867,247
Net asset value per DSO D Share	2.6p	10.2p	12.0p
Dividends paid per DSO D Share in the year	-	-	18.0p
DP2011 General Ord Shares\General A Shares			
Net Assets	n/a	n/a	n/a
Number DP2011 General Ord Shares in issue	n/a	n/a	-
Net asset value per DP2011 General Ord Share	n/a	n/a	-
Dividends paid per DP2011 General Ord Share in the year	n/a	n/a	-
Number of DP2011 General A Shares in issue	n/a	n/a	-
Net asset value per DP2011 General A Share	n/a	n/a	-
Dividends paid per DP2011 General A Share in the year	n/a	n/a	13.595p
DP2011 Structured Ord Shares\Structured A Shares			
Net Assets	n/a	n/a	-
Number of DP2011 Structured Ord Shares in issue	n/a	n/a	-
Net asset value per DP2011 Structured Ord Share	n/a	n/a	-
Dividends paid per DP2011 Structured Ord Share in the year	n/a	n/a	-
Number of DP2011 Structured A Shares in issue	n/a	n/a	-
Net asset value per DP2011 Structured A Share	n/a	n/a	-
Dividends paid per DP2011 Structured A in the year	n/a	n/a	10.059p

(D) OPERATION OF THE COMPANY AND BOARD PRACTICES

1. Board of Directors

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

- (i) The Company has no major Shareholders, so Shareholders are not given the opportunity to meet any new non-executive Directors at a specific meeting other than at an Annual General Meeting or General Meeting of the Company. (5.2.3);
- (ii) Due to the size of the Board and the nature of the Company's business, a formal and rigorous performance evaluation of the Board, its Committees, the individual Directors and the Chairman has not been undertaken. Specific performance issues are dealt with as they arise. (7.2.22, 8.2.29, 9.2.37,);
- (iii) The Board does not monitor the level of Share price discount or premium in respect of the DSO D Shares or DP67 Shares, as the Share pools to which these Share classes are in the process of returning funds to Shareholders. The Board monitors the discount or premium in respect of the Ventures and Healthcare Shares (and will do in respect of the AIM Shares) and will take appropriate action to manage this when required.

The Board comprises four members, all of whom are non-executive directors and three of whom are considered to be independent of Downing and all of whom are considered to be independent of Foresight.

The Board meets regularly throughout the year (normally at least quarterly) and all necessary information is supplied to the Directors on a timely basis to enable them to discharge their duties effectively including, but not limited to, monitoring and managing the performance of key service providers including Downing. Additionally, special meetings take place or other arrangements are made when Board decisions are required in advance of regular meetings. The Board is responsible for controlling the Company. Foresight and Downing are responsible for the determination and calculation of the Company's Net Asset Values, which will be undertaken in accordance with the Company's accounting policies and published on an appropriate regulatory information service provider (including in the announcement of annual and half-yearly results of the Company) following approval by the Board. The Board does not envisage any circumstances in which such calculations would be suspended but, were this to occur, such suspension would be communicated to Shareholders in a similar manner.

The Board delegates specific responsibilities to the committees described below.

2. Audit Committee

All Directors sit on the audit committee which is chaired by Dr Andrew Mackintosh. The audit committee meets not less than twice a year. The Company's auditors and the senior executives of Downing may attend and speak at audit committee meetings.

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

3. Remuneration Committee

All Directors sit on the remuneration committee, which meets as and when required, and is chaired by Sir Aubrey Brocklebank.

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

4. Nomination Committee

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

As at the date of this document, the Company currently complies with the AIC Code of Corporate Governance in all respects other than those mentioned above.

PART THREE

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the offices of during normal business hours on any weekday (public holidays excepted) from the date of this document for 12 months at the offices of RW Blears LLP at 70 Colombo Street, London SE1 8PB, offices of Foresight Group LLP, The Shard, 32 London Bridge Street, London SE1 9SG, at the registered office of the Company at 6th Floor, St. Magnus House, 3 Lower Thames Street, London, EC3R 6HD and available online at www.foresightgroup.eu and www.downing.co.uk/tvvct2.

- (a) the Memorandum and Articles of Association of the Company;
- (b) this Registration Document;
- (c) the Company's audited annual accounts for the years ended 31 March 2020, 31 March 2021 and 31 March 2022.

The Registration Document will also be available for download from the National Storage Mechanism (<https://data.fca.org.uk/#/nsm/nationalstoragemechanism>).

REGULATORY DISCLOSURES

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

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