

# Summary

## SECTION 1: INTRODUCTION

This summary forms part of a prospectus dated 13 October 2022 (the "**Prospectus**") issued by Thames Ventures VCT 2 plc and which has been approved, on that date, by the Financial Conduct Authority (the "**FCA**"), the competent authority under Regulation (EU) 2017/1129 as it forms part of domestic UK law by virtue of the European Union (Withdrawal) Act 2018.

The Prospectus describes a public offer by the Company to raise up to £10 million (with an over-allotment facility for up to a further £15 million) in the Healthcare Share class (the "**Offer**"). The securities being offered pursuant to the Offer are Healthcare Shares of 0.1 pence each (ISIN: GB00BDHF5D62) (the "**New Healthcare Shares**").

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

The Issuer's contact details are:

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Email	thamesventuresvcts@downing.co.uk
Website	<a href="https://www.downing.co.uk/existing-investor/thames-ventures-vct-2">https://www.downing.co.uk/existing-investor/thames-ventures-vct-2</a>
Telephone	020 7416 7780
LEI	21380035MV1VRYEXPR95

**Warning:** This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities described herein should be based on a consideration of the prospectus as a whole by the investor. Investors could lose all or part of the invested capital. Civil liability attaches to those persons who have tabled the Summary including any translation thereof, but only if the Summary is misleading, inaccurate or inconsistent when read together with other parts of the Prospectus or it does not provide, when read together with other parts of the Prospectus, key information in order to aid Investors when considering whether to invest in the New Healthcare Shares.

## SECTION 2: KEY INFORMATION ON THE ISSUER

### Who is the Issuer of the securities?

The issuer of the securities which are the subject of this Prospectus is Thames Ventures VCT 2 plc (the "**Company**").

The Company is a public limited liability company which is registered in England and Wales with registered number 06789187. Its Legal Entity Identifier is: 21380035MV1VRYEXPR95. The Company is approved by HM Revenue & Customs as a venture capital trust ("**VCT**") in accordance with the VCT Rules. It is intended that the business of the Company be carried on so as to maintain its VCT status.

The Company has no parent company and is owned by individuals, none of whom owns more than 3% of its ordinary share capital. The Company has no subsidiaries. The Company has three non-executive directors – Sir Aubrey Brocklebank (Chairman), Chris Allner, Steven Clarke and Dr Andrew Mackintosh.

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

## What is the key financial information regarding the Issuer?

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

Key Information	Audited year ended 31 March 2022	Audited year ended 31 March 2021	Audited year ended 31 March 2020
<b>Ventures Shares</b>			
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	-
<b>Healthcare Shares</b>			
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	-
<b>AIM Shares</b>			
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
<b>DP67 Shares</b>			
Net Assets	£2,998,000	£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
<b>DSO D Shares</b>			
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

*Dividends of 13.595p per DP2011 General A Share and 10.059p per DP2011 Structured A Share were also paid in the year ended 31 March 2020.*

Income statement	Audited year ended 31 March 2022 (£'000)	Audited year ended 31 March 2021 (£'000)	Audited year ended 31 March 2020 (£'000)
Income	1,296	268	341
Gains/(losses) on investments	6,599	4,816	(11,837)
Investment management fees	(1,062)	(822)	(1,123)
Other expenses	(409)	(97)	(711)
Return/(loss) on ordinary activities after tax	6,424	4,096	(13,630)

Return/(loss) per share:

Ventures Share	3.8p	8.0p	(24.0p)
Healthcare Share	18.3p	2.9p	(15.0p)
AIM Share	(2.3p)	n/a	n/a
DSO D Share	0.0p	(1.8p)	2.2p
DP67 Share	8.3p	(0.4p)	(11.8p)

**Balance Sheet**

	<b>Audited year ended 31 March 2022 (£'000)</b>	<b>Audited year ended 31 March 2021 (£'000)</b>	<b>Audited year ended 31 March 2020 (£'000)</b>
<b>Fixed assets</b>			
Investments	49,141	40,743	34,464
<b>Current assets</b>			
Debtors	4,317	701	548
Cash at bank and in hand	8,384	6,986	9,614
<b>Creditors:</b> amounts falling due within one year	(965)	(381)	(801)
<b>Net current assets</b>	11,736	7,306	9,361
<b>Net assets</b>	60,877	48,049	43,825
<b>Capital and reserves</b>			
Called up share capital	113	102	98
Capital redemption reserve	58	58	58
Special reserve	24,063	29,417	39,433
Share premium account	29,284	20,010	17,971
Funds held in respect of shares not yet allotted	7	241	535
Revaluation reserve	6,995	(1,143)	(13,302)
Capital reserve – realised	3,769	3,132	2,483
Revenue reserve	(3,412)	(3,768)	(3,451)
<b>Total equity shareholders' funds</b>	60,877	48,049	43,825

**Cash Flow Statement**

	<b>Audited year ended 31 March 2022 (£'000)</b>	<b>Audited year ended 31 March 2021 (£'000)</b>	<b>Audited year ended 31 March 2020 (£'000)</b>
<b>Cash flow from operating activities</b>			
Profit/(loss) on ordinary activities before taxation	6,424	4,165	(13,330)
(Gains)/loss on investments	(6,599)	(4,816)	11,837
(Decrease)/increase in creditors	538	(420)	326
(Increase) in debtors	(3,569)	(225)	(217)
<b>Net cash from operating activities</b>	(3,206)	(1,296)	(1,384)
Corporation tax paid	-	-	159
<b>Net cash generated from operating activities</b>	(3,206)	(1,296)	(1,225)
<b>Cash flow from investing activities</b>			
Purchase of investments	(6,834)	(10,468)	(12,801)
Proceeds from disposals	5,035	9,008	5,894
<b>Net cash (outflow) from investing activities</b>	(1,799)	(1,460)	(6,907)
<b>Net cash (outflow) before financing</b>	(5,005)	(2,756)	(8,132)
<b>Cash flows from financing activities</b>			
Repurchase of own shares	(195)	-	(77)

Issue of share capital	9,512	2,101	6,424
Share issue costs	(227)	(58)	(379)
Funds held in respect of shares not yet allotted	(234)	(294)	535
Equity dividends paid	(2,453)	(1,621)	(7,200)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>6,403</b>	<b>128</b>	<b>(697)</b>
<b>Net change in cash</b>	<b>1,398</b>	<b>(2,628)</b>	<b>(8,829)</b>
<b>Cash and cash equivalents at start of the year</b>	<b>6,986</b>	<b>9,614</b>	<b>18,443</b>
<b>Cash and cash equivalents at end of the year</b>	<b>8,384</b>	<b>6,986</b>	<b>9,614</b>

On 12 October 2022, the Company announced that its unaudited NAVs per share for each class, as at 31 August 2021, were: 78.4p per Ventures Share, 70.0p per Healthcare Share, 99.3p per AIM Share, 2.6p per DSO D Share and 27.9p per DP67 Share.

The Company paid dividends of 2.75p per Ventures Share and 3.5p per Healthcare Share, totalling £1.5 million and £789,000 respectively, on 30 September 2022.

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

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

- There can be no assurances that the Company will meet its objectives, identify suitable investment opportunities or be able to diversify its portfolio. The past performance of Downing LLP ("**Downing**", the "**Promoter**") and other funds managed or advised by Downing is no guide to future performance and the value of an investment. The Shares may fall as well as rise and an investor may not receive back the full amount invested.
- There can be no guarantee that the Company will retain its status as a VCT, the loss of which could lead to adverse tax consequences for investors, including a requirement to repay the 30% income tax relief.
- The tax rules, or their interpretation, in relation to an investment in the Company and/or the rates of tax may change during the life of the Company and may apply retrospectively which could affect tax reliefs obtained by Shareholders and the VCT status of the Company.
- Investments made by the Company will be in companies which have a higher risk profile than larger "blue chip" companies and whose securities are not readily marketable and therefore may be difficult to realise.
- Although the Company may receive customary venture capital rights in connection with its investments, as a minority investor it may not be in a position to protect its interests fully.

### **SECTION 3: KEY INFORMATION ON THE SECURITIES**

#### **What are the main features of the securities?**

The securities being offered pursuant to the Offer are Healthcare Shares of 0.1 pence each.

The New Healthcare Shares will rank equally in all respects with the existing Healthcare Shares and with each other.

Shareholders will be entitled to receive certificates in respect of their New Healthcare Shares and the New Healthcare Shares will also be eligible for electronic settlement.

The New Healthcare Shares will be listed on the premium segment of the Official List and, as a result, will be freely transferable. At least 25% of the New Healthcare Shares will be distributed to the public.

#### **Where will the securities be traded?**

Applications will be made to the FCA for the New Healthcare Shares offered for subscription pursuant to the Prospectus to be admitted to the premium segment of the Official List of the FCA. Application will also be made to the London Stock Exchange for the New Healthcare Shares to be admitted to trading on its main market for listed securities. It is expected that Admission will become effective and that trading in the New Healthcare Shares will commence three business days following allotment.

#### **Is there a guarantee attached to the securities?**

There is no guarantee attached to any of the New Healthcare Shares.

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

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

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

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

The Offer opens on 26 October 2022 and will close on 31 May 2023 (or earlier at the discretion of the directors or if Full Subscription is reached or later if extended to no later than 12 October 2023). Investors must be over 18 years old.

Application has been made to the FCA for the New Healthcare Shares to be admitted to the Official List of the FCA. Application will also be made to the London Stock Exchange for such New Healthcare Shares to be admitted to trading on its market for listed securities. It is expected that Admission will become effective and that trading in the New Healthcare Shares will commence three Business Days following allotment.

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

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

<sup>1</sup> less any commission waived by Intermediaries (where applicable)

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

The estimated expenses of the Offer will be 3.0% of the funds raised (assuming investment solely by investors in respect of whose application a Promoter's Fee of 3.0% is payable). If the Offer is fully subscribed (ignoring the over-allotment facility) the net proceeds of the Offer would be approximately £9.7 million.

An existing holder of Healthcare Shares who does not subscribe for Healthcare Offer Shares pursuant to the Offer would experience no dilution in terms of NAV per share (as the assets of the share class will be increased by the relevant proceeds of the Offer and the upfront costs of the Offer are borne by subscribers) but will experience dilution in terms of voting. The Company will pay an annual fee of 0.25% of the net asset value of the New Healthcare Shares to the Promoter who will be responsible for paying trail commission to eligible intermediaries. If the total sum due to eligible intermediaries is less than this amount, the Promoter will reimburse the Company accordingly. This is not borne by subscribers through the application of the above Pricing Formula but is a cost to the Company and therefore to all Shareholders. All other incidental costs of the Offer will be borne by the Promoter from its fee.

The Offer is not underwritten.

**Why is this prospectus being produced?**

The Offer is being made, and its proceeds will be used, to raise additional funds raised under the Offer to be invested in accordance with the Company's investment policy. It is intended that the funds raised under the Offer will, no later than three years following the end of the accounting period in which those shares are issued, be invested such that at least 80% of the Company's funds are invested in VCT qualifying companies with 30% of such funds raised so invested before the end of the second financial year following that in which they were raised. It is intended that funds not invested in VCT qualifying companies will be held in cash or other permitted non-qualifying investments.

Dated: 13 October 2022