

FORESIGHT SOLAR VCT PLC

OFFER FOR SUBSCRIPTION TO RAISE IN AGGREGATE
UP TO £40,000,000 BY ISSUES OF ORDINARY SHARES
OF ONE PENCE EACH BY FORESIGHT SOLAR VCT PLC

PROSPECTUS WITH APPLICATION FORM





PROSPECTUS WITH APPLICATION FORM

SPONSORED BY BDO LLP

This document is a prospectus dated 31 August 2010 issued by Foresight Solar VCT plc (the "Company"), prepared in accordance with the prospectus rules made under Section 84 of the Financial Services and Markets Act 2000 ("FSMA") and has been approved by the Financial Services Authority ("FSA") in accordance with FSMA.

The Company and the Directors (whose names are set out on page 23) accept responsibility for the information contained in the Prospectus. To the best of the knowledge of the Company and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in the Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Application will be made to the UK Listing Authority for the Ordinary Shares offered for subscription pursuant to this Prospectus to be admitted to the Official List of the UK Listing Authority. Application will also be made to the London Stock Exchange for such Ordinary 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 Ordinary Shares will commence within ten business days of allotment.

OFFER FOR SUBSCRIPTION TO RAISE IN AGGREGATE UP TO £40,000,000 BY ISSUES OF ORDINARY SHARES OF ONE PENCE EACH BY FORESIGHT SOLAR VCT PLC

Investors who subscribe by certain dates will be entitled to additional Ordinary Shares. Further details are set out on page 18.

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

In connection with the Offer, Foresight Group LLP ("Foresight") is acting for the Company as its promoter and no-one else and will not be responsible to anyone other than the Company for providing the protections afforded to customers of Foresight nor for providing advice in relation to the Offer.

Copies of this document are available (and any supplementary prospectus published by the Company will be available) free of charge from the offices of Foresight at ECA Court, 24-26 South Park, Sevenoaks, Kent TN13 1DU; from the Foresight website at www.foresightgroup.eu and from the offices of BDO at 125 Colmore Row, Birmingham B3 3SD.

The procedure for, and the terms and conditions of, application under this Offer are set out at the end of this document together with an Application Form. Completed Application Forms must be posted or delivered by hand to the Receiving Agent, The City Partnership (UK) Limited, Thistle House, 21-23 Thistle Street, Edinburgh, EH2 1DF. The Offer opens on 31 August 2010 and will close on 5 April 2011 in the case of applications for the 2010/11 tax year and on 30 June 2011 in the case of applications for the 2011/12 tax year, or in each case earlier if fully subscribed or at the discretion of the Directors. Investors may apply for allotments in both the 2010/11 tax year and the 2011/12 tax year. Allotments may be made monthly or otherwise as the Directors determine. The Directors in their absolute discretion may decide to extend the Offer.



CONTENTS

	PAGE
■ SUMMARY	4
■ RISK FACTORS	6
■ EXPECTED TIMETABLE, STATISTICS AND COSTS	9
■ LETTER FROM THE CHAIRMAN OF FORESIGHT SOLAR VCT PLC	10
■ AN INTRODUCTION TO SOLAR POWER INVESTING	13
■ PART 1: THE OFFER	18
INTRODUCTION TO THE OFFER	18
i ADDITIONAL SHARES	
ii INVESTMENT MANAGER AND PROMOTER	
iii TAX BENEFITS FOR INVESTORS	
iv ILLUSTRATIVE RETURNS	
v INVESTMENT POLICY	
vi CO-INVESTMENT POLICY	
vii VALUATION POLICY	
viii SHARE BUYBACK POLICY	
ix DIVIDEND POLICY	
x PLANNED EXIT	
xi INDIVIDUAL ROLL-OVER OPTION	
INVESTMENT MANAGERS	22
DIRECTORS	23
SENIOR PARTNERS	23
FEES AND EXPENSES	23
i ANNUAL FEES AND EXPENSES	
ii PERFORMANCE INCENTIVE	
OTHER INFORMATION	24
i USE OF PROCEEDS	
ii THE OFFER FOR SUBSCRIPTION	
iii MINIMUM AND MAXIMUM INVESTMENT	
iv CLAIMING INCOME TAX RELIEF	
v LAUNCH COSTS	
vi CATEGORY OF POTENTIAL INVESTORS	
vii INVESTOR COMMUNICATIONS	
viii REPORTING DATES	
ix WORKING CAPITAL	
x NET ASSETS	
xi FINANCIAL INFORMATION	
xii CAPITALISATION AND INDEBTEDNESS	
■ PART 2: TAXATION CONSIDERATIONS FOR INVESTORS	26
■ PART 3: CONDITIONS TO BE MET BY VENTURE CAPITAL TRUSTS	28
■ PART 4: ADDITIONAL INFORMATION	30
■ PART 5: DEFINITIONS	40
■ PART 6: APPLICATIONS FOR FORESIGHT SOLAR SHARES	43
TERMS AND CONDITIONS OF APPLICATION	
LODGING OF APPLICATION FORMS AND DEALING ARRANGEMENTS	
APPLICATION PROCEDURES	
APPLICATION FORM	
■ CORPORATE INFORMATION	49

SUMMARY

KEY INFORMATION

This summary conveys the essential characteristics and risks associated with Foresight Solar VCT and the Shares and should be read as an introduction to the Prospectus. Any decision to invest should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the risk factors information contained in this Prospectus is brought before a court, the claimant investor might, under the national legislation of the EEA states, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches to those persons who are responsible for this summary, but only if the summary is misleading, inaccurate or inconsistent when read together with other parts of the Prospectus.

Investment policy

Foresight Solar VCT will invest mainly in unquoted companies that generate electricity from solar power systems and benefit from long-term government-regulated price guarantees. In the UK, the 25-year inflation-protected guaranteed prices for electricity from qualifying solar power systems introduced in April 2010 (known as “Feed-in Tariffs” or “FITs”) are expected to lead to rapid growth in this sector and attractive returns for investors.

Managed by the sector leader

Foresight stands out among VCT managers because it has been focusing on solar power projects for several years. Since establishing its solar power team in 2007, the firm has invested in solar power projects with a total transaction value of more than £150 million, demonstrating its ability to source opportunities, arrange bank finance and complete investments. The current portfolio of Foresight’s first solar fund has total forecast generating capacity of 29 megawatts. Foresight’s achievements in the environmental arena were recognised in 2009 by an award as New Energy Investor of the Year. Foresight has managed VCTs for more than 12 years, and in 2009 was named Venture Capital House of the Year.

Tax benefits

As a UK income taxpayer, you will be entitled to claim upfront VCT tax relief, through a reduction in your income tax bill for the tax year in which you make your investment in Foresight Solar VCT. The reduction is equal to 30% of your investment, but is limited to the amount of your income tax liability. VCT relief may be withdrawn if you make a disposal of your shares within five years of their issue to you. If you meet the criteria and you invest £20,000 in Foresight Solar VCT, your income tax bill would be reduced by £6,000, so that your investment would effectively only cost you £14,000. This means that you could see an unrealised uplift of 35% on your net investment before Foresight Solar VCT makes its first investment. In addition, dividends paid by Foresight Solar VCT and capital gains on the Shares are both currently exempt from UK tax.

The Offer

It is proposed to allot pursuant to the Offer between 3 million and 40 million Shares to the public during the 2010/11 and 2011/12 tax years. The Shares will be offered at 100p per Share payable in full. The Offer will be open on 31 August 2010 until the earlier of 2:00pm on 30 June 2011 and the date on which the maximum subscription is reached (or such other time as may be determined by the Directors), not being later than 30 June 2011. Application will be made to the UK Listing Authority for the Ordinary Shares issued pursuant to the Offer to be admitted to the Official List and to the London Stock Exchange for admission to trading on its market for listed securities.

How to invest

An Application Form is attached at the end of this prospectus. The minimum investment is £3,000. Although there is no maximum size of investment, VCT tax reliefs are available on a maximum VCT investment of £200,000 per individual in any one tax year.

Risk factors

Although the tax benefits available to investors in Foresight Solar VCT are significant, there are a number of material risk factors of which investors should be aware:

- There can be no assurances that Foresight Solar VCT will meet its objectives, identify suitable investment opportunities or be able to diversify its portfolio. Please remember that the past performance of Foresight is no guide to future performance and that the value of an investment into Foresight Solar VCT may fall as well as rise and an investor may not receive back the full amount invested.
- There can be no guarantee that Foresight Solar VCT will qualify as a VCT or that such status will be maintained which could lead to adverse tax consequences for investors, including a requirement to repay the 30% income tax relief.
- Investors may find it difficult to realise their investment in Foresight Solar VCT and the price at which the Shares are traded may not reflect their net asset value. Investments made by Foresight Solar VCT 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.



RISK FACTORS

ALTHOUGH THE TAX BENEFITS AVAILABLE TO INVESTORS IN FORESIGHT SOLAR VCT ARE SIGNIFICANT, THERE ARE A NUMBER OF RISKS WHICH INVESTORS SHOULD CONSIDER CAREFULLY IN ADDITION TO THE OTHER INFORMATION PRESENTED IN THE PROSPECTUS AS A WHOLE

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

- The value of the Shares and the income from them can fluctuate and investors may not get back the amount they invested. In addition, there is no certainty that the market price of the 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. Investment in the Company should be seen as a long term investment.
- The past performance of other funds managed by Foresight, the investment manager to the Company, is not necessarily an indication of the future performance of the Company.
- The net asset value of the Shares will reflect the values and performance of the underlying investments in the portfolio. The value of the investments and income derived from them can rise and fall.
- Investee companies may be affected by divergence between forecast and actual levels of solar radiation, or by changes in legislation, or by changes in the rates of Feed-in Tariffs, interest, inflation, foreign exchange or tax, or by changes in prices of solar panels and other capital equipment, energy, or financing, or by changes in labour, maintenance, safety or other operating costs, or by operating and technical risks, including risk of mechanical breakdown, failure to perform according to design specifications, failure to obtain accreditation and registration with Ofgem for PV installations, unavailability of grid connection, labour and other work interruptions and other unanticipated events that adversely affect operations.
- It is expected that major suppliers of solar panels will guarantee the efficiency of their equipment over long periods. Investments will only be made in Investee Companies where Foresight believes that any relevant counterparties are, and will remain, financially strong but such judgements on the part of Foresight necessarily involve risk and uncertainty because they relate to future events and circumstances which may affect the financial strength of counterparties. It is possible that counterparties could go bankrupt or be unable to meet guarantee obligations. If a counterparty collapses or if its financial strength deteriorates then any guarantee obligations to Investee Companies may become worthless.
- The standard UK conditions of electricity supply licences, as recently modified by the UK Secretary of State, provide that from the date on which the owner of an eligible PV Solar System is entered in the register maintained by The Gas and Electricity Markets Authority in the UK the relevant electricity supplier must commence Feed-in Tariff payments at the rates provided for in the FIT Scheme from the next payment cycle or the date on which standard terms are agreed between the owner and that electricity supplier. UK electricity suppliers cannot impose conditions on an owner of a PV Solar System which are additional to or more onerous than those that are necessary to enable the electricity supplier to meet its obligations under the FIT Scheme. This amounts effectively to a UK government guarantee of the long term prices provided for in accordance with the FIT Scheme. However, the UK government does not guarantee the solvency of electricity suppliers and if an electricity supplier were to collapse or if its financial strength deteriorates then its obligations to owners under the FIT Scheme may become worthless. It is believed that the same solvency risk is likely to exist in relation to overseas Feed-in Tariffs.
- Investee companies may incur unplanned costs and delays as a result of statutory and regulatory requirements, including those imposed by environmental, safety, labour and other regulatory and political authorities, or where construction operations do not proceed as planned, or where insurance is not adequate or as to which inadequate reserves had been established, risks arising out of the presence of certain construction materials, force majeure acts, terrorist events, or other operating risks.
- The level of returns from investments may be less than expected if there is delay in the investment programme, such that all or part of the net proceeds of the Offer are held in cash or near cash investments for longer than expected, or if the returns obtained on investments are less than planned, or if investments cannot be realised at the expected time and values. There can be no guarantee that suitable investment opportunities will be identified in order to meet the Company's objectives.
- Although it is anticipated that the Shares will be admitted to the Official List of the UK Listing Authority and traded on the London Stock Exchange's market for listed securities, it is likely that there will not be a liquid market as there is a limited secondary market for VCT shares, due in part to the holding period required to maintain up-front income tax reliefs, and investors may find it difficult to realise their investments.
- If the Company lacks sufficient cash reserves to support the Zero Discount Buyback Policy and during Prohibited Periods when the Company is unable to purchase its own shares the

market price of the Shares may not fully reflect, and will tend to be at a discount to their underlying net asset value. Such a discount may be exacerbated by the availability of income tax relief on the issue of new VCT shares.

- The target tax-free return to investors in Shares of 130p per Share is not guaranteed and there is no certainty as to the amount or timing of Distributions. If any of the Company's investments fail to yield the returns expected, there could be a shortfall or delay in Distributions. In addition, if there is a change in VCT legislation or the interpretation of existing VCT legislation, such that the payment of Distributions would have an adverse effect on the Company's VCT status, then such Distributions may not be made.
- The Company may not be able to fully realise sufficient of its investments between the fifth and sixth anniversaries of the closing date of the Offer, with the result that Distributions to investors could be delayed. Foresight will manage the portfolio with the aim of allowing every Shareholder to realise their shareholding at a zero discount to the Net Asset Value (less transaction costs if any payable to market makers and stockbrokers) after the five year minimum holding period and before the sixth anniversary of the final closing date of the Offer, except to the extent that Shareholders exercise the Individual Roll-Over Option described on page 21.
- Interest income received by the Company and attributable to the Shares can only be sheltered from corporation tax to the extent that the total interest income received by the Company does not exceed total revenue expenditure available for offset in the calculation of its tax liabilities. If total interest income exceeds total revenue expenditure the Company will be liable to pay corporation tax.
- While it is the intention of the Directors that the Company will be managed so as to continue to qualify as a Venture Capital Trust, 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.
- The information, including tax rules, contained in this document is based on existing legislation. The tax rules or their interpretation in relation to an investment in the Company and/or the rates of tax, or other statutory provisions to which the Company is subject, may change during the life of the Company and such changes could be retrospective.
- If an investor who subscribes for Shares disposes of those Shares within five years, the investor is likely to be subject to claw back by HM Revenue & Customs of any income tax relief originally obtained on subscription.
- Although the Company may receive conventional venture capital rights in connection with its investments, as a minority investor it may not be in a position fully to protect its interests.
- Investment in smaller and unquoted companies is likely to involve a higher degree of risk than investment in larger companies and those traded on the main market of the London Stock Exchange. Smaller companies generally may 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 may not be regulated and are often less liquid, and this may cause difficulties in valuing and disposing of equity investments in such companies.
- Whilst it is intended that part of the net funds raised under the Offer should be invested in secured loans, it is possible that in the event of a default the Company may recover less than the amount lent notwithstanding that it might hold security.
- Realisation of investments in unquoted companies can be difficult and may take considerable time. There may also be constraints imposed on the realisation of investments in order to maintain the VCT status of the Company which may restrict the Company's ability to obtain maximum value from its investments or to achieve the intended timing of Distributions. To be qualifying holdings, VCT funds raised after 5 April 2006 must invest in smaller companies with gross assets of not more than £7 million prior to the investment and £8 million post investment. In addition, to be qualifying holdings, VCT funds raised after 5 April 2007 must invest in companies which have no more than 50 full time (equivalent) employees and do not obtain more than £2 million of investment from VCTs, companies under the corporate venturing scheme and individuals claiming relief under the Enterprise Investment Scheme in any rolling 12 month period.
- Where more than one of the funds managed or advised by Foresight (a "Foresight Fund") wishes to participate in an investment opportunity, allocations will generally be made in proportion to the net cash raised for each such fund, other than where investments are proposed to be made in a company where one or more Foresight Funds has a pre-existing investment where the incumbent investor will have priority. Implementation of this policy will be subject to the availability of monies to make the investment and other portfolio considerations such as portfolio diversity and the requirement to achieve or maintain a minimum of 70% of the Company's portfolio in Qualifying Companies. This may mean that the Company may receive a greater or lesser allocation than would otherwise be the case under the normal co-investment policy.
- Where the Company invests in companies in which other Foresight Funds have invested or subsequently invest, conflicts of interest may arise. The Directors will exercise their independent judgement to manage any such conflicts for the benefit of the Company.



EXPECTED TIMETABLE, STATISTICS AND COSTS

Indicative Offer timetable

Offer opens	31 August 2010
Early investor priority periods	31 October 2010 and 31 January 2011
Closing date for 2010/2011 tax year	5 April 2011
Offer closes	30 June 2011
Allotments	Monthly
Effective date for the listing of the Offer Shares	Three Business Days following allotment and commencement of dealings
Share certificates and tax certificates to be despatched	Within ten Business Days of allotment

The Directors reserve the right to extend the closing date of the Offer or to increase the size of the Offer at their discretion. The Offer will close earlier than the date stated above if it is fully subscribed or otherwise at the Directors' discretion.

Offer statistics

Offer Price per Share	100p
Maximum number of Shares in issue following the Offer	40,000,000*
Minimum number of Shares in issue following the Offer	3,000,000
Initial Net Asset Value per Share*	94.5p
Net proceeds of the Offer, after issue costs, at full subscription	£37,800,000

*(based on a 100p subscription price less expenses of the Offer of 5.5p per Share and ignoring additional Shares allotted to early investors)

Costs and commissions relating to the Offer

Offer costs as a percentage of the gross proceeds**	5.5%
Initial commission to intermediaries** (included in the 5.5% Offer costs)	3%
Annual commission to intermediaries (subject to a maximum cumulative payment of 3%)	0.5%

** (excluding annual trail commission)

LETTER FROM THE CHAIRMAN OF FORESIGHT SOLAR VCT PLC

31 AUGUST 2010

DEAR INVESTOR

The economics of generating solar electricity in the UK were transformed in 2010 by the introduction of government-regulated "Feed-in Tariffs" which guarantee 25 year inflation-linked prices for electricity generated by qualifying solar power systems (the "Fit Scheme"). Similar measures introduced previously in countries such as Germany, Spain and Italy have attracted great interest among private investors, and we believe that the ability to invest in the solar sector through a VCT offers unique benefits to UK investors. We have therefore decided to launch this new VCT which will aim to deliver an attractive combination of high income, capital growth and lower risk.

Managed by the VCT leader in the solar sector

Foresight stands out among VCT managers because it has been focussing on solar power projects for several years. Since establishing its solar power team in 2007, the firm has invested in solar power projects with a total transaction value of more than £150 million, demonstrating its ability to source opportunities, arrange bank finance and complete investments. The current portfolio of Foresight's first solar fund has total forecast generating capacity of 29 megawatts.

Foresight's team of 11 environmental investment managers has been assembled gradually, allowing time to integrate their experience in renewable energy investing and operational management with Foresight's traditional strengths in private equity and VCT management. Foresight has presence and credibility in each market targeted by Foresight Solar VCT with native language speakers based in the UK, Italy and Spain. Foresight's achievements in the environmental arena were recognised in 2009 by an award as New Energy Investor of the Year.

Foresight has been managing VCTs for more than 12 years and was responsible for the best performing VCT ever. As well as launching its own funds Foresight has also won the support of the independent boards of five other VCTs to take over the management role in place of the incumbent managers. Foresight was named Venture Capital House of the Year at the November 2009 Unquote British Private Equity Awards.

Sustainable investing

In order to promote low-carbon energy, the UK Government and some other European countries have legislated to create the incentive of Feed-in Tariffs which amount in effect to a government guarantee of long-term prices. In the UK alone, these incentives are expected to be worth over £3 billion to the renewable electricity industry in the period to 2020. Foresight Solar VCT aims to enable individuals to be part of that industry and to benefit from the predictable revenue streams possible from Feed-in Tariffs, which in the UK are inflation-adjusted in line with the retail prices index.

Foresight believes that solar power projects are particularly attractive for investors because the prices for electricity under the FIT Scheme are effectively guaranteed by the government for 25 years and the technology involved is well-proven and reliable. The FIT Scheme also rewards solar electricity production above all other renewable sources, reflecting its higher capital cost and allowing for relative differences in energy yield.

Dividend policy supported by index-linked high income

Investing in solar power generation has the potential to deliver cash yields to Foresight Solar VCT in the region of 8%-10% annually. Allowing for a gradual build up of income as the net cash raised under the Offer is deployed over the first two years, Foresight Solar VCT is targeting minimum dividends to Shareholders of at least 5p per year from index-linked income, with the first full half-year dividend paid in October 2012. If the planned level and timing of dividends is achieved, then an investor benefiting from the full VCT tax reliefs would (on the basis set out on page 26 of this document) achieve a gross equivalent annual cash yield of 10.6%, or 12.4% if the investor's top marginal rate of tax is 50% rather than 40%.

Planned exit with Individual Roll-Over Option

The Board's aim is to provide more predictable investment returns than VCTs have traditionally offered and to provide a planned exit after the five year minimum holding period. Our objective is to realise all investments between the fifth and sixth anniversaries of the final closing date of the Offer and to pay Distributions of at least 130p to investors before the sixth anniversary. If the planned level and timing of Distributions is achieved, then an investor benefiting from the full VCT tax reliefs would (on the basis set out on page 26 of this document) achieve a tax-free cash profit of 86% of their net cost of investment, and a gross equivalent compound annual return of 19.6% per annum (for a 40% taxpayer) or 23.5% per annum (for a 50% taxpayer).

We believe that some investors may wish to stay invested for the longer term to take advantage of the potential stream of future dividends from the 25-year income profile of solar power assets, so we have introduced an innovative Individual Roll-Over Option. This will allow each investor to tell us, at any time over the next four years, whether he or she wishes to stay invested, or to exit as planned. Foresight intends to manage Foresight Solar VCT's investments to provide the necessary flexibility consistent with meeting each investor's preference to exit or remain invested for the long-term.

Zero discount buyback policy

Discounts to net asset value have been a perennial problem for VCT investors and so we have adopted what we believe is the leading edge best practice to minimise any discount. Subject to adequate liquidity our policy will be to buy back Shares in the market at a zero discount to their net asset value (to the extent practical and permissible and subject to transaction costs payable to market makers and stockbrokers). We hope that the zero discount buyback policy will help to establish VCTs as a mainstream investment option that investors can consider as part of their retirement planning and wealth management strategy.

Fair charges and low costs

The annual management charge for this VCT will be 1.5%. We want to incentivise the management team to deliver the best possible returns, so we are introducing a stepped performance incentive. Foresight will be entitled to 20% of Distributions in excess of 100p per share until total distributions reach 130p per Share and 30% above that level. The performance incentive will not be paid to Foresight until Shareholders have received total Distributions of 100p per Share.

Larger VCTs tend to benefit from spreading administration costs over a larger asset base. For this reason we have set the Offer at £40 million, so that at full subscription the total expense ratio is expected initially to be 2.9% (calculated before any performance incentive to Foresight). Further details are set out on page 23 of this document.

Substantial tax benefits reduce risk

The 30% income tax relief, available subject to an investor's personal circumstances, on subscriptions of up to £200,000 per individual in any one tax year under the Offer, creates a cushion against loss of capital, because the initial Net Asset Value of Foresight Solar VCT Shares after the costs of the Offer will be 94.5p for every 70p of net investment cost (after tax relief at 30%). This means that, for an investor who is able to claim income tax relief in full, even a fall in the Net Asset Value of 25% would not result in a capital loss to the investor, provided that the Net Asset Value can be fully realised and returned to them. Further details of the tax benefits are described on page 26.

VCTs are one of a very small number of tax-efficient investment schemes officially sanctioned by HM Revenue and Customs. As a result, the risk of the tax benefits being lost or reduced after an investment is made appears low but investors should note, in particular, that they will need to hold their Shares for the five year minimum holding period to retain the benefit of income tax relief at 30%.

Next steps

In order to invest, please read the Prospectus and then complete the Application Form, which you will find at the end of this document. If you have any questions regarding this investment, please contact your financial adviser or call Foresight on 01732 471800. Please note that Foresight is not able to give investment advice. Please also read the risk factors set out on pages 6 and 7 of this document.

Investors who subscribe early under the Offer will help us to make this venture successful. Early investors can therefore receive an additional allocation of Shares equal in number to 2% of the amount they subscribe divided by the Offer Price for subscriptions received on or before 31 October 2010. Later investors will also receive an additional allocation of Shares equal in number to 1% of the amount they subscribe divided by the Offer Price provided they subscribe on or before 31 January 2011. These additional allocations will be financed by Foresight accepting equivalent reductions in the promoter's fee.

I hope that this ground-breaking VCT will be attractive to a wide range of investors, not only among the 10,000 shareholders in existing Foresight VCTs but perhaps even for investors who are coming to VCTs for the first time. I look forward to welcoming you as a Shareholder.

Yours sincerely

John Maples
Chairman

Registered Office: ECA Court, 24-26 South Park, Sevenoaks,
Kent TN13 1DU Company Number: 7289280



AN INTRODUCTION TO SOLAR POWER INVESTING

Enough solar energy reaches the earth every hour to meet the world's energy consumption for a whole year. After 40 years of development, the technology to harness some of this energy in the form of electricity is tried and tested and familiar to many people from the images of solar panels published in so many newspapers, magazines and online. It is generally a more expensive way to generate electricity than the burning of fossil fuels, but enjoys government financial support as part of the drive to reduce greenhouse gas emissions by building renewable energy generating capacity.

The European Union decided many years ago to promote renewable energy as part of the response to climate change. Over the last 10 years, Germany, Spain and Italy among others have demonstrated how massive private sector investment in renewable energy can be unleashed by long term price guarantees. In 2010 the UK finally adopted a similar price incentive, called "Feed-in Tariffs" or "FITs" (the "FIT Scheme"), which effectively guarantees an inflation-linked price for electricity generated by qualifying PV Solar Systems for 25 years.

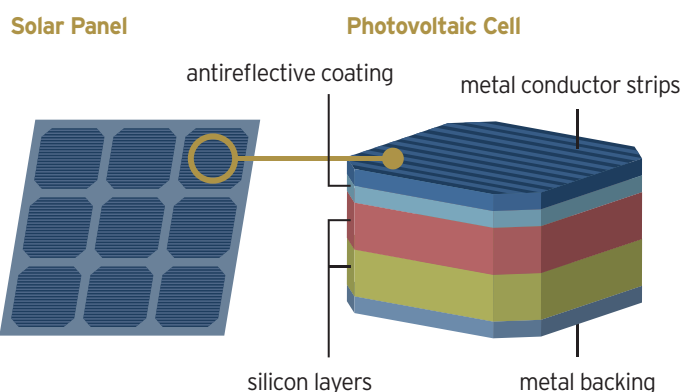
Foresight believes that solar power generation supported by FITs is attractive for investors in a time of economic uncertainty and government spending austerity. Demand for solar electricity in the UK is not dependent on a general economic recovery and is expected to grow at rates well above GDP growth. In the UK, FITs are paid by utilities (the licensed electricity supply companies) and not by the government. For this reason, Foresight believes that pressure on government spending will have little effect on the UK solar power opportunity. The UK government has committed to source 15% of all of the UK's energy needs from renewable sources by 2020 and this commitment implies a need for investment of an estimated £100 billion, part of which is expected to be directed to solar power. Spain, Italy and other EU countries have similar commitments.

Having invested in solar power installations in Spain and Italy over the last 3 years, Foresight understands the exciting opportunities that Feed-in Tariffs can unlock for private investors. Foresight has already established relationships with installers, banks and other key counterparties and created a pipeline of investment opportunities. With a 3-year track record of investing in solar power projects and an in-house team of experts in project finance, procurement and operations, Foresight intends to play a leading role in opening the solar power opportunity to private investors.

Many people are aware of solar power but have questions about how it works, whether it is economic or how investors can profit from it. This introduction to solar power investing is intended to answer some of the more common questions. It does not seek to provide all the information necessary to invest successfully in solar power and does not constitute advice in relation to the Offer.

What is solar power?

The building blocks of a solar power generator are **photovoltaic cells**, typically made of semiconductor material such as crystalline silicon, which converts light into electricity. Packaging a number of these photovoltaic cells into a frame, with a sheet of glass on the front to protect the semiconductor wafers from weather and physical damage, creates a **solar panel** of the sort so often depicted in the media. A typical photovoltaic solar power system will comprise a number of panels connected together and linked to an **inverter**, a standard item of electrical equipment that converts the direct current generated by the panels into alternating current, the form of electricity supplied through the mains electricity supply. Panels may be mounted on rooftops or on the ground, and may be fixed or track the sun. Large numbers of PV Solar Systems have already been installed, mostly in other EU countries using crystalline silicon based panels. Systems of this type are the main focus for Foresight Solar VCT and are referred to in this introduction to solar power investing as "**PV Solar Systems**".



What about watts?

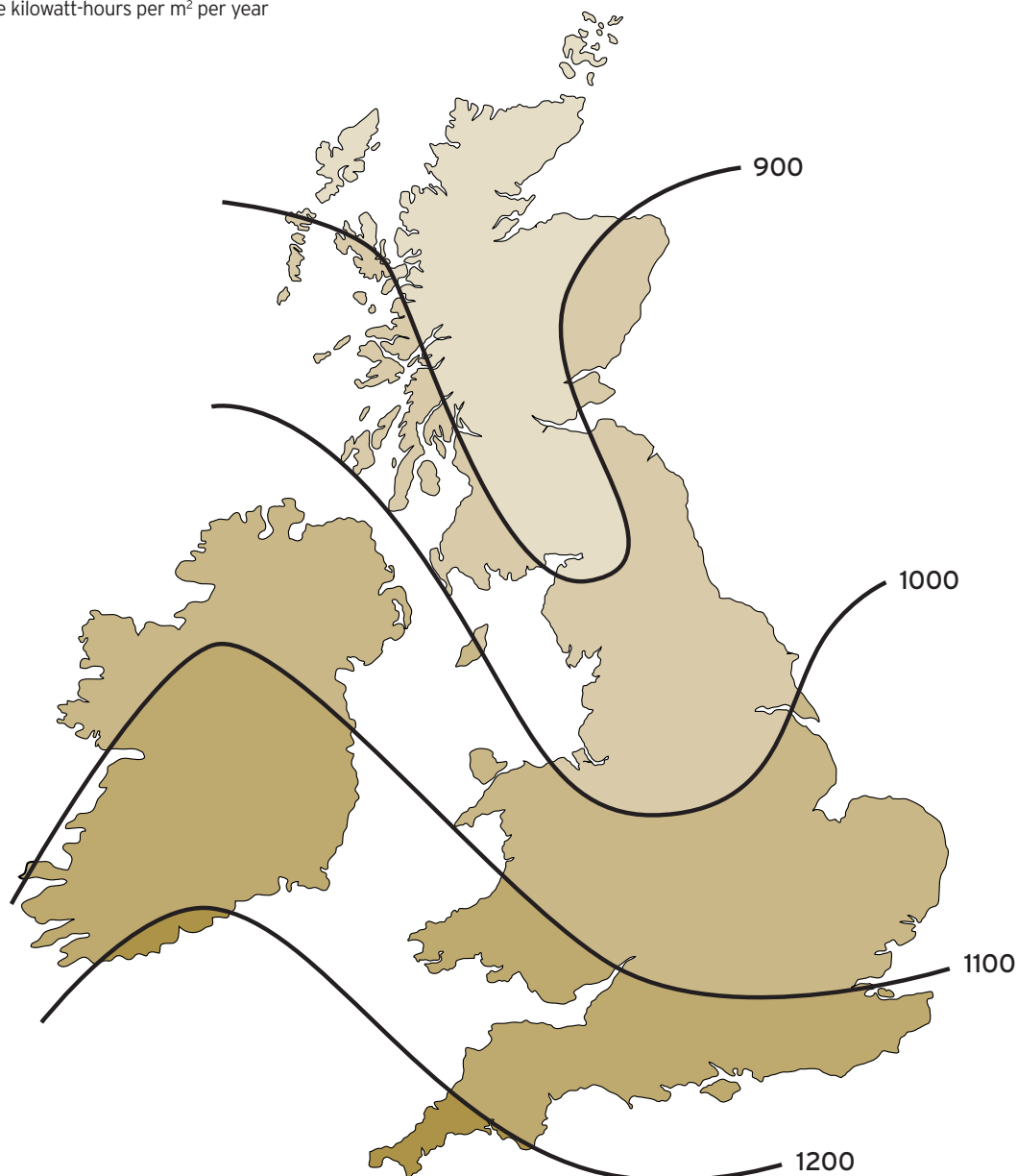
To calculate the potential revenue that a PV Solar System can generate, we need to know both the value of each unit of electricity and the number of units that can be expected to be generated each year, termed "**annual output**" and measured in "**kilowatt-hours**" or "**kWh**". Annual output is a function of a PV Solar System's peak capacity (measured in "**kilowatts peak**" or "**kWp**"), the amount of solar energy reaching its panel(s) (called "insolation"), and a performance factor that allows for the alignment of the panels in relation to the sun, as well as the temperature and other factors.

A typical, well-sited PV Solar System in the UK can produce an estimated annual output of 900 kilowatt-hours of electricity for every 1 kilowatt of peak capacity. Capacity is related to the physical size of the panels and the efficiency with which they convert solar energy into electricity. Efficiency is typically guaranteed by the panel manufacturer.

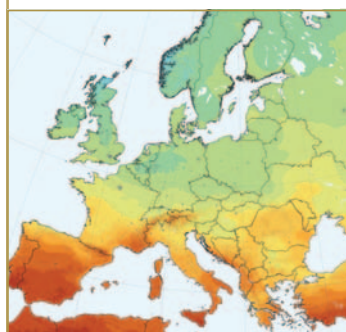
Annual output is forecast using meteorological data for average monthly sunlight levels for different geographical areas, allowing for weather and the number of daylight hours. Foresight's experience suggests that estimates properly based on this data are reliable.

Insolation - solar energy reaching the UK

Units are kilowatt-hours per m² per year



Source: Design of Feed-in Tariffs for Sub-5MW Electricity in Great Britain, quantitative analysis prepared for Department for Energy and Climate Change, July 2009



Vital statistics for some examples of PV Solar Systems:

	Capacity in kW peak	Output in kilowatt-hours annually*		
		UK	Italy	Spain
School rooftop	100	86,900	135,000	140,000
Warehouse rooftop	300	260,700	405,000	420,000
Ground-mounted	2,000	1,738,000	2,700,000	2,800,000

*Based on data from the Photovoltaic Geographical Information System ("PVGIS") for London, Brindisi (Italy) and Toledo (Spain)

Is the equipment reliable?

PV Solar Systems have few moving parts and operate over long periods with minimal maintenance. The UK Government has stated that “PV is easier to deploy than other technologies and carries less risk to the investor since it is a tried and tested technology”. Research by the independent EU Energy Institute suggests that more than 90% of the solar panels on the market 10 years ago remain capable of performing well after 30 years of life, albeit with a slight drop in performance.

The major suppliers of solar panels usually guarantee the efficiency of their equipment over long periods. Typical guarantees underpin 90% of the rated efficiency for 10 years and 80% for the remaining 15 years. The top ten suppliers worldwide of photovoltaic solar panels in 2009 were First Solar, Suntech, Sharp, Yingli, Trina Solar, Sunpower Corporation, Kyocera Corporation, Canadian Solar Inc., SolarWorld AG and Sanyo Electric.

PV Solar Systems owned by investee companies of Foresight Solar VCT will generally be installed and maintained by specialist contractors, who may also provide guarantees to supplement the core equipment guarantees. Such guarantees and contracts are of course subject to normal commercial limitations.

Why is solar power interesting now?

The UK Government has recently decided to follow the lead set by other EU countries and in April 2010 implemented the new “FIT Scheme”. The FIT Scheme effectively guarantees inflation-linked prices for electricity produced by qualifying PV Solar Systems for 25 years, at a level which has been calculated to offer attractive returns on investment. Similar schemes introduced in Germany, Spain for several years and Italy a number of years ago stimulated major investment in the sector. Foresight has been investing in solar power projects in Italy and Spain for several years and believes that the UK FITs will drive a wave of investment which Foresight Solar VCT can exploit.

Getting FIT

The Energy Act 2008 introduced powers for the Secretary of State to implement the FIT Scheme. These powers were exercised to modify the standard UK conditions which govern the supply of electricity by electricity suppliers. The FIT Scheme requires licensed electricity suppliers to pay the owner of any PV Solar System who complies with the FIT Scheme a “Generation Tariff”, effectively a guaranteed inflation-linked premium payment on every unit of electricity generated at the rates provided for in Annex 2 to the licence modifications laid before Parliament under section 42(3) of the Energy Act 2008 by the Secretary of State in April 2010. In addition, the owner is free to use or sell the electricity separately, either at a guaranteed price initially set at 3p per kilowatt-hour (the “Export Tariff”) or in the open market, where prices have been around 6p per kilowatt-hour. Assuming moderate to high demand, research published by

the UK Government suggests that traded electricity prices may rise by 5-14% in total between 2010 and 2020 depending on the level of investment in supply, potentially increasing revenues to the owners of PV Solar Systems. Both the Generation Tariff and the Export Tariff are index-linked to the Retail Prices Index in order to maintain the real value of the tariff revenue streams over time.

Compliance with the FIT Scheme requires the owner of an eligible PV Solar System to agree standard terms and conditions relating to participation in the FIT Scheme. An electricity supplier cannot impose conditions on an owner of a PV Solar System which are additional to or more onerous than those that are necessary to enable the electricity supplier to meet its obligations under the FIT Scheme. Owners must also be entered in the register maintained by The Gas and Electricity Markets Authority in the UK pursuant to The Feed-in-Tariffs (Specified Maximum Capacity and Functions) Order 2010 (SI 2010 678).

The Generation Tariff depends on the capacity of the PV Solar System and the date on which it is installed. Smaller systems get a higher price to compensate for the lower economies of scale, while later installations get a lower price to match an expected fall in the capital cost of PV Solar Systems as the market grows. The FIT Scheme is not available for PV Solar Systems with a net capacity of more than 5 megawatts peak.

Generation Tariff in pence per kilowatt hour	Installation date:	
	Up to 31.3.2012	1.4.2012-31.3.2013
4kW or less	41.3	37.8
Over 4kW up to 10kW	36.1	33
Over 10kW up to 100kW	31.4	28.7
over 100 kW to 5 MW	29.3	26.8

This table does not show all tariffs under the FIT Scheme

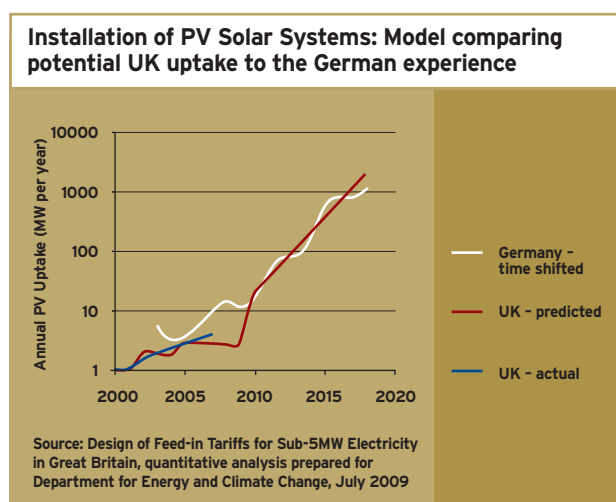
The revenue potentially available to the owner of a PV Solar System under the FIT Scheme is calculated by combining the annual output multiplied by the Generation Tariff (which is effectively a renewable energy bonus) with the annual output multiplied by the Export Tariff (the price at which the electricity will actually be sold).

Is solar power economic, particularly in the UK?

The long-term prices, effectively guaranteed under the FIT Scheme, are deliberately set high enough to provide an attractive return on investment after taking into account the system cost, sunlight available and other factors which vary by location. The potential economic returns to owners of PV Solar Systems that are properly installed in appropriate locations are well-documented. Foresight expects early investment in UK PV Solar Systems to be focused in the south and where economies of scale are available on installation, for example in larger rooftop and ground-mounted systems or where the installer can roll-out a standardised system on multiple smaller rooftops under a single agreement.

What can we learn from experience in other EU countries?

The potential effect of FITs is illustrated by the German experience, where the growth rate of the PV solar industry averaged 70% per year over several years under the German Feed-in Tariff scheme. Research published by the UK Government suggests that spare supply capacity in other countries both in manufacturing and installation of PV Solar Systems could be used to meet rapidly growing UK demand. For this reason, if the FIT Scheme stimulates sufficient demand, the rate of installation in the UK could reach 50 MW peak in the first year of the policy, more than five times the rate achieved previously. During the growth of the solar industry in Germany, much larger year on year increases in sales occurred in individual years.



How big is the market opportunity?

In the UK, investment of over £170 billion would theoretically be required at current prices to exploit the potential PV solar generating capacity of around 70 million kWp as estimated by Foresight on the basis of advice provided to the UK Government. Taking into account the various practical constraints, such as funding, planning permission and resource availability at equipment manufacturers and installers, Foresight estimates a funding requirement in 2011/12 of £750 million in the UK and close to £10 billion including Italy and Spain.

In estimating the funding requirement, Foresight has taken account of expected changes in the Spanish Feed-in Tariff scheme and uncertainty concerning potential retrospective tariff reductions.

How long will it take to get the fund invested?

Foresight plans to invest the fund by April 2012, in order to take advantage of the highest UK guaranteed prices. Foresight's pipeline totalled over £418 million of potential investment in July 2010 and is expected to grow significantly during the period of the Offer.

In order fully to invest the net cash raised under the Offer, assuming gross funds raised of £40 million, Foresight believes that it will need to source opportunities with a total investment volume of between £38 million and approximately £125 million depending on the level of third-party lending used. This represents a small part of the estimated financing opportunity in the UK, Italy and Spain during the target investment period.

How does Foresight source investments?

Foresight sources solar investment opportunities through partnering relationships with installers, operators and developers and from its network of contacts with property owners and professional advisers. In the UK there are more than 300 installers accredited under the Microgeneration Certification Scheme, ranging from large and well-established companies to smaller and younger businesses. If the UK market for solar power expands as predicted, installers, developers and operators have the opportunity to grow rapidly, a growth that could be constrained by lack of finance for investment. As a provider of such finance, with a track record in the solar industry, Foresight can be an attractive partner for such businesses. Foresight has already worked effectively with installers and operators in Italy and Spain and is building similar relationships with installers in the UK.

What returns can be expected from the portfolio?

Foresight aims to achieve returns sufficient to cover the stated dividend policy and expenses on an annual basis and to exceed the target for total return of 130p over 6 years. In order to achieve these returns, Foresight will focus on 3 key aspects of the selection and management of PV Solar Systems:

Minimising system cost - one of the main determinants of returns is the installed cost of PV Solar Systems, the key element of which is module cost, which fell significantly during 2009/2010. Foresight Solar VCT will seek to minimise installed cost, subject to obtaining appropriate guaranteed quality.

Selecting locations - Foresight expects returns to be higher for a PV Solar System located in an area with more solar radiation than the UK average, for example in southern England, or for a PV Solar System sized towards the upper end of the size bands set for the UK.

Leverage and realisation - calculated returns can be boosted by leveraging Foresight Solar VCT's investment with third-party lending and by selling assets at the end of the planned exit period to buyers willing to accept a lower future yield on the investment. Foresight has secured significant levels of banking finance for solar power investments during and since the credit crisis and has wide experience of realising investments.

Returns from Foresight Solar VCT's portfolio will also depend on a number of other factors, including the timing of deployment of the funds raised and the level of UK inflation.

How can Foresight Solar VCT realise investments to achieve the planned exit?

Foresight believes that operational solar power assets will be attractive to utilities, pension funds, insurance companies and other investors and will be readily marketable within the planned exit timeframe. Where Foresight does not control investee companies, it typically seeks to agree a timetable for exit with other stakeholders before investing. Refinancing potentially offers an alternative route to liquidating part of the value of the portfolio.

How will investments be structured?

Foresight Solar VCT will seek to provide funds in the form of loans, shares with a preferred right to dividends and ordinary shares. These structures are designed to give Foresight Solar VCT the benefit of income yield priority over other stakeholders, whilst sharing the potential for over-performance with installers or developers that help to create investment opportunities for Foresight Solar VCT.

What competition will Foresight face?

Foresight has demonstrated its ability to compete successfully in the solar sector in Spain and Italy and believes that its in-house sector expertise, track record and entrepreneurial approach provide a powerful competitive advantage in many situations. A variety of other investors are or will become active in the UK, Italy and Spain and may compete to provide equity finance. In some cases, equity finance for the installation of PV Solar Systems may be provided by the owner or occupier of the building or land, by a utility or by the installer or even the equipment manufacturer.

Will the guaranteed prices fall in future?

Under the FIT Scheme, the Generation Tariff applying to each PV Solar System will increase in line with the Retail Prices Index each year from the date of installation for 25 years. The UK Government has expressed the intention not to change the Generation Tariff in respect of systems already installed at the time of any future change in the scheme.

The Feed-in Tariffs under the FIT Scheme do reduce over time, but these lower prices apply to later installations and not to PV Solar Systems installed in the initial periods. Foresight believes that a change to the prices guaranteed under the FIT Scheme is very unlikely before the first official review, which is scheduled to take effect in 2013.

Will the opportunity be affected by cuts in government spending?

The long-term prices, set by the FIT Scheme are not paid by the UK Government. Instead, UK legislation requires the major electricity suppliers to pay owners of PV Solar Systems directly. The costs are spread among all licensed electricity suppliers, and may be passed on to consumers as part of the normal bill for electricity consumption.

What if there's a double-dip recession?

In Foresight's view, the drivers of solar power investment are not related to general economic trends. The financial case for investment is based on the commitment of the EU to renewable energy, reflected in legally binding EU directives under which the UK has committed to source 15% of all energy from renewable sources by 2020. This target implies new investment of around £100 billion in the UK alone, some of which is expected to be directed to solar power.

If some of the investments will be outside the UK, is there a currency risk?

Foresight expects to hedge currency exposure for any solar power investments outside the UK funded by Foresight Solar VCT, in order to protect investors from currency movements against the pound sterling. For UK investments, depreciation of the pound sterling against the US dollar or the Euro would tend to increase equipment prices, potentially reducing the returns from investments made after such depreciation.

Is there a shortage of equipment?

Shipments of solar panels reached a record level in the final quarter of 2009 as suppliers increased production to serve booming European markets such as Germany, Italy, France and the Czech Republic. Foresight expects additional manufacturing capacity coming on stream to increase supply to the UK market. Solar panel prices have fallen and if growth in Germany slows in 2011 as some commentators expect there could be an oversupply of panels.

Is planning permission a problem?

The Town and Country Planning (General Permitted Development) (Amendment) (England) Order 2008 removed the need for planning permission in England for domestic rooftop PV Solar Systems, with limited exceptions. Non-domestic and ground-mounted installations usually require planning permission, but Foresight expects planning authorities to be supportive, on the basis that PV Solar Systems may have less impact on the local environment than other renewable energy technologies (with the possible exception of ground source heat pumps which may also have little visual impact).

PART 1: THE OFFER

INTRODUCTION TO THE OFFER

Foresight Solar VCT aims to combine greater security of capital than is normal within a VCT with the enhancement of investor returns created by the VCT tax benefits - income tax relief of 30% of the amount invested, and tax-free distribution of income and capital gains. The key objective of Foresight Solar VCT is to distribute 130p per Share issued under the Offer and remaining in issue at the date of calculation, through a combination of tax-free income, buybacks and tender offers before the sixth anniversary of the closing date of the Offer.

After Distributions of 100p (per Share issued under the Offer and remaining in issue at the date of calculation) have been paid to Shareholders by the Company, Foresight will become entitled to a performance incentive which will be calculated at the rate of 20% of Distributions in excess of 100p (per Share issued under the Offer and remaining in issue at the date of calculation) until total Distributions reach 130p (per Share issued under the Offer and remaining in issue at the date of calculation) and 30% above that level. Total Distributions of 130p would represent a tax-free cash profit of 86% of the net cost of investment for an investor benefiting from full VCT tax reliefs. The performance incentive may be satisfied in cash or by the issue of new Shares to Foresight.

I ADDITIONAL SHARES

Investors who subscribe under the Offer on or before 31 October 2010 will receive an additional allocation of Shares equal in number to 2% of the amount they subscribe divided by the Offer Price. Investors who subscribe under the Offer after 31 October 2010 but on or before 31 January 2011 will receive an additional allocation of Shares equal in number to 1% of the amount they subscribe divided by the Offer Price. Additional allocations will be financed by Foresight accepting equivalent reductions in the promoter's fee described under Launch Costs on page 25 of this document.

II INVESTMENT MANAGER AND PROMOTER

Foresight stands out among VCT managers because it has been focussing on solar power projects for several years. Since establishing its solar power team in 2007, the firm has invested in solar power projects with a total transaction value of more than £150 million, demonstrating its ability to source opportunities, arrange bank finance and complete investments. The current portfolio of Foresight's first solar fund has total forecast generating capacity of 29 megawatts.

Foresight's team of 11 environmental investment managers has been assembled gradually, allowing time to integrate their experience in renewable energy investing and operational management with Foresight's traditional strengths in private

equity and VCT management. Foresight has presence and credibility in each market targeted by Foresight Solar VCT with native language speakers based in the UK, Italy and Spain. Foresight's achievements in the environmental arena were recognised in 2009 by an award as New Energy Investor of the Year.

Foresight has been managing VCTs for more than 12 years and was responsible for the best performing VCT ever. As well as launching its own funds Foresight has also won the support of the independent boards of five other VCTs to take over the management role in place of the incumbent managers. Foresight was named Venture Capital House of the Year at the November 2009 Unquote British Private Equity Awards.

III TAX BENEFITS FOR INVESTORS

The tax reliefs set out below make Foresight Solar VCT tax efficient for UK income tax payers. Although there is no maximum size of investment, VCT tax reliefs are available on investments up to a maximum by any individual of £200,000 in each of the 2010/11 and 2011/12 tax years. Investors can opt to have Shares allotted in the 2010/11 tax year and in the 2011/12 tax year.

The table below shows how the initial 30% income tax relief can provide an unrealised uplift of 35% on an investor's net cost of investment after a reduction in the investor's tax bill. The income tax relief can be used to offset up to 100% of an investor's income tax liability, subject to a minimum holding period for the Shares of five years. This is only a brief summary of the UK tax position of investors in VCTs, based on current law and practice. Further details are set out in Part 2 of this document. Potential investors are recommended to seek their own independent tax advice.

	£	
If you subscribe	10,000	to the Offer
You can claim income tax relief of	3,000	subject to certain limits and restrictions
So your net cost of investment would be	7,000	
Your shares would have an Initial Net Asset Value of	9,450	being the net proceeds to the Company from your subscription after deduction of the costs of the Offer of 5.5%
This Initial Net Asset Value is	2,450	more than your net cost of investment
or a gain of	35%	on your net cost of investment

Illustrative Returns			
Distributions to investors*	110 p	130 p	150 p
less net cost of investment (assuming 30% income tax relief)	70 p	70 p	70 p
Tax-free cash profit	40 p	60 p	80 p
Tax-free cash profit as a percentage of net cost of investment	57.0%	86.0%	114.0%
Net return per annum	8.6%	11.8%	14.5%
Gross equivalent return per annum (to a 40% taxpayer)	14.3%	19.6%	24.2%
Gross equivalent return per annum (to a 50% taxpayer)	17.1%	23.5%	29.0%

* Distributions to investors are stated after payment of any performance incentive to Foresight.

The figures set out above are for illustrative purposes only and no forecast or projection is implied or should be inferred. The net returns per annum shown are the internal rate of return based on the following amounts and deemed dates of investment and receipt: investment of £1 per share in April 2011, 30% income tax relief received in June 2011, dividends of 2.5p per £1 share received in October and April in each year commencing in October 2012, with the last dividend and the balance of the amount shown as "Distributions to investors" received in April 2017. The gross equivalent return to a 40% or 50% taxpayer is calculated by dividing the net return per annum by 0.6 or 0.5 respectively.

There is no guarantee that any of the profits or returns shown in the table will be achieved.

IV ILLUSTRATIVE RETURNS

Foresight Solar VCT is designed to provide attractive returns to investors by combining initial tax relief of 30p per Share with tax-free distributions of income and capital totalling 130p per Share by the sixth anniversary of the closing date of the Offer. If the planned level and timing of Distributions is achieved, then investors benefiting from full VCT tax reliefs would achieve a tax-free cash profit of 86% of their net cost of investment, and a gross equivalent compound annual return of 19.6% per annum. The table above shows how different levels of total Distributions to investors would affect the level of profit or return achieved. The performance incentive is calculated at a reduced level unless total Distributions reach 130p and will not be payable to Foresight unless Distributions reach at least 100p (per Share issued under the Offer and remaining in issue at the date of the calculation).

V INVESTMENT POLICY

The Company will target unquoted companies which it believes will achieve the objective of producing attractive returns for Shareholders.

Investment securities

The Company will invest in a range of securities including, but not limited to, ordinary and preference shares, loan stocks, convertible securities, and other interest-bearing instruments as well as cash. Unquoted investments will usually be structured as a combination of ordinary shares, preference shares and loan stocks. The Company may invest in money-market instruments, short-dated bonds, unit trusts, OEICs, structured products and other assets where Foresight believes that the risk/return profile is consistent with the overall investment objectives of Foresight Solar VCT.

Smaller companies

Investments will be made primarily in companies which have no more than £7 million of gross assets and no more than 50 employees at the time of investment. Investments may be in larger companies subject to compliance with the VCT Rules.

Asset mix

The Company will invest mainly in unquoted companies that seek to generate solar electricity and benefit from long-term government-backed price guarantees. Investments may be made in companies seeking to generate renewable energy from other sources provided that these benefit from similar long-term government-backed price guarantees. The Board intends that at least 70% of net funds raised under the Offer will be invested in companies whose primary business is the generation of solar electricity. Pending investment or distribution any uninvested funds may be held in cash, interest bearing securities or other investments.

VCT considerations

It is intended that the significant majority of any funds raised by the Company will in due course be invested in Qualifying Companies. Certain of the VCT rules limit the selection and structuring of Qualifying Investments and these rules may change from time to time. A Qualifying Company must be unquoted (for VCT purposes this includes companies whose shares are traded on AIM or the PLUS-traded or PLUS-quoted markets) and must carry on a qualifying activity. For this purpose certain activities are excluded (such as dealing in land or shares or providing financial services). The qualifying activity must either be carried on by, or be intended

to be carried on by, the Qualifying Company or by a qualifying subsidiary at the time of the issue of shares or securities to the VCT (and at all times thereafter). Subject to the draft legislation referred to under 'Geographic spread' below, the trade must be carried on wholly or mainly in the UK but the company need not be UK resident. A company intending to carry on a qualifying trade must begin to trade within two years of the issue of shares or securities to the VCT and continue it thereafter.

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

Geographic spread

The VCT Rules received approval from the European Commission as State Aids on 29 April 2009. That approval was subject to a number of changes being made. In July 2010 HM Revenue & Customs published draft legislation which, if enacted, is designed to implement these changes. The draft legislation is currently the subject of consultation but is expected to be included in a further Bill in autumn 2010 (which would become Finance (no.3) Act 2010). In particular, the draft legislation proposes to replace the requirement that to qualify under VCT rules a Qualifying Company must carry on its qualifying trade wholly or mainly in the UK, with one that the Qualifying Company must have a permanent establishment in the UK from which it must carry on activities which are more than of a "preparatory or auxiliary character". It is not clear how this proposed legislation might apply to investee companies carrying on business of installing and/or operating PV Solar Systems outside the UK. Accordingly, whilst the Company will seek to invest mainly in companies operating in the UK, Spain and Italy, if the VCT rules do not change as anticipated above, or if the final wording of the legislation which is enacted (or its interpretation by HM Revenue & Customs) is restrictive, the Company's ability to invest in companies operating in Spain and Italy would be limited to 30% of total investments.

Loans to Qualifying Companies

The Company expects to invest in the form of ordinary and preferred shares and loans. VCT rules currently allow loans to represent up to 70% of all Qualifying Investments. The draft legislation referred to above proposes to increase the proportion of a VCT's Qualifying Investments that must be held as Eligible Shares from 30% to 70% and would take effect from such day as the Treasury may by order made by statutory instrument appoint. Assuming that the VCT rules change on this basis this limit for investment in loans would reduce to 30% in respect of all monies raised and to be invested by Foresight Solar VCT. The draft legislation also proposes an amendment to the definition of Eligible Shares so that shares which carry a preferential right to a dividend, expressed as a fixed or variable rate of the amount invested, will be regarded as Eligible Shares.

Risk diversification and maximum exposures

Risk will be spread by investing in a number of different companies and targeting a variety of separate locations for solar power assets. The maximum amount invested by the Company in any one company will be limited to 15% of the portfolio at the time of investment.

Borrowing powers

The Company's Articles permit borrowing, to give a degree of investment flexibility. The Board's current policy is not to use borrowing. In any event, under the Company's Articles no money may be borrowed without the sanction of an ordinary resolution if the principal amount outstanding of all borrowings by the Company and its subsidiary undertakings (if any), then exceeds, or would as a result of such borrowing exceed, a principal amount equal to the aggregate of the share capital and consolidated reserves of the Company and each of its subsidiary undertakings as shown in the audited consolidated balance sheet. However, prior to the publication of an audited consolidated balance sheet of the Company such aggregate principal amount shall be limited to 90 per cent of the amount paid up or credited as paid up (whether in respect of nominal value or premium) on the allotted or issued share capital of the Company.

VI CO-INVESTMENT POLICY

Foresight currently manages other funds ("Foresight Funds") which may invest alongside Foresight Solar VCT. Investment opportunities will normally be offered initially to Foresight Solar VCT on a basis which is pro rata to the net cash raised pursuant to the Offer compared to the net cash raised by the Foresight Funds, other than where investments are proposed to be made in a company where one or more Foresight Funds has a pre-existing investment, where the incumbent investor will have priority. Where Foresight Solar VCT invests in companies in which Foresight Funds have invested or subsequently invest, conflicts of interest may arise. The Board will exercise independent judgement to manage any such conflicts for the benefit of the Company.

VII VALUATION POLICY

Unquoted investments will be valued at fair value in accordance with International Private Equity and Venture Capital (IPEVC) valuation guidelines. Investments in AIM and PLUS-traded or PLUS-quoted market traded companies will be valued at the prevailing bid price.

VIII SHARE BUYBACK POLICY

The Board's policy is to buy back Shares in the market at a price which is at a zero discount to their net asset value, less transaction costs payable to market makers and stockbrokers. Operation of this policy is restricted by the Listing Rules which restrict the price that a VCT can pay for its own shares (to no more than 5% above the average market value of the Shares for the five business days prior to the day a purchase is made) and prohibit the purchase of its own Shares during any Close Period or any period when there exists any matter which constitutes Inside Information in relation to the Company. The operation of this policy is also subject to the Company having sufficient liquidity.

As investors must hold their Shares for at least five years in order to avoid a claw back of income tax relief received in respect of their investment by HM Revenue & Customs, the Directors expect that the number of Shares which may be offered for the Company to buy back during the five-year holding period will be small.

IX DIVIDEND POLICY

The Board plans to pay dividends of 5p per Share each year throughout the life of Foresight Solar VCT, except in respect of the first year from the closing date of the Offer when it is intended that no dividend will be paid. The level of dividends is not guaranteed. Dividends are expected to be paid bi-annually at or close to the end of April and October in each year, commencing in October 2012. The table below shows how the tax benefits available on VCT shares, subject to investors' personal circumstances, can increase the effective yield after tax and on a gross equivalent basis.

X PLANNED EXIT

The overall strategy of Foresight Solar VCT is to realise all investments between the fifth and sixth anniversaries of the final closing date of the Offer and to pay Distributions of at least 130p to investors before the sixth anniversary. Any

investor who wishes to stay invested for long-term income may exercise the Individual Roll-Over Option described below.

Foresight believes that the nature of solar power investments targeted by Foresight Solar VCT makes them readily saleable, subject to the timing and other constraints that may apply in selling any unquoted investment. Foresight intends to manage Foresight Solar VCT's investments to provide the necessary flexibility for full or partial realisation during the sixth year after the final closing date of the Offer.

XI INDIVIDUAL ROLL-OVER OPTION

In view of the 25-year inflation-protected guaranteed prices for electricity described on page 13, the Board believes that some investors may wish to stay invested for long-term income. Each Shareholder will therefore be entitled to select the Individual Roll-Over Option for all or some of his/her Shares. At the appropriate time, Foresight will manage the process of realising the portfolio with the aim of providing sufficient liquid funds to support the buyback of all Shares in respect of which the Individual Roll-Over Option has not been selected.

Each Shareholder may select the Individual Roll-Over Option at any time up to the fourth anniversary of the closing date of the Offer. Selection may only be made in writing addressed to Foresight Group, ECA Court, 24-26 South Park, Sevenoaks, Kent, TN13 1DU. As soon as practical after that date, the Company will write to each Shareholder to confirm his/her selection.

Under certain circumstances the Company may be unable to meet the wishes of Shareholders in full in relation to the Individual Roll-Over Option. For example, Individual Roll-Over Options may be exercised in respect of a relatively small number of Shares, so that the Net Assets rolled over for long-term income would be too low to support the administration costs of the Company. In these or other circumstances the Board may decide to distribute all the Net Assets in accordance with the overall strategy of Foresight Solar VCT.

Illustrative Yields	Offer Price	Target annual dividends	Tax-free yield ¹	Gross equivalent yield ²	
				40% taxpayer	50% taxpayer
Before 30% income tax relief	100p	5p	5.0% p.a.	7.4% p.a.	8.7% p.a.
After 30% income tax relief	70p	5p	7.1% p.a.	10.6% p.a.	12.4% p.a.

1. Tax-free yield is calculated by dividing the target annual dividends by the Offer Price, as adjusted under 3 below.
2. The gross equivalent yield is calculated by dividing the tax-free yield by 67.5% (based on a 32.5% income tax charge to a 40% taxpayer on taxable gross non-VCT dividends including the notional 10% tax credit) or by 57.5% (based on a 42.5% income tax charge to a 50% taxpayer on taxable gross non-VCT dividends including the notional 10% tax credit).
3. The yields listed for "After 30% income tax relief" are based on an Offer Price of 100p multiplied by 70%, to reflect initial income tax relief of 30%. Investors will be required to pay the full Offer Price and claim the income tax relief separately.

INVESTMENT MANAGERS

Since 2006 Foresight has built a highly-experienced team of 11 investment managers focused on the environmental sector. Supported by other Foresight partners, this team invested in environmental projects with a total value of £210 million between 2006 and 2010. Members of the team are fluent in Italian and Spanish as well as English and understand the local conditions in each market targeted by Foresight Solar VCT.

Jamie Richards, age 38, has led Foresight's solar energy team since inception in 2007. He has played a key role in creating Foresight's network of lenders, advisers, installation contractors and asset owners, and has been directly involved in financing 29 megawatts of solar assets. Jamie is a chartered accountant with 17 years experience across fund management, banking and asset financing and has worked at PricewaterhouseCoopers, Citigroup and Macquarie.

Pietro Zeraushek, age 39, is responsible for operational and technical oversight of Foresight's European solar assets. Pietro is a qualified mechanical engineer with over fifteen years engineering experience and has been providing technical advisory and engineering services for the financing, construction and operation of solar energy projects for five years. He is a director of the project companies for all Foresight's existing Italian and Spanish solar assets.

Humberto Santillana, age 35, joined Foresight from Fotowatio Renewable Ventures, a global solar energy operator with more than 130 megawatts of installed solar power capacity and more than €700 million invested in the sector. At Fotowatio, Humberto led solar investments in Spain and was responsible for structuring project finance and negotiation of installation contracts. Humberto has also worked within the solar team at Babcock & Brown.

Federico Giannandrea, age 35, trained as a lawyer with Allen & Overy in Rome before joining Deutsche Bank, London in 2005. There he was involved in the acquisition of solar and other renewable energy assets in Poland, Spain, Greece, Belgium and Italy, structuring and negotiating key elements of a portfolio with electricity generating capacity of 2 gigawatts. As a vice-president within the renewable energy team, Federico led the project financing and installation contracting for an 8 megawatt solar power plant project in southern Italy and was involved in several other solar and wind power projects.

Diomidis Dorkofikis, age 28, gained a degree in Industrial Management & Technology and a masters degree in corporate finance before joining Millennium Bank, Athens as a project finance analyst. At Millennium Bank he specialised in renewable energy and other infrastructure and property investments and was involved in the sale of two wind power

projects with capacity of 48 megawatts and in the appraisal of a solar power project. He joined Foresight's Rome office in September 2009.

Matt Taylor, age 46, has an 18 year track record in private equity investment management, first with 3i Group plc and since May 2000 with Foresight. Matt's first experience of environmental investment came in 1991 when he joined IKB Deutsche Industriebank AG, a partner for the environmental support programmes backed by Germany's Kreditanstalt für Wiederaufbau.

Andrew Page, age 41, spent 9 years in operational management roles in industry before starting his career in private equity management in 2000. Andrew guides engineering procurement and management activities across all environmental companies within Foresight's portfolio. His operational experience in engineering management allows him to contribute unique insight to selection and management of project-based investments.

Nigel Aitchison, age 42, has a deep understanding of project management and engineering in the environmental sector. As managing director of Shanks PFI Investments, Nigel successfully completed two major project financings and raised over £150 million in bank financing. Nigel is a Chartered Environmentalist.

Giles Whitman, age 30, has played a key role in the development of Foresight's pipeline of UK solar investment opportunities. Prior to joining Foresight in 2008 he was involved in assessing potential acquisitions in the energy consultancy and utility infrastructure sectors for Spice plc. He has also been responsible, as an equity research analyst for HSBC Investment Bank, for researching and valuing major wind-turbine manufacturers. Giles is a Chartered Accountant.

Tom Thorp, age 33, is a Chartered Accountant with over five years experience in financial analysis and due diligence reporting with KPMG's Transaction Services and Restructuring teams both in London and Munich. He has advised on a wide range of industries, performing acquisition and vendor due diligence as well as advising on company refinancings and working capital exercises for demergers and AIM listings.

James Samworth, age 34, has 10 years experience in manufacturing and commercial roles within Corus (previously British Steel), helping to improve the performance of large manufacturing plants and holding responsibility for £100 million sales accounts. James gained private equity experience through internships at Lyceum Capital, Actis, NextWave Ventures and Deutsche Bank before joining Foresight in 2009. James gained an MBA with distinction at London Business School and a 1st class Natural Sciences degree from Cambridge University.

DIRECTORS

The Board comprises three non-executive directors and brings together substantial board-level experience of quoted and unquoted companies and expertise in investment management, insurance and electricity supply sectors. The Board has overall responsibility for the Company's affairs, and has delegated investment decisions to Foresight.

Lord Maples (chairman) has acted as chairman or non-executive director of several public and private companies. He is currently a non-executive director of four private companies including Value Retail plc, which operates nine retail parks across the EU. He has been non-executive director of three public companies: SEP Industrial Holdings plc, New Media Spark plc and Cashbox plc. He was also chairman of a division of Saatchi and Saatchi. In the role of chairman he has guided the sale of private companies to acquirers including Oracle and Capita. He also managed with others the Newton Wellington BES Funds. He is a lawyer and was until the 2010 General Election an MP and Deputy Chairman of the Conservative Party. He was given a life peerage in the 2010 Dissolution Honours List. As a Treasury Minister in the governments of Margaret Thatcher and John Major he was responsible for oil taxation, monetary policy and liaison with the Bank of England.

Mike Liston OBE has more than 20 years experience in the electricity industry and is currently non-executive chairman of Renewable Energy Generation Ltd and a non-executive director of Jersey Electricity plc. As chief executive for 17 years of this LSE-listed utility, he was involved in several major power generation, transmission and distribution infrastructure projects. Mike was also non-executive chairman of AIM-listed KSK Emerging India Energy Fund which raised almost £100 million to invest in India's power and energy sector. He is a director of the general partner of Foresight's first solar power fund. Mike is a Fellow of The Royal Academy of Engineering and is a Fellow of The Institution of Engineering and Technology.

Tim Dowlen is a divisional director of City-based Lloyd's broking firm Tasker & Partners, responsible for developing the firm's retail insurance activities. Tim has been a director of insurance broking companies since 1973, was for many years the Senior Examiner in Liability Insurance to the Chartered Insurance Institute, and as a practising expert witness has given evidence in approximately 85 disputes. Tim has specialised in the venture capital sector since 1974, acting as insurance broker to a number of fund managers and other financial institutions, including Foresight.

SENIOR PARTNERS

Three further partners of Foresight will play important roles in relation to Foresight Solar VCT. Bernard Fairman and David Hughes are members of Foresight's investment committee, whilst Gary Fraser heads Foresight's finance and administration department.

Bernard Fairman is the chairman of Foresight Group and is responsible for group business development, strategy and administration, as well as having final responsibility for all significant investment decisions made on behalf of funds managed by Foresight. Over the past 25 years he has led Foresight's development into a business that now manages over £200 million with 28 staff in the UK, Italy and Spain, and in 1997 launched the best ever performing VCT. For ten years he was a director of smartcard innovator Gemplus, involved in its growth from start-up to over \$1 billion annual revenues. Early experience as an analyst for the oil industry led Bernard to grasp the opportunity of renewable energy and, in 2005, to turn Foresight's focus towards sustainable environmental investing.

David Hughes is responsible for Foresight's private equity investment activities and portfolio management. David has 36 years experience of unquoted investment management, initially with 3i and subsequently establishing fund management operations for Framlington Investment Management Ltd, Baltic plc and Bank Austria AG, London. He has been involved in VCT management since 2004.

Gary Fraser directs financial management and compliance, a role he has fulfilled at Foresight for 6 years. He was previously company secretary for Baronsmead VCTs and other companies and funds within ISIS Asset Management plc. He qualified as a Chartered Accountant with Ernst & Young in 1996 and has been involved in raising over £1 billion for a range of companies.

FEES AND EXPENSES

1 ANNUAL FEES AND EXPENSES

Foresight will be entitled to an annual fee of 1.5% of the Net Asset Value in respect of investment management services and an annual fee of 0.3% of the net funds raised by the Offer (subject to a minimum index-linked fee of £60,000) for secretarial and accounting services. The costs of a VCT also include the cost of the board, audit and professional fees, the cost of communicating with investors and the launch costs detailed on page 25.

The total expenses ratio at maximum subscription for the Shares is expected initially to be 2.9 % per annum (calculated before any performance incentive to Foresight and assuming that the Offer is fully subscribed) but in any event any excess above 3.6% per annum will be borne by Foresight.

Foresight may retain for its own benefit and without liability to account to the Company (subject to full disclosure having been made to the Board) any arrangement fees and directors' or monitoring fees which it receives in connection with any investments made by the Company. The Company will not be liable for legal, accounting and any other fees incurred on potential investments which do not proceed to completion.

II PERFORMANCE INCENTIVE

After Distributions of 100p (per Share issued under the Offer and remaining in issue at the date of calculation) have been paid to Shareholders by the Company, Foresight will become entitled to a performance incentive which will be calculated at the rate of 20% of Distributions in excess of 100p until total Distributions reach 130p (per Share issued under the Offer and remaining in issue at the date of calculation) and 30% above that level. No payment of the performance incentive will be made to Foresight until Distributions exceed 100p (per Share issued under the Offer and remaining in issue at the date of calculation). The performance incentive may be satisfied in cash or by the issue of new Shares to Foresight, at the discretion of Foresight.

OTHER INFORMATION

I USE OF PROCEEDS

It is intended that the proceeds of the Offer will be used in accordance with the proposed investment policy set out on page 19 of this document.

II THE OFFER FOR SUBSCRIPTION

It is proposed to allot pursuant to the Offer between 3 million and 40 million shares to the public. The shares will be offered at 100p per share payable in full, by cheque or bankers draft, on application. Application will be made to the UK Listing Authority for all of the Ordinary Shares issued pursuant to the Offer to be admitted to the Official List. Applications will also be made to the London Stock Exchange for Admission to trading on the London Stock Exchange's market for listed securities.

The Offer will be open on 31 August 2010 until 5.00 pm on 5 April 2011 in the case of applications for the 2010/11 tax year and until 5.00 pm on 30 June 2011 in the case of applications for the 2011/12 tax year, but may close earlier if fully subscribed or at the discretion of the Directors.

The Offer is conditional on a total minimum subscription of £3 million (before expenses) being achieved. If this minimum subscription level is not reached by 5 April 2011 the Offer will lapse and application monies which have been received will be returned without interest by post at the risk of the applicant, unless the Company publishes a supplementary prospectus stating that the total minimum subscription upon which the Offer is conditional has been reduced. If the minimum subscription level is reached then the Offer will become unconditional and Ordinary Shares may be issued notwithstanding that the Offer is not fully subscribed. In the event that the Offer is oversubscribed, allotment will be made to investors on a first-come, first served basis. Any excess amounts paid by applicants will be refunded by cheque to the person named in box 1 of the application form.

The Company is seeking to raise £40 million under the Offer and the Directors have no present intention of expanding the Offer beyond that amount.

The Ordinary Shares will be issued on a fully paid basis in registered form. Ordinary Shares will be allotted and issued in respect of valid applications under the Offer after the minimum subscription of £3 million has been reached at any time as the Directors decide. Details of allotments will be announced through a Regulatory Information Service Provider by no later than the end of the business day following the allotment and dealings in such shares are expected to commence within 3 business days of allotment.

If the Company is required to publish a supplementary prospectus, subscribers who have yet to be entered on to the Company's registers of members will be given two days to withdraw from the subscription. In the event that the notification of withdrawal is given by post, such notification will be effected at the time the subscriber posts such notification rather than at the time of receipt by the Company.

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

III MINIMUM AND MAXIMUM INVESTMENT

The minimum subscription under the Offer will be £3,000. Applications in excess of £3,000 may be made for any higher amount in multiples of £1,000. The maximum investment on which income tax relief can be claimed by any individual is £200,000 in each of the 2010/11 and 2011/12 tax years.

IV CLAIMING INCOME TAX RELIEF

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

V LAUNCH COSTS

Foresight has agreed to underwrite all the costs of the Offer in return for an initial fee of 5.5% of the gross funds raised (i.e. 5.5p per share) and annual trail fees of 0.5% of the Net Asset Value in each year until the sixth anniversary of the closing date of the Offer. Out of this fee, Foresight will be responsible for paying all of the costs of the Offer including initial commission payable to financial intermediaries of 3% of the amount invested by their clients, and for paying trail commission to financial intermediaries, in each year until the sixth anniversary of the closing date of the Offer, of 0.5% of the Net Asset Value of the Shares held by such clients, provided that the financial intermediary continues to act for the client and the client continues to be the beneficial owner of the Shares subscribed.

VI CATEGORY OF POTENTIAL INVESTORS

A typical investor for whom the Offer is designed is a UK higher-rate income tax payer over 18 years of age with an investment range of between £3,000 and £200,000 who, having regard to the risk factors set out at the front of this document, considers the investment policy as detailed in part 1 of this document to be attractive. Investment in a VCT may not be suitable for all investors and should be considered as a long-term investment.

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

VII INVESTOR COMMUNICATIONS

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

VIII REPORTING DATES

Year-end	30 June
Announcement and publication of annual report and accounts to Shareholders	October
Announcement and publication of interim results	February

IX WORKING CAPITAL

In the opinion of Foresight Solar VCT taking into account the Minimum Net Proceeds being raised, the working capital available to the Company is sufficient for at least 12 months following the date of this document.

X NET ASSETS

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

XI FINANCIAL INFORMATION

Since the date of incorporation, Foresight Solar VCT has not commenced operations and no financial statements have been prepared.

XII CAPITALISATION AND INDEBTEDNESS

Since the date of incorporation and as at 31 August 2010, Foresight Solar VCT has incurred no indebtedness, whether guaranteed, unguaranteed, secured, unsecured, indirect or contingent. Foresight Solar VCT has the power to borrow, details of which are set out in paragraph 4(f) of Part 4, although the Directors have no present intention of utilising this.

The capitalisation of the Company as at 31 August 2010 is as follows:

Shareholders' Equity	£
Share capital	50,000.20
Legal reserve	Nil
Other reserves	Nil
Total	50,000.20

Details of the share capital of the Company are set out in paragraph 2 of Part 4 of this document.

PART 2: TAXATION CONSIDERATIONS FOR INVESTORS

1. TAX RELIEFS

The following is only a summary of the law concerning the tax position of individual investors in VCTs. Potential investors are recommended to consult a professional adviser as to the taxation consequences of an investment in a VCT.

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

(a) Income tax

(i) Relief from income tax on investment

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

(ii) Dividend relief

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

(iii) Purchasers in the market

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

(iv) Withdrawal of relief

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

(b) Capital gains tax

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

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

(ii) Purchasers in the market

An individual purchaser of existing Ordinary Shares in the market will be entitled to claim relief from capital gains tax on disposal (as described in paragraph b (i) above).

If a company which has been granted approval as a VCT subsequently fails to comply with the conditions for approval, approval as a VCT may be withdrawn or treated as never having been given. In these circumstances, relief from income tax on the initial investment is repayable unless loss of approval occurs more than five years after the issue of the relevant VCT shares. In addition, relief ceases to be available on any dividend paid in respect of profits or gains in any accounting period ending when VCT status has been lost and any gains on the VCT shares up to the date from which loss of VCT status is treated as taking effect will be exempt, but gains thereafter will be taxable.

2. ILLUSTRATION OF EFFECT OF TAX RELIEF FOR INVESTORS

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

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

The combined effect of the initial income tax relief, tax free dividends and tax-free capital growth can substantially improve the net returns of an investment in a VCT. For example, after the costs of the Offer (5.5p per Share) an investment of £10,000 would show an immediate return of 35% over the base cost of £7,000 after 30% income tax relief. (Income tax relief is only available if the shares are held for the minimum holding period of five years).

Although there is no maximum size of investment, VCT tax reliefs are available on investments in VCTs up to a maximum per individual of £200,000 in any one tax year.

3. OBTAINING TAX RELIEFS

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

4. INVESTORS NOT RESIDENT IN THE UK

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

PART 3: CONDITIONS TO BE MET BY VENTURE CAPITAL TRUSTS

THE COMPANY MUST SATISFY A NUMBER OF TESTS TO QUALIFY AS A VCT. A SUMMARY OF THESE TESTS IS SET OUT BELOW.

1. QUALIFICATION AS A VCT

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

- (a)** not be a close company;
- (b)** have each class of its ordinary share capital quoted on the London Stock Exchange;
- (c)** derive its income wholly or mainly from shares or securities;
- (d)** have at least 70% by VCT Value of its portfolio of investments in shares or securities in Qualifying Investments, of which at least 70% by VCT Value (assuming the enactment of draft legislation published by HM Revenue & Customs in July 2010) must be in Eligible Shares, which may carry a preferential right to a dividend, expressed as a fixed or variable rate of the amount invested, but which must not be entitled to a preferential return of assets on a winding-up nor have rights to be redeemed;
- (e)** have at least 10% by VCT Value of each Qualifying Investment in Eligible shares;
- (f)** not have more than 15% by VCT Value of its investments in a single company or group (other than a VCT or a company which would, if its shares were listed, qualify as a VCT); and
- (g)** not retain more than 15% of its income derived from shares and securities in any accounting period.

2. QUALIFYING INVESTMENTS

A Qualifying Investment consists of shares or securities first issued to the VCT (and held by it ever since) by a company satisfying the conditions set out in Parts 3 and 4 of Chapter 6 of the Tax Act and for which no more than £1 million was subscribed by any one VCT in any one tax year (nor more than £1 million in any period of 6 months straddling two tax years).

The conditions are detailed but include that the company must be a Qualifying Company, have gross assets not exceeding £7 million immediately before and £8 million immediately after the investment, apply the money raised for the purposes of a qualifying trade within certain time periods and not be controlled by another company. In certain circumstances, an investment in a company by a VCT can be split into a part which is a qualifying holding and a part which is a non-qualifying holding. In addition, to be qualifying holdings, VCT funds raised after 5 April 2007 must invest in companies which have no more than 50 full time (equivalent) employees and do not obtain more than £2 million of investment from VCTs, companies under the corporate venturing scheme and individuals claiming relief under the Enterprise Incentive Scheme in any rolling 12 month period.

3. QUALIFYING COMPANY

A Qualifying Company must be unquoted (for VCT purposes this includes companies whose shares are traded on AIM and PLUS-traded or PLUS-quoted markets) and must carry on a qualifying trade. For this purpose certain activities are excluded (such as dealing in land or shares or providing financial services). The qualifying trade must either be carried on by, or be intended to be carried on by, the Qualifying Company or by a qualifying subsidiary at the time of the issue of shares or securities to the VCT (and at all times thereafter). The trade must be carried on wholly or mainly in the UK but the company need not be a UK resident. Assuming the enactment of draft legislation published by HM Revenue & Customs in July 2010 this geographic requirement will be replaced by a requirement that a Qualifying Company must have a permanent establishment in the UK from which it must carry on activities which are more than of a 'preparatory or auxiliary character'. It is not clear at the moment how this proposed requirement might apply to investee companies carrying on business of installing Solar PV Systems outside the UK. A company intending to carry on a qualifying trade must begin to trade within two years of the issue of shares or securities to the VCT and continue it thereafter.

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

4. APPROVAL AS A VCT

A VCT must be approved at all times by HM Revenue & Customs. Approval has effect from the time specified in the approval.

A VCT cannot be approved unless the tests detailed above are met throughout the most recent complete accounting period of the VCT and HM Revenue & Customs is satisfied that they will be met in relation to the accounting period of the VCT which is current when the application is made. However, where a VCT raises further funds, VCTs are given grace periods to invest those funds before such funds need to meet such tests.

Foresight Solar VCT has received provisional HM Revenue & Customs approval as a VCT which will have effect from the date when the Company obtains full listing on the Official List of the London Stock Exchange.

5. WITHDRAWAL OF APPROVAL

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

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

6. PROPOSED CHANGES IN VCT LEGISLATION

The VCT Rules received approval from the European Commission as State Aids on 29 April 2009. That approval was subject to a number of changes being made. In July 2010 HM Revenue & Customs published draft legislation, which if enacted is designed to implement these changes and would take effect from such day as the Treasury may by order made by statutory instrument appoint.

In particular, the draft legislation: applies a new requirement that to qualify under VCT Rules, a company must not be in difficulty; replaces the requirement that to qualify under VCT rules a company must carry on its qualifying trade wholly or mainly in the UK, with one that the company must have a permanent establishment in the UK; removes the requirement that a VCT's shares must be included in the Official UK List, replacing it with one that VCT shares must be traded on an EU regulated market; and increases the proportion of a VCT's Qualifying Investments that must be held as Eligible Shares from 30% to 70%. The draft legislation also proposes an amendment to the definition of Eligible Shares so that shares are not prevented from being Eligible Shares if they carry a present or future preferential right to dividends provided (a) that the amount of any dividends payable pursuant to the right or the date or dates on which they are payable does not depend to any extent on a decision of the company, the holder of the shares or any other person; and (b) that the amount of any dividends that become payable at any time pursuant to the right does not include any amount that has become payable at any earlier time pursuant to the right but has not been paid (i.e. the preferential right cannot be cumulative).

PART 4: ADDITIONAL INFORMATION

1. INCORPORATION AND ADMINISTRATION

(a) The Company was incorporated and registered in England and Wales on 18 June 2010 with limited liability as a public limited company under the CA 2006 with the name Foresight Solar VCT plc and with registered number 7289280. The Company operates under the CA 2006 and the regulations made under the CA 2006. Its registered office and its principal place of business is at ECA Court, 24-26 South Park, Sevenoaks, Kent TN13 1DU. Its telephone number is 01732 471800. It is domiciled in the United Kingdom.

(b) The Company was issued with a certificate under section 761 of the CA 2006 by the Registrar of Companies on 20 July 2010.

(c) Ernst & Young LLP has been the only auditor of the Company since its incorporation.

(d) The Company has given notice to the Registrar of Companies pursuant to section 833 of the CA 2006 of its intention to carry on business as an investment company.

(e) HM Revenue & Customs has provisionally approved the Company under section 274 ITA and it is intended that the business of Foresight Solar VCT be carried on so as to comply with that section.

2. SHARE CAPITAL

(a) On incorporation twenty Ordinary Shares of one pence each were taken fully paid by the subscribers to the Memorandum.

(b) On 6 July 2010, the Company allotted 5,000,000 Redeemable Shares to Foresight for the purposes of applying for the certificate referred to in paragraph 1(b) above. The Redeemable Shares will be redeemed forthwith after first Admission.

(c) By special resolutions passed by Foresight Solar VCT on Tuesday, 6 July 2010, the Company authorised the Directors, in accordance with Section 551 of the CA 2006 to allot Redeemable Shares (as defined in the Company's Articles of Association) up to a maximum nominal amount of £50,000 to Foresight, such authority to expire at the first to occur of the conclusion of the Company's first Annual General Meeting and the expiry of 15 months from the passing of the resolution (unless previously revoked, varied or extended by the Company in general meeting) and that (pursuant to Section 571(1) of the CA 2006) Section 561 does not apply to this specific allotment of equity securities

(d) By special resolutions passed by Foresight Solar VCT on 3 August 2010, the Company:

i. authorised the Directors, in accordance with Section 551 of the CA 2006 to allot Ordinary Shares up to a maximum

nominal amount of £650,000 and disapplied the pre-emption provisions of section 561 of the CA 2006 in respect of any such allotment, such authority to expire at the first to occur of the conclusion of the Company's first Annual General Meeting and the expiry of 15 months from the passing of the resolution (unless previously revoked, varied or extended by the Company in general meeting) inter alia, in order to enable the Directors to make allotments under the Offer; and pursuant to the Carried Interest Agreement referred to in paragraph 5 (b) below;

ii. authorised the Board for a period of 18 months to make occasional market purchases out of distributable profits or the proceeds of a fresh issue of shares up to a maximum 14.99% of the Ordinary Shares as are admitted to the Official List on final Admission at such price as they may determine but in any event being not less than 1p per Share and no more than 5% above the average of the middle market quotations of an Ordinary Share in respect of the Company as derived from the Official List for the five business days immediately preceding the date on which the Ordinary Shares are purchased; and

iii. authorised the amount standing to the credit of the share premium account of Foresight Solar VCT immediately after the final closing date of the Offer to be cancelled, subject to approval by the High Court of Justice.

(e) No share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option.

3. DIRECTORS' AND OTHERS' INTERESTS IN THE COMPANY

(a) So far as is known to the Company, there is no person, other than a member of the administrative, management or supervisory bodies who, directly or indirectly, has an interest in the capital or voting rights of the Company as at the date of this document. None of the holders of Ordinary Shares have voting rights different from other holders of Ordinary Shares.

(b) The subscriber shares in the Company are held by four partners of Foresight Group LLP. On Admission, there will be no persons, so far as known to Foresight Solar VCT plc, who, directly or indirectly, jointly or severally, will exercise or could exercise control over Foresight Solar VCT. This includes, for these purposes, joint control meaning control exercised by two or more persons who have concluded an agreement which may lead to their adopting a common policy in respect of Foresight Solar VCT.

(c) At the date of this document none of the Directors has any interest in any Shares. The Directors named below have given irrevocable undertakings to invest in the Offer for the following number of Shares, all of which they will beneficially own.

Director	Number of Shares	Percentage of issued share capital in Foresight Solar VCT on Admission*	Number of options held over shares on Admission
John Maples	10,000	0.00025%	nil
Tim Dowlen	15,000	0.00375%	nil
Mike Liston	10,000	0.00025%	nil
* Assuming 40,000,020 shares in issue			

As at the date of this document save as disclosed in paragraphs 2 and 3 of this Part 4, no person is, directly or indirectly, interested in 3% or more of the issued share capital of the Company, or will be so interested immediately following Admission.

No share options will be held on Admission by any of the Directors named above or any of their respective immediate families.

Save as disclosed in this paragraph 3(c), none of the Directors has any interests whether beneficial or non-beneficial in the share or loan capital of the Company which are, or would immediately following the Offer be required to be, notified under the DTR or are interests of a connected person of a Director which would, if the connected person were a Director, be required to be disclosed, and the existence of which is known to or could with reasonable diligence be ascertained by that Director.

(d) Save as noted in paragraph 3(c) above and save for the right for Foresight to receive Shares pursuant to the Carried Interest Agreement referred to in paragraph 5 (b) below no Ordinary Shares are being reserved for allocation to existing shareholders, Directors or employees.

(e) Each of the Directors has a letter of appointment dated 31 August 2010 from the Company. Under their respective letters of appointment, each Director is engaged from 1 August 2010. Either party may terminate the appointment on giving to the other no less than three months' written notice at any time on or after 3 years from the date of appointment. The Directors are not entitled to any compensation on termination of appointment. Other than the letters of appointment, there are no service contracts between the Company and any of the Directors. The current fees of the Directors payable by the Company are as follows:

Directors	Current Annual Fees (£)
John Maples	20,000
Tim Dowlen	15,000
Mike Liston	15,000

(f) No loan or guarantee has been granted or provided by the Company to or for the benefit of any Director. No amounts have been set aside by the Company or Foresight for pensions, retirement or similar benefits.

(g) None of the Directors or any member of their respective immediate families has or has had an interest in any transaction or transactions which are or were unusual in their nature or conditions or significant to the business of the Company and which were effected by the Company since its incorporation.

(h) No remuneration or benefits are, to date, payable to the Directors. It is estimated that the aggregate amount payable to the Directors by the Company for the financial period ending on 30 June 2011 under the arrangements in force at the date of this document will not exceed £50,000 (plus expenses).

(i) The Company will maintain Directors' and Officers' liability insurance for the benefit of its Directors.

(j) In addition to directorships of Foresight Solar VCT, members of the administrative, management and supervisory bodies of Foresight Solar VCT, including any partners, founders or senior managers who are relevant to establishing that Foresight Solar VCT has the appropriate expertise for the management of its business, have been members of the administrative, management or supervisory bodies or a partner in the previous five years of the following companies or partnerships:

Director	Current	Past
John Maples	Agatha Christie Ltd Value Retail plc Dunlop Transcalt Ltd Autospan Ltd First Connex Ltd First Connex Gulf WLL	Advanced Visual Technology Ltd Bankmachine plc Synaptic Systems plc Cashbox plc
Tim Dowlen		Argent Insurance Brokers Limited MW (Pensions and Investments) Limited
Mike Liston OBE	Renewable Energy Generation Ltd Jersey Post International Ltd Foresight European Solar Fund GP Ltd Jersey Electricity plc	KSK Emerging India Energy Fund Ltd Foreshore.net Channel Islands Electricity Grid Co. Ltd

(k) None of the Directors nor any members of their respective immediate families has any private interest which is or has the potential of being a conflict of interest in relation of the Company.

(I) None of the persons mentioned in paragraph 3(j) of Part 4 of this document has any convictions in relation to fraudulent offences and none has for at least the previous five years:

- i. been associated with any 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 were a partner with unlimited liability (in the case of a limited partnership with share capital), founder or a senior manager who was relevant to establishing that entity had the appropriate expertise and experience for the management of its business;
- ii. been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies); or
- iii. been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

4. ARTICLES OF ASSOCIATION

The following is a summary of certain provisions of the Articles of Association ("Articles") of the Company, a copy of which is available for inspection as stated in paragraph 11 (a) below:

(a) Voting rights

- i. Subject to the provisions of the Companies Acts or any special terms as to voting which any Shares of the Company on which they may have been given or may for the time being be held, on a show of hands, every member who is present in person or by proxy at any general meeting of the Company shall have one vote and on a poll, every member shall have one vote for every Share of which he is the holder. A proxy need not be a member of the Company.
- ii. The appointment of a proxy shall if in the form of an instrument be delivered to the registered office or at such other specified place in the UK or if in an electronic form be received at any specified address not less than 48 hours (during business hours) before the time appointed for holding the meeting.
- iii. In respect of the Company no member shall, unless the Board otherwise determines, be entitled to vote, either personally or by proxy, or to be reckoned in a quorum at any general meeting or separate meeting of the holders of any class of shares in the capital of the Company unless all monies presently payable in respect of the member's Share(s) have been paid.
- iv. Except in respect of the Redeemable Shares (as set out as paragraph 4(b) below), no shareholders in the Company will have different voting rights per share than any other Shareholder.

(b) Rights attaching to the Redeemable Shares

The Redeemable Shares carry the right to a preferential fixed annual non-cumulative dividend of one pence per Redeemable Share and a preferential return of capital on a return of assets. They do not carry any voting rights. The Redeemable Shares are redeemable at any time after and will be redeemed forthwith after the earlier of 31 December 2012 and first Admission.

(c) Variation of rights and alteration of capital

Unless expressly provided by the rights attached to any share or class of shares, the rights of any class of shares shall be deemed to be varied (if at any time the capital of the Company is divided into different classes of shares), by the reduction of the capital paid up on that share or class of shares (otherwise than by a purchase or redemption by the Company of its own shares). Without prejudice to any other restrictions on the variation of rights, under the CA 2006, rights attached to any share or class of shares in the Company may be varied with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class of the Company, or with the sanction of a special resolution passed at a separate meeting of the holders of such shares.

(d) Issue and transfer of Shares

- i. The Board has general and unconditional authority to exercise all the powers of the Company to allot relevant securities up to an aggregate nominal amount equal to the section 551 amount, for each prescribed period. The prescribed period means any period for which the authority conferred by the Articles is given by ordinary or special resolution stating the section 551 amount and/or the power conferred by the Articles is given by special resolution stating the section 561 amount. The section 551 amount means, for any prescribed period, the amount stated in the relevant special resolution. Under the CA 2006, the section 561 amount means, for any prescribed period, the amount stated in the relevant special resolution. The authority so given may at any time (subject to the said section 551) be renewed or further renewed for a further period not exceeding five years, revoked or varied by ordinary resolution of the Company in general meeting.
- ii. The Board is empowered for each prescribed period to allot equity securities for cash pursuant to an authority conferred under the Articles as if section 561(1) of the CA 2006 did not apply to any such allotment provided that its power is limited to the allotment or deemed allotment of equity securities in connection with a pre-emptive issue and otherwise, the allotment of equity securities up to the section 561 amount.

iii. Subject to such of the restrictions of the Companies Acts as may be applicable, any member may transfer all or any of his Shares by an instrument of transfer in writing in any usual form or in any other form approved by the Board. Such instruments shall be signed by or on behalf of the transferor and (except in the case of a fully paid share) the transferee.

iv. The Board may decline to register any transfer unless the instrument of transfer, duly stamped, is lodged with the Company accompanied by the certificate for the Shares to which it relates together with such other evidence as the Board may reasonably require, and the transfer is in respect of only one class of share and, in the case of a transfer to joint holders, the number of joint holders does not exceed four.

v. The Shares of the Company are in registered form.

All transfers of Shares in certificated form may be effected by a transfer in writing in any usual form or any other form approved by the Board.

The instrument of transfer of any such certificated Shares shall be executed by or on behalf of the transferor and, in the case of partly paid Shares, by or on behalf of the transferee. The Board may refuse to register any transfer of a partly paid Share, provided that such refusal does not prevent dealings taking place on an open and proper basis. The Board may also refuse to register the transfer of a certificated share unless the instrument of transfer: (a) is lodged, duly stamped (if stampable), at the office or at another place appointed by the Board accompanied by the certificate for the share to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; (b) is in respect of only one class of shares; and (c) is in favour of not more than four transferees. The Board may refuse to register the transfer of an uncertificated share in the circumstances set out in the uncertificated securities rules or in the event that the proposed transfer is in favour of more than four joint holders.

(e) Directors

i. Unless and until otherwise determined by ordinary resolution of the Company, the Directors of the Company (disregarding alternate Directors) shall be not more than seven nor less than three in number.

ii. Subject to the Articles and to any directions given by special resolution, the business of the Company shall be managed by the Board which may exercise all the powers of the Company, including, without limitation, the power to dispose of all or any part of the undertaking of the Company.

iii. The Board may authorise any matter which would otherwise involve a director breaching his duty under the Companies Acts to avoid conflicts of interest ("Conflict").

iv. A director seeking authorisation in respect of a Conflict shall declare to the Board the nature and extent of his interest in a Conflict as soon as is reasonably practicable.

The director shall provide the Board with such details of the relevant matter as is necessary for the Board to decide how to address the Conflict together with such additional information as may be requested by the Board. Any director (including the relevant director) may propose that the relevant director be authorised in relation to any matter the subject of a Conflict.

Such proposal may be proposed to and resolved upon by the Board save that: the relevant director and any other director with a similar interest shall not count towards the quorum nor vote on any resolution giving such authority; and the relevant director and any other director with a similar interest may, if the other members of the Board so decide, be excluded from any Board meeting while the Conflict is under consideration.

v. Where the Board gives authority in relation to a Conflict: the Board may (whether at the time of giving the authority or subsequently): (A) require that the relevant director is excluded from the receipt of information, participation in discussion and/or the making of decisions (whether at meetings of the Board or otherwise) related to the Conflict; and (B) impose upon the relevant director such other terms for the purpose of dealing with the Conflict as it may determine; the relevant director will be obliged to conduct himself in accordance with any terms imposed by the Board in relation to the Conflict; the Board may provide that where the relevant director obtains (otherwise than through his position as a director of the Company) information that is confidential to a third party, the director will not be obliged to disclose that information to the Company, or to use or apply the information in relation to the Company's affairs, where to do so would amount to a breach of that confidence; the terms of the authority shall be recorded in writing (but the authority shall be effective whether or not the terms are so recorded); and the Board may revoke or vary such authority at any time but this will not affect anything done by the relevant director prior to such revocation in accordance with the terms of such authority.

vi. Where a director is or becomes a director of one or more other venture capital trust(s) managed by the same manager appointed by the Company and seeks Board approval for his other office(s) and a general authorisation in respect of the Conflict which might arise, if the Board gives its approval and authority, the Board may not subsequently require that the relevant director is excluded from the receipt of information, participation in discussion and/or the making of decisions (whether at meetings of the Board or otherwise) related to such Conflicts, nor impose upon the relevant director other terms for the purpose of dealing with the Conflicts.

vii. If a director is in any way directly or indirectly interested in a proposed contract with the Company or a contract that has been entered into by the Company, he must declare the nature and extent of that interest to the directors in accordance with the Companies Acts.

Provided he has declared his interest, a director may: be party to, or otherwise interested in, any contract with the Company or in which the Company has a direct or indirect interest; hold

any other office or place of profit with the Company (except that of auditor) in conjunction with his office of director for such period and upon such terms, including as to remuneration, as the Board may decide; act by himself or through a firm with which he is associated in a professional capacity for the Company or any other company in which the Company may be interested (otherwise than as an auditor); be or become a director or other officer of, or employed by or otherwise be interested in any subsidiary company of the Company or any other company in which the Company may be interested; and be or become a director of any other company in which the Company does not have an interest and which cannot reasonably be regarded as giving rise to a Conflict at the time of his appointment as a director of that other company.

viii. A director shall not, by reason of his office or of the fiduciary relationship thereby established, be liable to account to the Company for any remuneration, profit or other benefit: which he derives from any matter which involves a Conflict if that Conflict has been authorised by the Board; or realised by reason of his having any type of interest authorised or permitted and no contract shall be liable to be avoided on the grounds of a director having any type of interest authorised or permitted.

ix. The ordinary remuneration of the directors who do not hold executive office for their services shall be such amount as the Board may from time to time determine and shall be divided among the non-executive directors in such proportion or manner as the Board may determine.

The directors may be paid all travelling, hotel, and other expenses properly incurred by them in connection with their attendance at meetings of the Board or committees of the Board, general meetings or separate meetings of the holders of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties.

x. The Board may exercise all the powers of the Company to purchase and maintain insurance for or for the benefit of any person who is or was: a director, officer, or employee of the Company, or anybody which is or was the holding company or subsidiary undertaking of the Company, or in which the Company or such holding company or subsidiary undertaking has or had any interest (whether direct or indirect) or with which the Company or such holding company or subsidiary undertaking is or was in any way allied or associated; including without limitation insurance against any liability incurred by such person in respect of any act or omission in the actual or purported execution or discharge of his duties or in the exercise or purported exercise of his powers or otherwise in relation to his duties, powers or offices in relation to the relevant body or fund.

xi. The Company may indemnify any director, officer or employee of the Company or of any associated company against any liability and may purchase and maintain for any director, officer or employee of the Company or of any associated company insurance against any liability.

No director of the Company or of any associated company shall be accountable to the Company or the members for any such benefit and the receipt of any such benefit shall not disqualify any person from being or becoming a director of the Company.

(f) Borrowing Powers

i. The Board may exercise all the powers of the Company to borrow money, to guarantee, to indemnify, to mortgage or charge its undertaking, property, assets (present and future) and uncalled capital, and to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

ii. The Board shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary undertakings (if any) so as to secure (but as regards subsidiary undertakings, only so far as by the exercise of such rights or powers of control the Board can secure) that, save with the previous sanction of an ordinary resolution and subject as provided below, no money shall be borrowed if the principal amount outstanding of all borrowings by the Company and its subsidiary undertakings (if any), then exceeds, or would as a result of such borrowing exceed, a principal amount equal to the aggregate of the share capital and consolidated reserves of the Company and each of its subsidiary undertakings as shown in the audited consolidated balance sheet provided that prior to their publication such aggregate principal amount shall be limited to 90 per cent of the amount paid up or credited as paid up (whether in respect of nominal value or premium) on the allotted or issued share capital of the Company.

(g) Dividends

i. The members of the Company may declare a final dividend in accordance with the respective rights of the members by passing an ordinary resolution at a general meeting of the Company. No such dividend may exceed the amount recommended by the directors.

The directors may at any time and in accordance with the Companies Acts;

(i) recommend to the shareholders that a final dividend be declared and recommend the amount of any such dividend; and

(ii) pay a distribution by way of an interim dividend out of the profits of the Company

However no such recommendation shall be made or interim dividend paid unless it appears to the directors to be justified by the position of the Company in accordance with the respective rights of the members.

ii. The Company shall be entitled to cease sending dividend warrants and cheques by post or otherwise to a member if those instruments have been returned undelivered to, or left uncashed by, that member on at least two consecutive occasions, or, following one such occasion, reasonable enquiries have failed to establish the member's new address. Any dividend which has remained unclaimed for 12 years from the date when it became due for payment shall, if the Board so resolves and directs, be paid by the Company into an account separate from the Company's own account where it will be held on trust for and from time to time donated to such charitable causes as the Board may, in its absolute discretion, determine having regard, in particular, to the duties of directors under section 172(1) of the CA 2006. Alternatively, the Board may resolve that any dividend which has remained unclaimed for 12 years from the date when it became due for payment may be forfeited, shall cease to remain due for payment by the Company and shall constitute a windfall appropriated for the benefit of the Company.

(h) Distribution of Realised Capital Profits

At any time when the Company has given notice in the prescribed form (which has not been revoked) to the Registrar of Companies of its intention to carry on business as an investment company under section 833 of the CA 2006 (a "Relevant Period") distribution of the Company's capital profits shall be prohibited otherwise than by way of the redemption or purchase of any of the Company's own shares in accordance with Chapter 3 or 4 of Part 18 of the CA 2006. The directors shall establish a reserve to be called the capital reserve. During a Relevant Period, all surpluses arising from the realisation or revaluation of investments and all other monies realised on or derived from the realisation, payment off of or other dealing with any capital asset in excess of the book value thereof and all other monies which are considered by the directors to be in the nature of accretion to capital shall

be credited to the capital reserve. Subject to the provisions of the CA 2006, the directors may determine whether any amount received by the Company is to be dealt with as income or capital or partly one way and partly the other. During a Relevant Period, any loss realised on the realisation or payment off of or other dealing with any investments or other capital assets and, subject to the provisions of the CA 2006, any expenses, loss, liability (or provision therefor) which the directors consider to relate to a capital item or which the directors otherwise consider appropriate to be debited to the capital reserve, shall be carried to the debit of the capital reserve. During a Relevant Period, all sums carried and standing to the credit of the capital reserve may be applied for any of the purposes for which sums standing to the credit of any revenue reserves are applicable except and provided that notwithstanding any other provision of these Articles, during a Relevant Period no part of the capital reserve or any other money in the nature of accretion to capital shall be transferred to the revenue reserves of the Company or be regarded or treated as profits of the Company available for distribution (as defined by section 830 (2) of the CA 2006) or be applied in paying dividends on any shares of the Company. In any other period other than a Relevant Period any amount standing to the credit of the capital reserve may be transferred to the revenue reserves of the Company or be regarded or treated as profits of the Company available for distribution (subject to and as defined in section 830 (2) of the CA 2006) or be applied in paying dividends on any shares of the Company.

(i) Continuation Vote

In order for the term of the Company to be determined by the members the directors shall, provided they believe it is in the best interests of the Company, at the annual general meeting of the Company falling after the fifth anniversary of the last allotment (from time to time) of shares in the Company and thereafter at three yearly intervals, propose a resolution that the Company should be wound up and, if such a resolution is not passed by the members, invite the members to consider and debate the future of the Company (including, without limitation, whether the Company should be wound up, sold or unitised) and as soon as practicable following that meeting shall convene a general meeting to propose such resolution as the members attending the annual general meeting may by ordinary resolution require.

(j) Reduction of Share Premium Account of the Company

Under the CA 2006 the Company may by special resolution confirmed by the court reduce the amount standing to the credit of the share premium account at the time of such application.

(k) General Meetings

i. Subject to the provisions of the Companies Acts, annual general meetings shall be held at such time and place as the Board may determine. General meetings may be convened by the Board whenever it thinks fit and by Shareholders in accordance with section 303 of the CA 2006.

ii. An annual general meeting shall be convened by not less than 21 clear days notice in writing. All other general meetings shall also be convened by not less than 21 days notice in writing unless conditions A to C of section 307A of the CA 2006 are complied with.

(l) Miscellaneous

i. There are no provisions in the Articles that would have the effect of delaying, deferring or preventing a change of control of the Company.

ii. Failure by any Shareholder to provide the Company with the information as requested by any notice served in accordance with section 793 of the CA 2006 (notice by company requiring information about interests in its shares) may result in that Shareholder being disenfranchised in respect of his shareholdings and, inter alia, the withholding of any dividends payable to him.

5. MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business, are all of the contracts which have been entered into by the Company since its incorporation and which are, or may be, material, or have been entered into by the Company and contain provisions under which the Company has obligations or entitlements which are material to it at the date of this document:

(a) An investment management agreement dated 31 August 2010 between the Company (1) Foresight Group LLP (2) and Foresight Fund Managers Limited (3) whereby Foresight Group is appointed to act as the investment manager on a discretionary basis for an initial five-year period and thereafter on 12 months' notice by either side in return for an annual management fee (payable quarterly in advance) of 1.5% (plus VAT, if any, at the applicable rate) of the net assets of the Company plus a performance incentive fee. The Company has agreed to indemnify Foresight Group against all or any actions, proceedings, losses, claims, demands and liabilities whatsoever arising out of the proper performance of the investment manager's duties. There are no value or time limits attached to the indemnity other than the statutory time limit of twelve years which applies to agreements signed as deeds. Foresight retains the right to charge arrangement, exit and syndication fees to investee companies, and will be responsible for all costs of an investment that does not proceed. Foresight Fund Managers Limited will receive an annual fee of 0.3% of funds raised (subject to a minimum of £60,000 per annum)

index-linked for undertaking the secretarial and accounting requirements of the Company. Further details are set out in the section titled Fees and expenses in Part 1 of this document. As soon as reasonably practicable after Foresight Group CI becomes authorised by the Guernsey Financial Services Commission to undertake controlled investment business (as defined in The Protection of Investors (Bailiwick of Guernsey) Law 1987, as amended) the agreement will be novated to substitute Foresight Group CI as the investment manager in place of Foresight Group.

(b) A Carried Interest Agreement dated 31 August 2010 between the Company (1) and Foresight Group pursuant to which Foresight Group will be entitled to the performance incentive (in cash or new Shares in the Company issued at par) to a value equal to 20% of Distributions in excess of 100p per Share until total Distributions reach 130p per share and thereafter equal to 30% of Distributions over that level. No performance incentive will be distributed to Foresight Group until shareholders have received Distributions of 100p per Share.

(e) An agreement dated 31 August 2010 between the Company, the Directors, Foresight Group LLP and BDO ("Sponsor and Promoter Agreement") whereby Foresight Group has agreed to pay all of the costs and expenses of the Offer for a commission on the gross proceeds of the Offer of up to 5.5p per Share such that the initial net assets of the Company will be equal to 94.5p per Share. In addition Foresight Group will receive annual trail commission (payable annually in arrears on the first anniversary of the close of the Offer and on each succeeding anniversary thereafter) of 0.5% of the Net Asset Value of the Shares as at the end of each financial year until a maximum of 3% of the actual amount subscribed for Shares has been reached. BDO has agreed to act as sponsor to the Company and the Sponsor and Promoter Agreement provides that BDO's fees will be paid by Foresight. The Company and the Directors have given customary representations and warranties to, and in the case of the Company alone, an indemnity, to Foresight and BDO. The liability of each of the Directors under the warranties is limited to 150% of his annual director's fee. There are no value or time limits attached to the indemnity other than the statutory limit of six years. BDO may terminate the Sponsor and Promoter Agreement at any time prior to Admission if it becomes aware of any material breach of warranty prior to Admission.

(d) By letters dated 31 August 2010 the Directors agreed to act as non-executive directors of the Company on the terms set out at paragraph 3(e) of this Part 4.

6. STAMP DUTY, STAMP DUTY RESERVE TAX AND CLOSE COMPANY STATUS

(a) The Company has been advised that no stamp duty reserve tax ("SDRT") will be payable on the issue of the Ordinary Shares. The transfer on sale of any Ordinary Shares will be liable to ad valorem stamp duty normally at the rate of 0.5% of the amount or value of the consideration (rounded up to the nearest £5). An unconditional agreement to transfer Ordinary Shares also gives rise to an obligation to account for SDRT, which is payable within seven days of the start of the month following that in which the agreement was entered into. The payment of stamp duty gives rise to a right to repayment of any SDRT paid. There will be no stamp duty or SDRT on a transfer of Ordinary Shares into CREST unless such a transfer is made for a consideration in money or money's worth, in which case a liability to SDRT will arise at a rate of 0.5%. A transfer of Ordinary Shares effected on a paperless basis through CREST will generally be subject to SDRT at a rate of 0.5% of the value of the consideration.

(b) On the issue of the Ordinary Shares pursuant to the Offer, the Company is unlikely to be a close company for tax purposes.

7. OVERSEAS INVESTORS

(a) No person receiving a copy of this document or an Application Form in any territory other than the UK may treat the same as constituting an offer or invitation to him to subscribe for or purchase Ordinary Shares in the Company.

(b) No action has been taken to permit the distribution of this document in any jurisdiction outside the UK where such action is required to be taken. All applicants under the Offer will be required to warrant that they are not a US person as defined in paragraph 4(xi) of Part 5 of this document.

8. GENERAL

(a) The Offer Price is 100p per Share.

(b) The total expenses payable by the Company in connection with the Offer (including VAT where applicable) will be 5.5p in respect of each Share subscribed such that the initial net assets of the Company will be equal to 94.5p per Share. The Offer Price represents a premium of 99 pence per Share over nominal value. If the maximum subscription of £40,000,000 is achieved under the Offer, the net proceeds will amount to £37,800,000. If the minimum net proceeds of £3 million is obtained, the net proceeds will be £2,835,000. The proceeds will be applied in accordance with the Company's investment policy and to redeem the Redeemable Shares.

(c) The registered office of the Company and the Company's principal place of business is ECA Court, 24-26 South Park, Sevenoaks, Kent TN13 1DU. The Company does not have, nor has it had since its incorporation, any subsidiaries, subsidiary undertakings or employees and it does not own any premises.

(d) There has been no significant change in the financial or trading position of the Company since its incorporation.

(e) There are no Governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past significant effects on the Company's financial position or profitability.

(f) Save as disclosed in sub-paragraph 5(c) of this Part 4, no amount of cash, securities or benefits has been paid, issued or given to the promoter and none is intended to be paid, issued or given.

(g) Where the circumstances are appropriate, the Directors propose that an appropriate and reasonable proportion of the management expenses of the Company, to be determined after consultation with the Company's auditors, but not to exceed 75%, will be charged to capital.

(h) i. At the date of this document the Company complies with the principles of the UK Code of Corporate Governance save as set out in sub-paragraph (ii) below. The Company has an Audit Committee, composed of the Directors who are independent of Foresight, which will meet at least twice each year and will be responsible for making recommendations to the Board on the appointment of the auditors and the audit fee, for reviewing the conduct and control of the annual audit and for reviewing the operation of the internal financial controls. It will also have responsibility for the proper reporting of the financial performance of the Company and for reviewing financial statements prior to publication.

ii. As the Company has no employees, no Remuneration Committee will be formed. The Company does not intend to appoint a senior independent Director or to form a Nominations Committee due to the Board being relatively small in size.

(i) The Board must be able to demonstrate that it will act independently of Foresight. In particular, a majority of the Board (including the Chairman) must not be:

i. directors, employees, partners, officers or professional advisers of or to Foresight or any other company in the same group as Foresight; or

ii. directors, employees or professional advisers of or to any other VCT managed by Foresight or any other company in the same group as Foresight. Any Director who falls within i. or ii. above is subject to annual re-election by Shareholders.

(j) The issue is sponsored by BDO which is authorised and regulated by the Financial Services Authority.

(k) The Company does not assume responsibility for the withholding of tax at source.

(l) HM Revenue & Customs has granted the Company provisional approval under section 274 ITA and it is intended that the business of the Company be carried on so as to comply with that section.

(m) The Company does not employ any employees nor engage any other person in any personal capacity save for the Directors.

(n) The Company confirms that all third party information in this document (sourced from Foresight) has been reproduced accurately and as far as it is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

(o) The Company confirms that it has taken all reasonable steps to ensure that its auditors, Ernst & Young LLP, being members of the Institute of Chartered Accountants in England & Wales, are independent of it and has obtained written confirmation from the auditors that they comply with the guidelines on independence issued by their national accounting and auditing bodies.

(p) Definitive share certificates for the Shares to be allotted under the Offer will be issued in registered form and are to be dispatched to Shareholders within ten business days of allotment. The Company has applied to Euroclear for the Ordinary Shares to be admitted to CREST as a participating security. It is expected that the admission of the Ordinary Shares to CREST as a participating security will be effective from the Company's Admission. Shareholders who are direct or sponsored members of Euroclear will then be able to dematerialise their Ordinary Shares in accordance with the rules and practices instituted by Euroclear. The Company will not issue temporary documents of title.

(q) Foresight, BDO and R W Blears LLP have each given and not withdrawn their written consents to the issue of this document with the inclusion herein of their names in the form and context in which they are included.

(r) The Directors will be investing £35,000, in aggregate, under the terms of the Offer.

(s) The results of the Offer will be announced through a Regulatory Information Service provider.

(t) Save as mentioned above, as at the date of this document, there are believed to be no governmental, economic, monetary, political or fiscal policies and factors which have or could affect the Company's operations.

(u) Since the date of incorporation of the Company and up to the date of this document save as mentioned in paragraph 5 above there have been no related party transactions.

9. SPECIFIC DISCLOSURES IN RESPECT OF CLOSED ENDED FUNDS

(a) A detailed description of the investment objective and policy which will be pursued by the Company is set out in the section of Part 1 entitled "Investment Policy". The Company will, at all times, invest and manage its assets in a way which is consistent with its objective of spreading investment risk and in accordance with this published investment policy. This investment policy is in line with Chapter 15 of the Listing Rules and Part 6 ITA. The Company will not make material changes to this investment policy without shareholder approval.

The Company will be subject to and will comply with the restrictions regarding investments for closed ended investment funds that are contained in the Listing Rules.

(b) The Company is not required to be, and is therefore not, regulated by the Financial Services Authority. In order to obtain venture capital trust status, the Company must, however, be approved by HM Revenue & Customs. The conditions which must be satisfied to obtain and retain such status are set out in full in Part 3 and they include the following:

(i) at least 70% by value of the Company's investments (including any uninvested funds held) must be represented by shares or securities in Qualifying Holdings, of which at least 30% or, if draft legislation published in July 2010 is enacted by Parliament, 70% by value must be represented by holdings of ordinary shares; additionally at least 10% by value of investments in single companies or groups must be in ordinary shares which carry no preferential rights;

(ii) not more than 15% by value of the Company's investments can (at the time of investment) be held in a single company or group (other than a VCT) and the Company must not control the companies in which it invests in such a way as to render them subsidiary undertakings; and

(iii) the Company is limited to investing up to £1 million per Income Tax Year per Qualifying Holding.

(c) The Company has no present intention of incurring any borrowings.

(d) The Company is regulated by Part 6 ITA in respect of the investments it makes. The Company has appointed R W Blears LLP as its VCT status adviser. R W Blears LLP will report twice yearly to the Company in its annual and interim reporting obligations. In respect of any breach of the VCT rules, the Company will report the matter immediately to HM Revenue & Customs.

(e) The Company will not invest more than 15% in any single company or other listed closed-ended investment fund nor will the Company control the companies in which it invests in such a way as to render them subsidiary undertakings until it has obtained approval as a VCT from HM Revenue & Customs.

(f) The Company will not invest directly in any physical commodities.

(g) The Company will not invest directly in any property.

(h) The Company will not invest in any derivatives or currencies save for efficient portfolio management, that is, solely for the purpose of reducing, transferring or eliminating investment risk in underlying investments.

(i) Foresight is responsible for the determination and calculation of the net asset value of the Company. The net asset value of the Company will be determined twice a year, concurrent with the interim and annual announcements (which are expected in February and October respectively) in accordance with the International Private Equity and Venture Capital Association ("IPEVC") valuation guidelines. The value of investments will be determined according to their listing status. Quoted securities will be valued at bid price unless the investment is subject to restrictions or the holding is significant in relation to the share capital of a small quoted company, in which case a discount may be appropriate as per the IPEVC guidelines. Unquoted investments will normally be valued on a cost basis in the first year and reviewed subsequently on the basis of the progression of the business. The net asset value of the Company will be communicated to investors through a Regulatory Information Service provider at the same frequency as the determinations. In the event of any suspension valuations are held at the suspended price and a view is taken with consideration to best market practice and information from advisers.

(j) The Company does not intend to appoint an external custodian and its assets (other than the Non-Qualifying Investments) will be held in certificated form.

(k) The Directors do not anticipate any circumstances arising under which the calculation of the net asset value may be suspended. Should the determination of net asset value differ from that set out above then this will be communicated to investors in the Company through a Regulatory Information Service provider.

(l) The Company will not conduct any significant trading activity.

(m) The Company's expected market competitors would be other venture capital funds investing in the same sectors and asset classes referred to in this Prospectus.

10. INFORMATION ON FORESIGHT GROUP CI LIMITED AND FORESIGHT GROUP LLP

Foresight Group CI Limited is a private company registered in Guernsey under company number 51471 and was incorporated on 12 February 2010. Its registered office is at La Plaiderie House, La Plaiderie, St Peter Port, Guernsey GY1 4HE. When Foresight Group CI becomes authorised by the Guernsey Financial Services Commission to undertake controlled investment business as defined in The Protection of Investors (Bailiwick of Guernsey) Law 1987 as amended, it will become the investment manager for the Company in substitution for Foresight Group.

Foresight Group LLP is authorised and regulated by the Financial Services Authority and registered in England and Wales under company number OC300878 and was incorporated on 25 October 2001 in the UK. Foresight Group LLP is domiciled in the UK and is a limited liability partnership. Its registered office and its principal place of business is at ECA Court, 24-26 South Park, Sevenoaks, Kent TN13 1DU. The telephone number is 01732 471800.

11. DOCUMENTS AVAILABLE FOR INSPECTION

For the life of this prospectus the following documents (or copies thereof) may be inspected at the registered office of the Company during normal business hours on weekdays (Saturdays, Sundays and public holidays excepted):

- (a) the Memorandum and Articles of the Company;
- (b) the material contracts referred to in paragraph 5 above; and;
- (c) the letters of consent described in paragraph 8(q) above

PART 5: DEFINITIONS

THE FOLLOWING DEFINITIONS ARE USED THROUGHOUT THIS DOCUMENT UNLESS THE CONTEXT OTHERWISE REQUIRES:

"Admission"	the date on which Shares allotted pursuant to the Offer are listed on the Official List of the UK Listing Authority and admitted to trading on the London Stock Exchange's market for listed securities
"AIM"	the Alternative Investment Market
"Articles"	the articles of association of Foresight Solar VCT as the context permits
"BDO"	BDO LLP
"Board"	the board of directors of Foresight Solar VCT
"Business Days"	any day (other than a Saturday) on which clearing banks are open for normal banking business in sterling
"CA 1985"	Company Act 1985 (as amended)
"CA 2006"	Company Act 2006 (as amended)
"Close Period"	as defined in paragraph 1(a) of the Model Code
"Company Acts"	CA 1985 and CA 2006
"Directors"	the directors of Foresight Solar VCT from time to time, as the context permits
"Distributions"	amounts paid by way of dividends, tender offers, share buy-backs, proceeds on a sale or liquidation of the Company and any other proceeds or value received, or deemed to be received, by Shareholders in the relevant Company in respect of Shares, excluding any income tax relief on subscription
"Eligible Shares"	in relation to a company which is a Qualifying Company, means (subject to the enactment of draft legislation published in July 2010) ordinary shares which carry no present or future preferential right to dividends or to the assets of the company on its winding up, and no present or future right to be redeemed
"Export Tariff"	the guaranteed minimum price for the sale of electricity under the FIT Scheme initially set at 3p per kilowatt-hour
"FIT Scheme"	the UK scheme for Feed-in Tariffs introduced in 2010 in accordance with sections 41 to 43 of the Energy Act 2008
"Feed-in Tariff(s)"	various government-regulated prices to producers of qualifying renewable electricity for varying periods (25 years for qualifying PV Solar Systems under the Fit Scheme in the UK)
"FSA"	The Financial Services Authority
"FSMA"	The Financial Services and Markets Act 2000
"Foresight Group CI"	Foresight Group CI Limited, a private company registered in Guernsey with number 51471
"Foresight Group" or "Foresight"	Foresight Group LLP, a limited liability partnership registered in England and Wales under number OC300878 which is authorised and regulated by the FSA; wholly owned by Foresight Group CI and the current investment manager for the Company
"Foresight Solar VCT" or "Company"	Foresight Solar VCT plc, a public limited company registered in England and Wales under number 7289280
"Foresight VCTs"	Foresight VCT plc, Foresight 2 VCT plc, Foresight 3 VCT plc, Foresight 4 VCT plc, Keydata Income 1 VCT plc and Keydata Income 2 VCT plc
"Generation Tariff"	effectively a guaranteed inflation-linked premium payment under the FIT Scheme on every unit of electricity generated, at the rates provided for in Annex 2 to the licence modifications laid before Parliament under section 42(3) of the Energy Act 2008 by the Secretary of State in April 2010
"Inside Information"	as defined in section 118C of FSMA
"Listing Rules"	(in accordance with section 73A of FSMA) rules relating to Admission to the Official List
"London Stock Exchange"	London Stock Exchange plc
"Memorandum"	the memorandum of association of Foresight Solar VCT
"Microgeneration Certification Scheme"	an independent scheme supported by the UK Department of Energy and Climate Change for the certification of microgeneration product and installers

"Minimum Net Proceeds"	the sum of £3,000,000 to be raised by the issue of Offer Shares in order for the Offer to become unconditional
"Model Code"	the Model Code set out in LR9 Annex 1 of the Listing Rules
"NAV" or "Net Asset Value"	the net asset value attributable to the Shares calculated in accordance with the Company's normal accounting policies in force at the date of calculation
"Offer"	the offer for subscription of Shares as described in the Prospectus
"Offer Price"	100p per Share, being the price at which the Ordinary Shares will be allotted pursuant to the Offer
"Offer Shares"	Shares in Foresight Solar VCT being offered for subscription pursuant to the Prospectus
"Official List"	the official list of the UK Listing Authority maintained in accordance with section 74(1) FSMA
"PLUS"	PLUS Markets plc, a small and mid-cap recognised investment exchange in the UK and a market operator under the Markets in Financial Instruments Directive ("MiFID"), authorised to operate both secondary (trading) and primary (listing/quotation) markets
"Photons"	a quantum of electromagnetic (or light) energy
"Prohibited Period"	any Close Period or any period when there exists any matter which constitutes Inside Information in relation to the Company
"Prospectus"	this document
"Prospectus Rules"	the prospectus rules of the UK Listing Authority
"PVGIS"	The Photovoltaic Geographical Information System which is a research, demonstration and policy-support instrument for the geographical assessment of solar energy resource in the context of the integrated management of distributed energy generation. PVGIS is a part of the SOLAREC action of the Joint Research Centre's (a Directorate General of the European Commission) Insitute for Energy.
"PV Solar System"	an 'on-grid' system which produces electricity from daylight by converting Photons received from the sun to electric current through a process called photovoltaics
"Qualifying Company"	an unquoted (including an AIM-listed) company which satisfies the requirements of Part 4 of Chapter 6 of the Tax Act
"Qualifying Investments"	shares in, or securities of, a Qualifying Company held by a venture capital trust which meets the requirements described in Parts 3 and 4 of Chapter 6 of the Tax Act
"Qualifying Loan"	a loan to a Qualifying Company, having an original term of not less than 5 years within which it cannot be required by the Company to be repaid, except on standard events of default, and which may be secured on the assets of the Qualifying Company
"Receiving Agent"	The City Partnership (UK) Limited
"Redeemable Shares"	Foresight Solar VCT redeemable non-voting shares (as defined in the Company's Articles of Association) of 1p each which will be redeemed forthwith after first Admission
"Registrar"	Computershare Investor Services plc
"Regulations"	the Uncertificated Securities Regulations 1995
"Shareholder"	a holder of Shares in the Company
"Shares" or "Ordinary Shares"	Foresight Solar VCT ordinary shares of 1p each offered for subscription pursuant to the Offer (ISIN Number - GB00B640GZ49)
"the Tax Act"	the Income Tax Act 2007 (as amended)
"UK Listing Authority"	the FSA in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland
"VCT Rules"	the legislation, rules and HMRC interpretation and practice regulating the establishment and operation of venture capital trusts
"VCT Value"	the value of an investment calculated in accordance with Section 278 of the Tax Act
"Venture Capital Trust" or "VCT"	a venture capital trust as defined in Section 259 of the Tax Act
"Zero Discount Buyback Policy"	the policy of the Company to purchase Shares at a zero discount to their net asset value, less transaction costs payable to market makers and stockbrokers ad valorem stamp duty, and otherwise as described in Part 1 of this document



PART 6: APPLICATION FOR FORESIGHT SOLAR SHARES

TERMS AND CONDITIONS OF APPLICATION

- 1.** The contract created by the acceptance of applications in the manner herein set out will be conditional on the Minimum Net Proceeds being raised and also upon the Admission of the Offer Shares to the Official List of the UK Listing Authority and to trading on the London Stock Exchange's market for listed securities unless otherwise so resolved by the Board. Offer Shares will be issued even if less than the maximum number of Offer Shares is subscribed by investors. If any application is not accepted or if any application is accepted for fewer Shares than the number applied for, or if there is a surplus of funds from the application amount, the application monies or the balance of the amount paid on application will be returned without interest by post at the risk of the applicant. In the meantime application monies will be retained by the relevant Company in a separate client account.
- 2.** The Company reserves the right to present all cheques and banker's drafts for payment on receipt and to retain documents of title and surplus application monies pending clearance of the successful applicants' cheques and banker's drafts.
- 3.** By completing and delivering an Application Form, you (as the applicant):
 - (a)** irrevocably offer to subscribe for the amount of money specified in your Application Form which will be applied to purchase Offer Shares, subject to the provisions of (i) the Prospectus, (ii) these Terms and Conditions and (iii) the Memorandum and Articles;
 - (b)** authorise the Company's Registrars to send definitive documents of title for the number of Offer Shares for which your application is accepted and to procure that your name is placed on the registers of members of the Company in respect of such Offer Shares and authorise the Receiving Agent to send you a crossed cheque for any monies returnable, by post to your address as set out in your Application Form;
 - (c)** in consideration of the Company agreeing that it will not, prior to the closing date of the Offer, offer any Shares to any persons other than by means of the procedures set out or referred to in this document, agree that your application may not be revoked until the closing date of the Offer, and that this paragraph constitutes a collateral contract between you and the Company which will become binding upon despatch by post or delivery by hand of your Application Form duly completed to the Company's receiving agent, The City Partnership (UK) Limited;
 - (d)** understand that your cheque or banker's draft will be presented for payment on receipt, and agree and warrant that it will be honoured on first presentation and agree that, if it is not so honoured, you will not be entitled to receive certificates for the Offer Shares applied for or to enjoy or receive any rights or Distributions in respect of such Offer Shares unless and until you make payment in cleared funds for such Offer Shares and such payment is accepted by the Company (which acceptance shall be in its absolute discretion and may be on the basis that you indemnify it against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of your remittance to be honoured on first presentation) and that at any time prior to unconditional acceptance by the Company of such late payment in respect of such Offer Shares, the Company may (without prejudice to their other rights) treat the agreement to allot such Offer Shares as void and may allot such Offer Shares to some other person in which case you will not be entitled to any refund or payment in respect of such Offer Shares (other than return of such late payment);
 - (e)** agree that monies subscribed for Offer Shares will be held for the account of the Company pending allotment of Offer Shares (which may not take place until several weeks after cleared funds have been received) and that all interest thereon shall belong to the Company and further that any documents of title and any monies returnable to you may be retained pending clearance of your remittance and that such monies will not bear interest;
 - (f)** agree that all applications, acceptances of applications and contracts resulting there from will be governed by, and construed in accordance with, English law and that you submit to the jurisdiction of the English courts and agree that nothing shall limit the right of either Company to bring any action, suit or proceeding arising out of or in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;
 - (g)** agree that, in respect of those Offer Shares for which your application has been received and processed and not refused, acceptance of your application shall be constituted by notice of acceptance thereof by The City Partnership (UK) Limited;
 - (h)** agree that all documents in connection with the Offer and any returned monies will be sent at your risk and may be sent by post to you at your address as set out in the Application Form;

(i) agree that, having had the opportunity to read the Prospectus and any supplementary prospectus issued by the Company and filed with the FSA, you shall be deemed to have had notice of all information and representations concerning the Company contained herein and in any supplementary prospectus issued by the Company and filed with the FSA (whether or not so read);

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

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

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

(m) agree that such Application Form is addressed to the Company, BDO LLP and The City Partnership (UK) Limited;

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

(o) warrant that, in connection with your application, you have observed the laws of all relevant territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action which will or may result in the Company, BDO LLP, The City Partnership (UK) Limited or Foresight acting in breach of the regulatory or legal requirements of any territory in connection with the Offer or your application;

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

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

4. No action has been or will be taken in any jurisdiction by, or on behalf of, the Company which would permit a public offer of Offer Shares in any jurisdiction where action for that purpose is required, other than the United Kingdom, nor has any such action been taken with respect to the possession or distribution of this document other than in the United Kingdom. No person receiving a copy of this document or any supplementary prospectus filed with the FSA or an Application Form in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him nor should he in any event use such Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to him or such Application Form could lawfully be used without contravention of any registration or other legal requirements. It is the responsibility of any person outside the United Kingdom wishing to make an application for Offer Shares to satisfy himself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.

5. The basis of allocation will be determined by the Company (after consultation with BDO LLP) in its absolute discretion. It is intended that applications will be accepted in the order in which they are received. The Offer will be closed at 5.00 p.m. on 30 June 2011 or as soon as full subscription is reached (unless extended by the Directors or closed earlier at their discretion). The right is reserved, notwithstanding the basis so determined, to reject in whole or in part and/or scale down any application, in particular multiple and suspected multiple applications which may otherwise be accepted. Application monies not accepted or if the Offer is withdrawn will be returned to the applicant in full by means of a cheque, posted at the applicant's risk. The right is also reserved to treat as valid any application not complying fully with these terms and conditions of application or not in all respects complying with the application procedures set out on page 46. In particular, but without limitation, the Company (after consultation with BDO LLP) may accept applications made otherwise than by completion of an Application Form where the applicant has agreed in some other manner to apply in accordance with these terms and conditions. The Offer is not underwritten. The Offer will be suspended if at any time any of the Company are prohibited by statute or other regulations from issuing Offer Shares.

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

7. Investors whose Application Forms are received and accepted on or before 31 October 2010 will be allotted a total number of Ordinary Shares equal to: (i) those applied for plus (ii) a number of additional Ordinary Shares equal to 2% of the amount subscribed by the investor divided by the Offer Price ("the Total") at an effective discounted Offer price equal to the amount subscribed by the investing shareholder divided by the Total. Later Investors will also receive an additional allocation of Shares equal in number to 1% of the amount they subscribe divided by the Offer Price provided they subscribe on or before 31 January 2011. The fees otherwise payable to Foresight under the Sponsor and Promoter Agreement will abate by either 2% or 1%, as the case may be, of the amount subscribed by investors who receive additional Ordinary Shares on this basis.
8. Authorised financial intermediaries who, acting on behalf of their clients, return valid Application Forms bearing their stamp and FSA number will normally be paid 3% commission on the amount payable in respect of the Offer Shares allocated for each such Application Form. In addition, provided they continue to act for their client and the client continues to hold such Offer Shares, such intermediaries will be paid an annual trail commission of 0.5% of the net asset base value for each such Offer Share. For this purpose, "net asset base value" means the net assets attributable to the Offer Share in question as determined from the audited annual accounts of the Company as at the end of the preceding financial year.

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

The City Partnership (UK) Limited will collate the Application Forms bearing the financial intermediaries' stamps and calculate the initial commission payable which will be paid monthly.

9. Financial intermediaries may agree to waive initial commission in respect of your application. If this is the case then the amount of your application will be increased by an amount equivalent to the amount of commission waived.

LODGING OF APPLICATION FORMS AND DEALING ARRANGEMENTS

Completed Application Forms with the appropriate remittance must be posted or delivered by hand to The City Partnership (UK) Limited, Thistle House, 21-23 Thistle Street, Edinburgh, EH2 1DF. The Offer opens on 31 August 2010 and will close on 5 April 2011 in the case of applications for the 2010/2011 tax year and on 30 June 2011 in the case of applications for the 2011/12 tax year, or in each case earlier if fully subscribed or at the discretion of the Directors. The Directors in their absolute discretion may also decide to extend the Offer. If you post your Application Form, you are recommended to use first class post and to allow at least two business days for delivery.

It is expected that dealings in the Offer Shares will commence within three business days following allotment and that share certificates will be despatched within seven business days of allotment of the Offer Shares. Allotments will be announced on an appropriate Regulatory Information Service.

Temporary documents of title will not be issued. Dealings prior to receipt of share certificates will be at the risk of applicants. A person so dealing must recognise the risk that an application may not have been accepted to the extent anticipated or at all.

To the extent that any application is not accepted any excess payment will be returned without interest by returning the applicant's cheque or banker's draft or by sending a crossed cheque in favour of the applicant through the post, at the risk of the person entitled thereto.

APPLICATION PROCEDURES

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

BOX 1

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

BOX 2

Insert (in figures) the total amount you wish to invest. Your application must be for a minimum of £3,000 and thereafter in multiples of £1,000.

If you are paying by cheque please make it payable to "Foresight Solar VCT".

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

BOX 3

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

Money Laundering Notice - Important

If the application is for the Sterling equivalent of Euro 15,000 or more (or is one of a series of a linked applications the value of which exceeds that amount) the verification requirements of the Money Laundering Regulations will apply and verification of the identity of the applicant may be required. Failure to provide the necessary evidence of identity may result in your application being treated as invalid or in delay of confirmation. If The City Partnership (UK) Limited has previously received the appropriate documents, you will not need to provide them again.

If the application is for the Sterling equivalent of Euro 15,000 or more (or is one of a series of a linked applications the value of which exceeds that amount), the identity of the applicant must be verified and (if a cheque is drawn by a third party) of that third party, as set out under A or B below.

A Verification of the applicant's identity may be provided by means of a "Letter of Introduction" from an IFA or other regulated person (such as a solicitor or accountant) who is a member of a regulatory authority and is required to comply with the Money Laundering Regulations 2007 or a UK or EC financial institution (such as a bank). The City Partnership (UK) Limited will supply specimen wording on request;

or

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

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

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

APPLICATION FORM FORESIGHT SOLAR VCT PLC

("THE COMPANY")



OFFER SHARES OF 1P EACH IN THE COMPANY

This Application Form should be completed in full and sent by post or by hand addressed to: "Foresight Solar Offer", The City Partnership (UK) Limited, Thistle House, 21-23 Thistle Street, Edinburgh, EH2 1DF so as to arrive as soon as possible but in any case no later than 5.00 p.m. on 5 April 2011 in the case of applications for the 2010/11 tax year and no later than 5.00 p.m. on 30 June 2011 in the case of applications for the 2011/12 tax year. Before completing this Application Form you should read the terms and conditions of application on pages 43 to 45 and the application procedures on page 46.

The application list will open on 31 August 2010 and will be closed at any time thereafter (provided the Offer is fully subscribed or otherwise at the Directors' discretion) but not later than 5.00 p.m. on 30 June 2011 (unless the closing date is extended by the Directors).

BOX 1

Title Mr/Mrs/Miss/Dr/Other:

Forenames:

Surname(s):

Address:

Post Code:

Telephone (work):

Telephone (home):

Date of Birth:

National Insurance No:

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

BOX 2

Total	Tax year 2010/11	2011/12
£	£	£

I enclose a cheque or banker's draft drawn on a UK clearing bank, made payable to "Foresight Solar VCT".

BOX 3

Signature of Applicant

Date

APPLICATION FORM FORESIGHT SOLAR VCT PLC

("THE COMPANY")



INTERMEDIARIES TO COMPLETE

Name of Financial Adviser

Title Mr/Mrs/Miss:

.....

Forenames:

.....

Surname:

.....

Email address:

.....

Telephone:

.....

Name of Administrator/Support Staff:

Title Mr/Mrs/Miss:

.....

Forenames:

.....

Surname:

.....

Stamp of Financial Intermediary or full address details:

.....

If commission is to be paid to a network or head office, please give details:

.....

Insert the amount of the commission (up to a maximum of 3%) that you wish to be waived and invested in additional Shares for your client:

.....

Trail commission will be paid directly to intermediaries; therefore, please provide bank details.

Intermediary Bank Details

Account Name

.....

Bank/Building Society

.....

Sort Code

.....

Account No.

.....



CORPORATE INFORMATION

DIRECTORS (NON-EXECUTIVE)

John Maples (Chairman)
Mike Liston
Tim Dowlen

REGISTERED OFFICE AND HEAD OFFICE

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

COMPANY REGISTRATION NUMBER

7289280

WEBSITE

www.foresightgroup.eu

TELEPHONE NUMBER

01732 471 800

COMPANY SECRETARY AND ACCOUNTANT

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

REGISTRARS

Computershare Investor Services PLC
P.O. Box 859
The Pavilions
Bridgwater Road
Bristol BS99 1XZ

INVESTMENT MANAGER AND PROMOTER

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

AUDITORS

Ernst & Young LLP
1 More London Place
London SE1 2AF

SOLICITORS AND VCT TAX ADVISERS

RW Blears LLP
125 Old Broad Street
London EC2N 1AR

BROKER

Singer Capital Markets Limited
1 Hanover Street
London W15 1YZ

SPONSOR

BDO LLP
125 Colmore Row
Birmingham B3 3SD

RECEIVING AGENT

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

BANKERS

Barclays Bank plc
54 Lombard Street
London EC3P 3AH

Foresight Group

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

t: +44 (0) 1732 471800

f: +44 (0) 1732 471810

www.foresightgroup.eu



This publication is printed on paper sourced from certified sustainable forests.
Designed and produced by Fat Media.

Important Information

This document is a financial promotion and not a prospectus. It is issued by Foresight Solar VCT plc and approved for the purposes of section 21 of the Financial Services and Markets Act 2000 by Foresight Group LLP, which is authorised and regulated for the conduct of designated investment business in the UK by the Financial Services Authority. The Company, its directors and Foresight Group LLP have taken all reasonable care to ensure that this document is fair, clear and not misleading. This document does not constitute, and may not be used for the purpose of, an offer to or an invitation to treat by any person in any jurisdiction outside the United Kingdom.

7th October 2011

Dear Investor

Foresight Solar VCT plc - Ordinary Share Top-Up Offer £1,461,504

The offer to raise up to £40,000,000 through the issue of ordinary shares in Foresight Solar VCT plc, closed on 30 August 2011, having raised, before issue costs, the sum of £37,008,542. The board of Foresight Solar VCT's Board has now approved a 'top up' offer for subscription of up to 1,461,504 new Ordinary Shares at the same subscription price of 100p per Ordinary Share, to raise up to an additional £1,461,504 (the "**Top Up Offer**").

All such new Ordinary Shares will be issued upon the same terms and conditions as those contained in the Company's prospectus dated 31 August 2010 (the "**Prospectus**"). For these purposes, the definitions used in the Prospectus bear the same meaning when used in this letter and the application form which appears on page 47 and 48 of the Prospectus may also be used, in each case, subject to the variations below. There has been no significant change in the financial or trading position of the Company since the date of the Prospectus save as mentioned in this document. A copy of the Prospectus accompanies this letter and further copies are available from Foresight Group LLP Tel: 01732 471 800, or by e-mail: sales@foresightgroup.eu

Variations to the Terms and Conditions of Application contained in the Prospectus:

The following expressions defined in column (1) below should be construed as bearing the meaning set opposite to them in column (2) below.

(1) Existing Terms	(2) Amended Terms
the Offer	the Top Up Offer
Offer Shares	the Ordinary Shares to be issued pursuant to the Top Up Offer
The Offer will be closed at 5.00p.m. on 30 June 2011	The Top Up Offer will be closed at 5.00p.m. on 31 October 2011

And

- The Top Up Offer is **not** subject to reaching a minimum level of subscription;
- Ordinary Shares will be issued pursuant to the Top Up Offer even if less than the maximum number new Ordinary Shares is subscribed by investors; and
- The option of investing in the 2010/2011 tax year is no longer available, as this date has now passed (Box 2 of the Application form on page 46). All applications accepted shall automatically be for the 2011/2012 tax year.

Your attention is drawn to the section on risk factors on pages 6 & 7 of the document. Existing and prospective investors should consider carefully these risks; – were they to occur, the impact on the Foresight Solar VCT and its financial condition could be material. Investors who are in any doubt should consult their financial adviser.

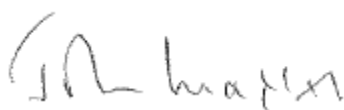
Should you wish to proceed with an application, please complete the application form on page 47 and 48 of the Prospectus and endorse it with the legend:

“Top Up Offer”

in the top right hand corner of the form and return it to: “Foresight Solar Offer” The City Partnership (UK) Limited, Thistle House, 21 – 23 Thistle Street, Edinburgh, EH2 1DF so as to arrive as soon as possible but in any case no later than 12.00 midnight on 31 October 2011. Details for the payment of subscription monies are set out on page 46 of the Prospectus.

If you have any questions please feel to contact the Sales Team at Foresight Group on Tel: 01732 471 800 who will be pleased to assist you.

Yours sincerely



Chairman
Foresight Solar VCT plc