

BARONSMEAD

Baronsmead Venture Trust plc

and

Baronsmead Second Venture Trust plc

Prospectus

Offers for Subscription to raise up to £45 million in aggregate together with an over allotment facility of up to a further £15 million in aggregate



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This document comprises a prospectus relating to Baronsmead Venture Trust plc and Baronsmead Second Venture Trust plc (the "**Companies**") prepared in accordance with the Prospectus Rules made under Part VI of FSMA. This document has been approved by the Financial Conduct Authority ("**FCA**") in accordance with Part VI of FSMA and has been filed with the FCA in accordance with Rule 3.2 of the Prospectus Rules.

The Directors of the Companies, whose names appear on page 22 of this document, and the Companies each accept responsibility for the information contained in this document. To the best of the knowledge of the Directors and the Companies (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

BARONSMEAD VENTURE TRUST PLC

(a company incorporated in England and Wales with registered number 03504214)

and

BARONSMEAD SECOND VENTURE TRUST PLC

(a company incorporated in England and Wales with registered number 04115341)

**Offers for Subscription to raise up to £45 million in aggregate
together with an over allotment facility of up to
a further £15 million in aggregate**

Sponsored by
Dickson Minto W.S.

Applications will be made to the UK Listing Authority and the London Stock Exchange for the New Shares to be admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. It is expected that such admissions will become effective in relation to the New Shares issued under the Offers, and dealings for normal settlement in such New Shares will commence, on 31 October 2017.

The distribution of this document and the offering of New Shares in jurisdictions other than the United Kingdom may be restricted by law or regulation and accordingly persons into whose possession this document comes are required to inform themselves about and observe any such restrictions. No action has been taken to permit the distribution of this document and the offering of New Shares in any jurisdiction outside the United Kingdom where such action is required to be taken. This document does not constitute, and may not be used for the purposes of, an offer to sell, or the solicitation of an offer to acquire or subscribe for, New Shares in any jurisdiction in which such offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Companies, the Sponsor, or the Investment Manager or to any person to whom it is unlawful to make such offer or solicitation. The offer and sale of New Shares is not being made, directly or indirectly, in or into, or by the use of the mails, or by any means or instrumentality (including, without limitation, facsimile transmission, telex and telephone) of interstate or foreign commerce, or of any facility of a national securities exchange, of the United States, Canada, Australia, Japan, the Republic of South Africa or any other Restricted Jurisdiction. Accordingly, copies of this document are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from, or to any resident of, the United States, Canada, Australia, Japan, the Republic of South Africa or any other Restricted Jurisdiction and persons receiving this document (including custodians, nominees and trustees) must not mail or otherwise distribute or send it in, into or from such jurisdictions. The New Shares have not been, and will not be, registered under the US Securities Act or under any of the relevant securities laws of, or with any securities regulatory authority of, any state of the United States or of Canada, Australia, Japan or the Republic of South Africa. Accordingly, unless an exemption under such act or laws is applicable, the New Shares may not be offered, sold or delivered, directly or indirectly, in or into the United States, Canada, Australia, Japan or the Republic of South Africa or to, or for the account or benefit of, any resident of the United States, Canada, Australia, Japan or the Republic of South Africa. The Companies have not been and will not be registered under the US Investment Company Act and recipients of this document and investors will not be entitled to the benefits of that Act.

Dickson Minto W.S. which is authorised and regulated in the United Kingdom by the FCA, is the Sponsor to the Companies in relation to the Offers and is acting for the Companies and is not advising any other person or treating any other person as its client in relation to the Offers or the matters referred to in this document and will not be responsible to anyone other than the Companies for providing the protections afforded to its clients nor for providing advice in relation to the Offers or the matters referred to in this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on Dickson Minto W.S. under FSMA or the regulatory regime established thereunder, Dickson Minto W.S. does not make any representation, express or implied, or accept any responsibility whatsoever for the contents of this document or for any statement made or purported to be made by it or on its behalf in connection with the Companies, the Investment Manager, the Ordinary Shares or the Offers. Accordingly Dickson Minto W.S., to the fullest extent permitted by law, disclaims all and any responsibility and liability whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of this document or any such statement.

Persons wishing to participate in the Offers should complete the Subscription Form attached to the back of this document. Existing Shareholders in the Companies will have received a separate personalised Subscription Form which they should complete. To be valid, Subscription Forms must be completed and returned, with a cheque(s) in respect of the relevant subscription amount, by post to Computershare Investor Services PLC at Corporate Actions 3, Bridgwater Road, Bristol BS99 6AR or by hand (during business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE so as to be received as soon as possible but by no later than 12 noon on 15 November 2017.

Prospective investors should carefully consider all of the information in this document, in particular the sections headed 'Risk Factors' (on pages 15 to 17) and 'Forward looking statements' (on page 20), before making any application for New Shares.

4 October 2017

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Summary

Summaries are made up of disclosure requirements known as 'Elements'. These Elements are numbered in Sections A – E (A.1 – E.7). This summary contains all the Elements required to be included in a summary for the New Shares and the Companies. Some Elements are not required to be addressed which means there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted into the summary because of the type of security and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of 'not applicable'.

Section A – Introduction and warnings

Element	Disclosure
A.1	<p>Warning</p> <p>This summary should be read as an introduction to this document. Any decision to invest in the securities should be based on consideration of this document as a whole by the investor. Where a claim relating to the information contained in this document is brought before a court, the plaintiff investor might, under the national legislation of the EEA States, have to bear the costs of translating this document before the legal proceedings are initiated. Civil liability attaches to those persons who have tabled the summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this document or it does not provide, when read together with the other parts of this document, key information in order to aid investors when considering whether to invest in such securities.</p>
A.2	<p>Financial Intermediaries</p> <p>The Companies consent to the use of this document by financial intermediaries and accept responsibility for the content of this document in connection with the subsequent resale or final placement of securities by financial intermediaries in the United Kingdom. The offer period within which any subsequent resale or final placement of securities by financial intermediaries can be made, and for which consent is given to financial intermediaries to use this document, commences on the date of this document and closes at 12 noon on 15 November 2017 unless closed or extended prior to that date (any such earlier closure or extension will be announced through a Regulatory Information Service).</p> <p>Any financial intermediary that uses this document must state on its website that it is using this document with the consent of the Companies. Each financial intermediary is required to provide the terms and conditions of the Offers to any prospective investor who has expressed an interest in participating in the Offers. Information on the terms and conditions of any subsequent resale or final placement of securities by a financial intermediary is to be provided at the time the offer is introduced to an investor by the relevant financial intermediary.</p>

Section B – Offer

Element	Disclosure
B.1	<p>Legal and commercial name</p> <p>Baronsmead Venture Trust plc ("BVT") and Baronsmead Second Venture Trust plc ("BSVT").</p>
B.2	<p>Domicile and legal form</p> <p>BVT was incorporated and registered in England and Wales on 29 January 1998 as a public company limited by shares under the Companies Act 1985 with registered number 03504214. BSVT was incorporated and registered in England and Wales on 22 November 2000 as a public company limited by shares under the Companies Act 1985 with registered number 04115341.</p> <p>The principal legislation under which the Companies operate is the Companies Act.</p>

B.5	<p>Group description</p> <p>Not applicable. The Companies are not part of a group.</p>																																																																													
B.6	<p>Major shareholders</p> <p>As at close of business on 29 September 2017 (being the latest practicable date prior to the publication of this document), BVT and the BVT Directors were not aware of any person or persons who, directly or indirectly, jointly or severally, exercised or could exercise control over BVT. There are no different voting rights for any BVT Shareholder.</p> <p>As at close of business on 29 September 2017 (being the latest practicable date prior to the publication of this document) BSVT and the BSVT Directors were not aware of any person or persons who, directly or indirectly, jointly or severally, exercised or could exercise control over BSVT. There are no different voting rights for any BSVT Shareholder.</p>																																																																													
B.7	<p>Key financial information</p> <p><i>Baronsmead Venture Trust</i></p> <p>Selected audited financial information relating to BVT which summarises the financial condition of BVT for the three financial years ended 30 September 2016 is set out in the following table:</p> <table><tr><th></th><th>As at or for the year ended 30 September 2014</th><th>As at or for the year ended 30 September 2015</th><th>As at or for the year ended 30 September 2016</th></tr><tr><td>Net asset value</td><td></td><td></td><td></td></tr><tr><td>Net assets (£'000)</td><td>83,139</td><td>85,132</td><td>150,558</td></tr><tr><td>Net asset value per Ordinary Share (p)</td><td>98.62</td><td>102.56</td><td>87.09</td></tr><tr><td>Income</td><td></td><td></td><td></td></tr><tr><td>Revenue return after expenses and taxation (£'000)</td><td>1,090</td><td>913</td><td>475</td></tr><tr><td>Revenue return per Ordinary Share (p)</td><td>1.35</td><td>1.10</td><td>0.34</td></tr><tr><td>Dividend per Ordinary Share (p)</td><td>12.5</td><td>6.5</td><td>18.5</td></tr><tr><td>Portfolio summary</td><td></td><td></td><td></td></tr><tr><td>Shareholders' funds (£'000)</td><td>83,139</td><td>85,132</td><td>150,558</td></tr><tr><td>Ordinary Share price (p)</td><td>93.25</td><td>95.38</td><td>82.38</td></tr></table> <p>Selected unaudited financial information in relation to BVT which summarises the financial condition of BVT for the six months ended 31 March 2016 and 31 March 2017 is set out in the following table:</p> <table><tr><th></th><th>As at or for the six months ended 31 March 2016</th><th>As at or for the six months ended 31 March 2017</th></tr><tr><td>Net asset value</td><td></td><td></td></tr><tr><td>Net assets (£'000)</td><td>173,934</td><td>153,620</td></tr><tr><td>Net asset value per Ordinary Share (p)</td><td>102.09</td><td>88.23</td></tr><tr><td>Income</td><td></td><td></td></tr><tr><td>Revenue return after expenses and taxation (£'000)</td><td>151</td><td>383</td></tr><tr><td>Revenue return per Ordinary Share (p)</td><td>0.14</td><td>0.22</td></tr><tr><td>Dividend per Ordinary Share (p)</td><td>10.0</td><td>3.0</td></tr><tr><td>Portfolio summary</td><td></td><td></td></tr><tr><td>Shareholders' funds (£'000)</td><td>173,934</td><td>153,620</td></tr><tr><td>Ordinary Share price (p)</td><td>94.13</td><td>84.00</td></tr></table>		As at or for the year ended 30 September 2014	As at or for the year ended 30 September 2015	As at or for the year ended 30 September 2016	Net asset value				Net assets (£'000)	83,139	85,132	150,558	Net asset value per Ordinary Share (p)	98.62	102.56	87.09	Income				Revenue return after expenses and taxation (£'000)	1,090	913	475	Revenue return per Ordinary Share (p)	1.35	1.10	0.34	Dividend per Ordinary Share (p)	12.5	6.5	18.5	Portfolio summary				Shareholders' funds (£'000)	83,139	85,132	150,558	Ordinary Share price (p)	93.25	95.38	82.38		As at or for the six months ended 31 March 2016	As at or for the six months ended 31 March 2017	Net asset value			Net assets (£'000)	173,934	153,620	Net asset value per Ordinary Share (p)	102.09	88.23	Income			Revenue return after expenses and taxation (£'000)	151	383	Revenue return per Ordinary Share (p)	0.14	0.22	Dividend per Ordinary Share (p)	10.0	3.0	Portfolio summary			Shareholders' funds (£'000)	173,934	153,620	Ordinary Share price (p)	94.13	84.00
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Save for the merger of BVT with Baronsmead VCT plc on 8 February 2016 increasing the net assets of BVT from approximately £80 million to approximately £170 million, during the three years to 30 September 2016, the period from 1 October 2016 to 31 March 2017 (being the end of the last financial period of BVT for which financial information has been published) and subsequent to 31 March 2017, there has been no significant change to BVT's financial condition or its operating results.

Baronsmead Second Venture Trust

In August 2016, BSVT's accounting reference date was changed from 31 December to 30 September to bring it in line with BVT's accounting reference date. Selected audited financial information relating to BSVT which summarises the financial condition of BSVT for the four financial periods ended 30 September 2016 is set out in the following table:

	As at or for the year ended 31 December 2013	As at or for the year ended 31 December 2014	As at or for the year ended 31 December 2015	As at or for the period from 1 January 2016 to 30 September 2016
Net asset value				
Net assets (£'000)	74,879	76,617	79,196	140,908
Net asset value per Ordinary Share (p)	113.40	101.72	106.46	92.17
Income				
Revenue return after expenses and taxation (£'000)	2,322	1,425	675	(205)
Revenue return per Ordinary Share (p)	3.50	1.95	0.90	(0.16)
Dividend per Ordinary Share (p)	7.50	17.00	7.50	17.00
Portfolio summary				
Shareholders' funds (£'000)	74,879	76,617	79,196	140,908
Ordinary Share price (p)	106.25	95.00	101.00	87.13

Selected unaudited financial information in relation to BSVT which summarises the financial condition of BSVT for the six months ended 30 June 2016 and 31 March 2017 is set out in the following table:

	As at or for the six months ended 30 June 2016	As at or for the six months ended 31 March 2017
Net asset value		
Net assets (£'000)	150,150	182,715
Net asset value per Ordinary Share (p)	99.16	91.56
Income		
Revenue return after expenses and taxation (£'000)	(346)	109
Revenue return per Ordinary Share (p)	(0.29)	0.06
Dividend per Ordinary Share (p)	7.0	3.0
Portfolio summary		
Shareholders' funds (£'000)	150,150	182,715
Ordinary Share price (p)	97.13	87.75

Save for the merger of BSVT with Baronsmead VCT 4 plc on 11 March 2016 increasing the net assets of BSVT from approximately £80 million to approximately £160 million and the subsequent merger with Baronsmead VCT 5 plc on 30 November 2016 increasing the net assets of BSVT to approximately £180 million, during the four financial periods ended 30 September 2016, the period from 1 October 2016 to 31 March 2017 (being the end of the last financial period of BSVT for which financial information has been published) and subsequent to 31 March 2017, there has been no significant change to BSVT's financial condition or its operating results.

B.8	<p>Key pro forma financial information</p> <p>Not applicable. No pro forma financial information is included in this document.</p>
B.9	<p>Profit forecast</p> <p>Not applicable. No profit forecast or estimate has been made or is made in this document.</p>
B.10	<p>Description of the nature of any qualifications in the audit report on the historical financial information</p> <p>Not applicable. The audit reports on the historical financial information contained within, or incorporated by reference into, this document do not contain any qualifications.</p>
B.11	<p>Insufficient working capital</p> <p>Not applicable. Each Company is of the opinion that the working capital available to that Company is sufficient for its present requirements, that is for at least the next 12 months from the date of this document.</p>
B.34	<p>Investment objective and policy</p> <p>Baronsmead Venture Trust</p> <p>BVT is a tax efficient listed company which aims to achieve long-term investment returns for private investors, including tax-free dividends.</p> <p>BVT's investment policy is to invest primarily in a diverse portfolio of UK growth businesses, whether unquoted or traded on AIM, which are substantially based in the UK, although many of these investees may have some trade overseas.</p> <p>Investments are made selectively across a range of sectors in companies that have the potential to grow and enhance their value and which will diversify the portfolio.</p> <p>BVT will make investments in accordance with the prevailing VCT legislation which places restrictions, <i>inter alia</i>, on the type and age of investee companies as well as the maximum amount of investment that such investee companies may receive.</p> <p>Investment securities</p> <p>BVT invests in a range of securities including, but not limited to, ordinary and preference shares, loan stocks, convertible securities, and permitted non-qualifying investments as well as cash. Unquoted investments are usually structured as a combination of ordinary shares and loan stocks or preference shares, while AIM-traded investments are primarily held in ordinary shares. No single investment may represent more than 15 per cent. (by VCT Value) of BVT's total investments.</p> <p>Liquidity</p> <p>Pending investment in VCT qualifying investments, BVT's cash and liquid funds are held in permitted non-qualifying investments.</p> <p>Investment style</p> <p>Investments are selected in the expectation that the application of private equity disciplines including active management of the investments will enhance value and enable profits to be realised on the sale of investments.</p> <p>Co-investment</p> <p>BVT typically invests alongside BSVT in companies sourced by the Investment Manager.</p> <p>The Investment Manager's members and staff invest in unquoted investments alongside BVT. This scheme is in line with current practice of private equity houses and its objective is to attract, recruit, retain and incentivise the Investment Manager's team and is made on terms which align the interests of BVT Shareholders and the Investment Manager.</p>

	<p>Borrowing powers</p> <p>Should it be required BVT's policy is to use borrowing for short term liquidity purposes only up to a maximum of 25 per cent. of BVT's gross assets, as permitted by BVT's Articles of Association.</p> <p>No material change will be made to BVT's investment policy without the approval of BVT Shareholders by ordinary resolution at a general meeting.</p> <p><i>Baronsmead Second Venture Trust</i></p> <p>BSVT is a tax efficient listed company which aims to achieve long-term investment returns for private investors.</p> <p>BSVT's investment policy is to invest primarily in a diverse portfolio of UK growth businesses, whether unquoted or traded on AIM, which are substantially based in the UK, although many of these investees may have some trade overseas.</p> <p>Investments are made selectively across a range of sectors in companies that have the potential to grow and enhance their value and which will diversify the portfolio.</p> <p>BSVT will make investments in accordance with the prevailing VCT legislation which places restrictions, <i>inter alia</i>, on the type and age of investee companies as well as the maximum amount of investment that such investee companies may receive.</p> <p>Investment securities</p> <p>BSVT invests in a range of securities including, but not limited to, ordinary and preference shares, loan stocks, convertible securities, and permitted non-qualifying investments as well as cash. Unquoted investments are usually structured as a combination of ordinary shares and loan stocks or preference shares, while AIM-traded investments are primarily held in ordinary shares. No single investment may represent more than 15 per cent. (by VCT Value) of BSVT's total investments.</p> <p>Liquidity</p> <p>Pending investment in VCT qualifying investments, BSVT's cash and liquid funds are held in permitted non-qualifying investments.</p> <p>Investment style</p> <p>Investments are selected in the expectation that the application of private equity disciplines including active management of the investments will enhance value and enable profits to be realised on the sale of investments.</p> <p>Co-investment</p> <p>BSVT typically invests alongside BVT in companies sourced by the Investment Manager.</p> <p>The Investment Manager's members and staff invest in unquoted investments alongside BSVT. This scheme is in line with current practice of private equity houses and its objective is to attract, recruit, retain and incentivise the Investment Manager's team and is made on terms which align the interests of BSVT Shareholders and the Investment Manager.</p> <p>Borrowing powers</p> <p>Should it be required BSVT's policy is to use borrowing for short term liquidity purposes only up to a maximum of 25 per cent. of BSVT's gross assets, as permitted by BSVT's Articles of Association.</p> <p>No material change will be made to BSVT's investment policy without the approval of BSVT Shareholders by ordinary resolution at a general meeting.</p>
B.35	<p><i>Borrowing limits</i></p> <p>The Companies are permitted, in accordance with the terms of their Articles, to borrow for short term liquidity purposes up to a maximum of 25 per cent. of their respective gross assets.</p>

B.36	<p><i>Regulatory status</i></p> <p>The Companies are both registered as small UK registered Alternative Investment Funds under the Alternative Investment Fund Managers Directive. The Companies are also subject to, <i>inter alia</i>, the Companies Act, the Listing Rules, the Disclosure Guidance and Transparency Rules, the Market Abuse Regulation, the Prospectus Rules and the rules of the London Stock Exchange.</p>
B.37	<p><i>Typical investor</i></p> <p>The Directors of each of the Companies believe that the profile of a typical investor in the relevant Company is an individual retail investor aged 18 or over who is a UK tax payer and who already has a portfolio of VCT and non-VCT investments (such as unit trusts, OEICs, investment trusts and direct shareholdings in listed and non-listed companies) and who is willing to invest for the long term in small, illiquid unquoted and quoted companies.</p>
B.38	<p><i>Investment of 20 per cent. or more of gross assets in a single underlying asset or investment company</i></p> <p>Not applicable. No investment in a single underlying asset or investment company will represent 20 per cent. or more of each Company's gross assets.</p>
B.39	<p><i>Investment of 40 per cent. or more of gross assets in another collective investment undertaking</i></p> <p>Not applicable. No investment in another collective investment undertaking will represent 40 per cent. or more of each Company's gross assets.</p>
B.40	<p><i>Applicant's service providers and maximum fees payable</i></p> <p><i>The Investment Manager</i></p> <p>The Companies have appointed Livingbridge VC LLP, as their investment manager. The Investment Manager is a limited liability partnership and was incorporated in England and Wales under the Limited Liability Partnerships Act 2000 (and the regulations made from time to time thereunder) with registered number OC320408 on 16 June 2006. The Investment Manager operates under the Limited Liability Partnerships Act 2000 and is authorised and regulated by the FCA.</p> <p>The Companies have each entered into an investment management agreement with the Investment Manager under which the Investment Manager is responsible for the day-to-day management of the investment portfolios, subject to the overall control and supervision of the relevant Board. The Investment Manager manages the investments in accordance with the respective policies laid down by the Directors from time to time and in accordance with the investment restrictions referred to in the relevant agreement.</p> <p><i>Baronsmead Venture Trust</i></p> <p>The Investment Manager is entitled to a base fee of an amount equal to 2.0 per cent. per annum of the net assets of BVT.</p> <p>The Investment Manager is also entitled to a performance fee. The performance fee will not be payable to the Investment Manager until the total return on shareholders' funds exceeds an annual threshold of the higher of 4.0 per cent. or base rate plus 2.0 per cent. calculated on a compound basis. To the extent that the total return exceeds the threshold over the relevant period then a performance fee of 10.0 per cent. of the excess will be paid to the Investment Manager. The amount of any performance fee which is paid in an accounting period shall be capped at 5.0 per cent. of shareholders' funds at the end of the relevant period.</p> <p>The BVT Investment Management Agreement can be terminated by either party on 12 months' notice.</p>

	<p><i>Baronsmead Second Venture Trust</i></p> <p>The Investment Manager is entitled to a base fee of an amount equal to 2.5 per cent. per annum of the net assets of BSVT.</p> <p>The Investment Manager is also entitled to a performance fee. The performance fee will not be payable to the Investment Manager until the total return on the net proceeds of the BSVT Shares exceeds an annual threshold of 8.0 per cent. (simple). To the extent that the total return exceeds the threshold over the relevant period then a performance fee of 10.0 per cent. of the excess will be paid to the Investment Manager. The amount of any performance fee which is paid in an accounting period shall be capped at 5.0 per cent. of shareholders' funds at the end of the relevant period.</p> <p>The BSVT Investment Management Agreement can be terminated by either party on 12 months' notice.</p> <p><i>Administration arrangements</i></p> <p>Under the relevant investment management agreement the Investment Manager is responsible for providing all secretarial, administrative and accounting services to each Company. The Investment Manager has appointed Capita to provide these services to the Companies on its behalf. The Companies are responsible for paying the fee charged by Capita to the Investment Manager in relation to the performance of these services, which is currently £143,000 per annum (plus VAT as applicable) in relation to BVT and £163,000 per annum (plus VAT as applicable) in relation to BSVT. The Investment Manager shall consult with the relevant Board in relation to any increase in the fee charged by Capita, which is considered to be material.</p> <p><i>Auditors</i></p> <p>KPMG LLP provides audit services to the Companies. The fees charged by the Auditors are computed, <i>inter alia</i>, on the time spent by the Auditors on the affairs of the relevant Company.</p> <p><i>Registrar</i></p> <p>Computershare Investor Services PLC has been appointed as registrar to both Companies. The Registrar's duties include the maintenance of the relevant Company's register of Shareholders and the processing of any transfer of Ordinary Shares. Each Company has agreed a fixed fee in respect of the maintenance of its register with other <i>ad hoc</i> services charged in addition to this.</p>
B.41	<p><i>Regulatory status of service providers</i></p> <p>The Investment Manager is authorised and regulated by the FCA.</p>
B.42	<p><i>Calculation of Net Asset Value</i></p> <p>The net asset value of an Ordinary Share is calculated by the Investment Manager in accordance with each Company's accounting policies and is published monthly through a Regulatory Information Service. The calculation of the Net Asset Value per Ordinary Share will be suspended in circumstances where the underlying data necessary to value the investments of the relevant Company cannot readily, or without undue expenditure, be obtained. Details of any suspension in making such calculations will be announced through a Regulatory Information Service.</p>
B.43	<p><i>Cross liability</i></p> <p>Not applicable. The Companies are not umbrella collective investment undertakings and as such there is no cross liability between classes or investment in another collective investment undertaking.</p>

B.44	<p><i>No financial statements have been made up</i></p> <p>Not applicable. The Companies have commenced operations and historical financial information is set out in, or incorporated by reference into, this document.</p>																																								
B.45	<p><i>Portfolio</i></p> <p>The Companies invest in diversified portfolios of UK growth businesses, whether unquoted or traded on AIM.</p> <p><i>Baronsmead Venture Trust</i></p> <p>An unaudited summary of BVT’s unquoted and quoted portfolio (representing at least 50 per cent. of its gross assets as at the date of this document using the estimated NAV values as at 29 September 2017) is set out below:</p> <table><tr><td></td><td>Number of Holdings</td><td>Cost £’000</td><td>Market Value £’000</td><td>% of NAV</td></tr><tr><td>Unquoted</td><td>20</td><td>35,070</td><td>51,054</td><td>32</td></tr><tr><td>Quoted</td><td>54</td><td>40,093</td><td>69,811</td><td>44</td></tr><tr><td>Investments held through Collective Investment Vehicles</td><td>44</td><td>7,050</td><td>23,345</td><td>15</td></tr></table> <p><i>Baronsmead Second Venture Trust</i></p> <p>An unaudited summary of BSVT’s unquoted and quoted portfolio (representing at least 50 per cent. of its gross assets as at the date of this document using the estimated NAV values as at 29 September 2017) is set out below:</p> <table><tr><td></td><td>Number of Holdings</td><td>Cost £’000</td><td>Market Value £’000</td><td>% of NAV</td></tr><tr><td>Unquoted</td><td>20</td><td>41,783</td><td>60,472</td><td>32</td></tr><tr><td>Quoted</td><td>52</td><td>54,572</td><td>87,711</td><td>48</td></tr><tr><td>Investments held through Collective Investment Vehicles</td><td>72</td><td>8,689</td><td>23,000</td><td>12</td></tr></table>		Number of Holdings	Cost £’000	Market Value £’000	% of NAV	Unquoted	20	35,070	51,054	32	Quoted	54	40,093	69,811	44	Investments held through Collective Investment Vehicles	44	7,050	23,345	15		Number of Holdings	Cost £’000	Market Value £’000	% of NAV	Unquoted	20	41,783	60,472	32	Quoted	52	54,572	87,711	48	Investments held through Collective Investment Vehicles	72	8,689	23,000	12
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B.46	<p><i>Net Asset Value</i></p> <p>The unaudited Net Asset Value per BVT Share as at 31 August 2017 (being the last published NAV prior to the publication of this document) was 91.49 pence. The unaudited Net Asset Value per BSVT Share as at 31 August 2017 (being the last published NAV prior to the publication of this document) was 93.86 pence.</p>																																								

Section C – Securities

Element	Disclosure
C.1	<p><i>Type and class of securities</i></p> <p>The BVT Shares have a nominal value of 10 pence each. The ISIN for the BVT Shares is GB0002631934 and the SEDOL number is 0263193. The ticker code for the BVT Shares is BVT. The BSVT Shares have a nominal value of 10 pence each. The ISIN for the BSVT Shares is GB0030028103 and the SEDOL number is 3002810. The ticker code for the BSVT Shares is BMD.</p>
C.2	<p><i>Currency</i></p> <p>The New Shares will be denominated in Sterling.</p>
C.3	<p><i>Number of securities in issue</i></p> <p>As at 29 September 2017 (being the latest practicable date prior to the publication of this document) the issued share capital of BVT comprised 184,124,685 fully paid BVT Shares (of which 11,103,819 BVT Shares were held in treasury) and the issued share capital of BSVT comprised 209,037,921 fully paid BSVT Shares (of which 11,693,214 BSVT Shares were held in treasury).</p>

C.4	<p>Description of the rights attaching to the securities</p> <p>The New Shares will rank <i>pari passu</i> in all respects with the existing Shares.</p> <ul style="list-style-type: none"> • Holders of the New Shares shall be entitled to receive all dividends and other distributions made, paid or declared by the relevant Company <i>pari passu</i> and equally with each other and with the holders of existing Ordinary Shares. • Each New Share carries the right to receive notice of and to attend and vote at any general meeting of the relevant Company. • On a winding up, the holders of New Shares are entitled to receive back their nominal value and will participate in the distribution of any surplus assets of the relevant Company <i>pro rata</i> with all other Ordinary Shares in the capital of the relevant Company. • Statutory pre-emption rights apply on any issue of New Shares for cash or the sale of any existing Ordinary Shares from treasury for cash unless disapplied in accordance with the Companies Act. • New Shares are not redeemable at the option of the relevant Company or the Shareholder.
C.5	<p>Restrictions on the rights attaching to the securities</p> <p>Not applicable. There are no restrictions on the free transferability of the BVT Shares or the BSVT Shares.</p>
C.6	<p>Admission</p> <p>Applications will be made to the UK Listing Authority and the London Stock Exchange for the New Shares to be admitted to the premium listing segment of the Official List and to trading on the Main Market. It is expected that such admissions will become effective in relation to the New Shares issued under the Offers, and dealings for normal settlement in such New Shares will commence, on 31 October 2017.</p>
C.7	<p>Dividend policy</p> <p>The BVT Board aims to sustain a minimum annual dividend level at an average of 6.5 pence per BVT Share, mindful of the need to maintain net asset value. The ability to meet these twin objectives depends significantly on the level and timing of profitable realisations and cannot be guaranteed. There will be variations in the amount of dividends paid year on year.</p> <p>The BSVT Board has the objective to maintain a minimum annual dividend level of around 4.5 pence per BSVT Share if possible, but this depends primarily on the level of realisations achieved and cannot be guaranteed.</p>

Section D – Risks

Element	Disclosure
D.1	<p>Key information on the key risks specific to the issuer</p> <ul style="list-style-type: none"> • Changes in economic conditions and other factors can substantially and adversely affect the value of investments and therefore either Company's performance and prospects. • The past performance of the Companies, and of investments managed by the Investment Manager, is not necessarily indicative of future performance. • There is no guarantee that the investment objectives will be achieved or provide the returns sought by the Companies or that suitable investment opportunities will be available. The success of the Companies will depend on the Investment Manager's ability to identify, acquire and realise investments in accordance with the investment policy and there can be no assurance that the Investment Manager will be able to do so.

	<ul style="list-style-type: none"> Investment in private companies involves a higher degree of risk than investment in companies traded on the Main Market of the London Stock Exchange. Smaller companies often have limited product lines, markets or financial resources and may be dependent for their management on a smaller number of key individuals. In addition, the market for Shares in smaller companies is often less liquid than that for Shares in larger companies, bringing with it potential difficulties in acquiring, valuing and disposing of such Shares. Full information for determining their value or the risks to which they are exposed may also not be available. The investments within the portfolios may be difficult to realise. The valuation of the portfolios and opportunities for realisation may also depend on market conditions. Changes in legislation concerning VCTs may limit the number of Qualifying Investment opportunities, reduce the level of returns which would otherwise have been achievable or result in the Companies not being able to meet their investment objectives.
D.3	<p><i>Key information on the key risks specific to the securities</i></p> <ul style="list-style-type: none"> The value of New Shares depends on the performance of the underlying assets of the Companies. The market price of the New Shares may not fully reflect their underlying Net Asset Value. Trading in VCT shares is generally limited and shares in VCTs tend to trade at a discount to their net asset value and may be difficult to realise. As a result, Shareholders may be offered a price which is less than the full value of underlying assets. It is likely that there will not be a liquid market in the New Shares (which is predominantly due to up-front tax relief not being available for VCT shares bought in the market) and Shareholders may have difficulty in selling their New Shares as a result. Shareholders may not be able to realise their investment at Net Asset Value or at all.

Section E – Offer

Element	Disclosure
E.1	<p><i>Net proceeds and costs of the Offers</i></p> <p>The Investment Manager will receive a fee of 3.0 per cent. of the gross proceeds of each Offer, in respect of the services provided pursuant to the Offers. The Investment Manager will pay all costs associated with the Offers, on behalf of the Companies.</p> <p>Under the BVT Offer the BVT Directors are proposing to raise a maximum of £21 million (£28 million if the BVT Board chooses to utilise their over allotment facility), therefore if the BVT Offer is fully subscribed the net proceeds available for investment will be £20.4 million (£27.2 million if the BVT Board chooses to utilise their over allotment facility). Under the BSVT Offer the BSVT Directors are proposing to raise a maximum of £24 million (£32 million if the BSVT Board chooses to utilise their over allotment facility), therefore if the BSVT Offer is fully subscribed the net proceeds available for investment will be £23.3 million (£31 million if the BSVT Board chooses to utilise their over allotment facility).</p>
E.2 A	<p><i>Reason for the Offers and use of proceeds</i></p> <p>Since 1 January 2016 the Companies have raised approximately £23 million in aggregate (after costs). Since 1 January 2016 the Companies have invested approximately £21 million in new and follow-on investments in unquoted and quoted companies. As a result, the Companies are now seeking to raise further funds to allow them to take advantage of attractive investment opportunities over the next two to three years, in accordance with their investment policies.</p>

E.3	<p><i>Terms and conditions of the Offers</i></p> <p>The number of New Shares to be allotted to each investor under the relevant Offer will be determined by dividing the subscription amount by an Offer Price calculated on the basis of the following Pricing Formula:</p> <p>Latest published Net Asset Value of an existing Ordinary Share in the relevant Company at the time of allotment divided by 0.97 (to allow for the costs of the Offer of 3.0 per cent. of the total amount raised under the relevant Offer) rounded up to the nearest one decimal place.</p> <p>Subscribers must subscribe a minimum of £3,000 and thereafter in multiples of £1,000 in respect of the relevant Offer. The Offers will be open exclusively to satisfy Subscriptions from Existing Shareholders until the close of business on 16 October 2017 and will then be open to all investors.</p>
E.4	<p><i>Material interests</i></p> <p>Not applicable. No interest is material to the Offers.</p>
E.5	<p><i>Name of person selling securities</i></p> <p>Not applicable. No person or entity is offering to sell the securities as part of the Offers.</p>
E.6	<p><i>Dilution</i></p> <p>Existing Shareholders are not obliged to participate in the Offers. However, those Shareholders who do not participate in the relevant Offer will suffer a dilution of the percentage of the issued share capital that their current holding represents in that Company based on the actual number of New Shares issued by such Company.</p> <p>Assuming the BVT Offer is fully subscribed at a BVT Offer Price of 94.4 pence (being the BVT Illustrative Offer Price), the maximum number of New BVT Shares to be issued under the BVT Offer would be 22,245,762. If the maximum number of BVT Shares to be issued under the BVT Offer is issued, BVT Shareholders who do not participate in the BVT Offer will suffer dilution of 11.4 per cent. to their existing holdings in BVT.</p> <p>If the BVT Board chooses to utilise its over allotment facility and assuming the over allotment facility is also fully subscribed at the BVT Illustrative Offer Price, the maximum number of New Shares to be issued under the BVT Offer would be 29,661,016 and BVT Shareholders who do not participate in the BVT Offer will suffer dilution of 14.6 per cent.</p> <p>Assuming the BSVT Offer is fully subscribed at a BSVT Offer Price of 96.8 pence (being the BSVT Illustrative Offer Price), the maximum number of New BSVT Shares to be issued under the BSVT Offer would be 24,793,388. If the maximum number of BSVT Shares to be issued under the BSVT Offer is issued, BSVT Shareholders who do not participate in the BSVT Offer will suffer dilution of 11.2 per cent. to their existing holdings in BSVT.</p> <p>If the BSVT Board chooses to utilise its over allotment facility and assuming the over allotment facility is also fully subscribed at the BSVT Illustrative Offer Price, the maximum number of New Shares to be issued under the BSVT Offer would be 33,057,851 and BSVT Shareholders who do not participate in the BSVT Offer will suffer dilution of 14.3 per cent.</p>
E.7	<p><i>Expenses charged to the investor</i></p> <p>Not applicable. There are no direct costs charged to the investor.</p>

Risk Factors

The risk factors set out below are those which are considered by the Directors to be material as at the date of this document but are not the only risks relating to the Companies and the Shares. Additional risks and uncertainties relating to the Companies that are not currently known to the Directors or that the Directors do not currently consider to be material may also have a material adverse effect on the Companies. Before investing, potential investors should consult their stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if they are in the United Kingdom or, in the case of overseas investors, another appropriately authorised financial adviser.

Any holding of Shares is subject to a number of risks. Prior to acquiring any New Shares, potential investors should consider carefully the factors and risks associated with an investment in the New Shares and the investment objective of the relevant Company.

Potential investors should consider the following risk factors in relation to the Companies and the Shares.

The Portfolios

In order to comply with VCT legislation, the Companies invest in unquoted and AIM-traded companies. Investment in unquoted and AIM-traded companies by its nature, may involve a higher degree of risk than investment in companies traded on the Main Market of the London Stock Exchange. In particular, smaller companies often have limited product lines, markets or financial resources and may be dependent for their management on a smaller number of key individuals. In addition, the market for shares in smaller companies is often less liquid than that for shares in larger companies, bringing with it potential difficulties in acquiring, valuing and disposing of such shares. Full information for determining the value of smaller or unquoted companies or the risks to which they are exposed may also not be available.

The investments may be difficult to realise. The fact that a share is traded on AIM does not guarantee its liquidity. The spread between the buying and selling price of such shares may be wide and thus the price used for valuation may not be achievable. The valuation of either portfolio and opportunities for realisation may also depend on stock market conditions.

Recent and future changes in legislation concerning VCTs, in particular changes in relation to qualifying holdings and qualifying trades, may result in investments being made in less mature and smaller companies. Such changes may limit the number of qualifying investment opportunities, reduce the level of returns which would otherwise have been achievable or result in the Companies not being able to meet their objectives, may delay the investment of any proceeds raised by the Companies, reduce the liquidity of investments and reduce the levels of returns to investors. In the event of increased funding being available for investment opportunities, such competition may delay the investment of any proceeds raised by the Companies.

Changes to governmental, economic, fiscal, monetary or political policy

Any change of governmental, economic, fiscal, monetary or political policy, in particular current government spending reviews and cuts and any changes to taxation and tax reliefs, in particular changes to the VCT rules, could materially affect, directly or indirectly, the operation and/or the performance of the Companies (and the portfolio companies in which they invest), the value of and returns from Shares and/or the ability of the Companies to achieve or maintain VCT status.

In November 2016 the UK Government announced a review to identify and tackle factors affecting the supply of “patient capital” to high growth businesses. In March 2017 the UK Government announced that the review of patient capital would be extended to include a review of venture capital schemes (which include VCTs). The findings of this review and the resulting changes to the supply of patient capital are expected to be included in the 2017 Autumn Budget which will be announced on 22 November 2017. As a result, there may be changes to the restrictions on the types of investments that VCTs can make or other adverse changes to the VCT scheme. The extent of these changes is not yet known.

Loss of tax reliefs

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 Companies and/or the rates of tax, or other statutory provisions to which the Companies are subject, may change during the life of the Companies and such changes could be retrospective. While it is the intention of the Directors that the Companies will be managed so as to continue to qualify as VCTs, 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 relevant Company to lose its exemption from corporation tax on capital gains.

State aid

As a result of the tax status of VCTs, investments by VCTs in underlying portfolio companies are regarded as State aided investments. Where the European Commission believes that State aid has been provided which is unlawful, in particular if it is not in accordance with the Risk Finance Guidelines, they may require that the UK government recovers that State aid. Such recovery may be from the investee company, the VCT or the VCT's investors.

European Union referendum

The Companies could face potential uncertainty as a result of the UK Government triggering Article 50 of the Treaty of the European Union on 29 March 2017. The exit, anticipation of the exit or the terms of the exit could create uncertainty, which may have a material effect on the total shareholder returns, the Net Asset Values and the prices of the Ordinary Shares favourably or unfavourably. In addition, the extent to which State aid rules will apply, or continue to apply, to VCTs in the future is uncertain.

Investment objective

The investment objective of both Companies is to achieve long-term investment returns for private investors. There can be no guarantee that the investment objective of either Company will be met. Meeting their objectives is a target but the existence of such objectives should not be considered as an assurance or guarantee that they will be met (as this will depend on the performance of, and returns generated by, portfolio companies). If either Company does not meet its investment objective the returns made to its Shareholders may go down. The value of an investment in the Companies may go down as well as up and investors may not get back the full value of their investment.

Economic environment

The profitability of the businesses of the portfolio companies could be impacted by business conditions and adverse economic conditions. Factors such as unemployment levels, the levels and volatility of equity markets, consumer confidence, interest rates and inflation could significantly affect the market for products or services of portfolio companies. The economic climate in the UK and the uncertainty over the manner in which the UK may leave the European Union may adversely affect the prospects for both existing portfolio companies and any new investments.

The Shares may trade at a discount to Net Asset Value

At any given point in time, the price for a Share which a Shareholder could achieve on the stock market may be significantly less than the Net Asset Value or the price paid by the Shareholder to acquire that Share. The Shares may trade at a discount to their Net Asset Value for a variety of reasons, including as a consequence of general market conditions, concerns regarding the general liquidity or marketability of the Shares or the actual or expected performance of the relevant Company.

Liquidity

The Companies are closed-ended investment companies. Shareholders will have no right to have their Shares redeemed or repurchased by the relevant Company at any time. Shareholders wishing to realise their investment in one of the Companies will be required to dispose of their Shares on the stock market. Accordingly, the ability of Shareholders to realise the Net Asset Value of, or any value in respect of, their Shares is dependent on the existence of a liquid market in the Shares and the market price of such Shares.

Although the existing Ordinary Shares issued by the Companies have been (and it is anticipated that the New Shares will be) admitted to the premium segment of the Official List of the UK Listing Authority and traded on the Main Market, there may not be a liquid market for the Ordinary Shares as there is a limited secondary market for VCT shares (primarily because initial VCT income tax relief is only available to individuals subscribing for newly issued shares) and investors may find it difficult to realise their investments.

Share buy backs

Both Companies have stated an aim to seek a mid market share price discount to NAV of no more than 5.0 per cent. but keep the share price discount policy under continuous review. The Share price and the discount to NAV is monitored continuously and Shares may be bought back depending on market conditions at the time and only when the Directors believe it to be in the best interests of all Shareholders. There can, however, be no guarantee that either Company will buy back Ordinary Shares from Shareholders or that if they do the discount to NAV will not be greater than 5.0 per cent. Share buy backs will be subject to applicable legislation and VCT regulations and the availability of sufficient reserves and cash in the relevant Company.

Restrictions in relation to payment of dividends

There is no certainty that any dividends will be paid. A reduction of income from the relevant Company's portfolio would adversely affect the ability of that Company to pay dividends on the Ordinary Shares. Such a reduction could arise, for example, from lower dividends paid by investee companies or difficulties realising gains on portfolio investments.

Any change in the tax treatment of dividends paid by the relevant Company may reduce the dividends paid to the holders of the Ordinary Shares.

Investment Manager

The Companies each have a board of non-executive directors and have no employees and are dependent on the skills and experience of the Investment Manager to manage their investments. If the Investment Manager ceases to act as investment manager or if key personnel leave the Investment Manager or cease to be involved in the management of the portfolios, there is no assurance that suitable replacements will be found. If this occurs there may be an adverse effect on the performance of the Companies and the value of the Shares.

Important Information

General

No person has been authorised to give any information or make any representations in connection with the Offers or the information contained in, or incorporated by reference into, this document and, if given or made, such information or representations must not be relied on as having been authorised by or on behalf of the Companies, the Sponsor, the Investment Manager or any of their respective affiliates, officers, directors, members, employees or agents.

Without prejudice to the obligations of the Companies under applicable law and regulations, neither the delivery of this document nor any subscription for or purchase of New Shares made pursuant to the Offers shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Companies since the date of this document or that the information contained in this document, including any forward looking statements, is correct as at any time subsequent to the date of this document.

Prospective investors should carefully consider all of the information contained in, or incorporated by reference into, this document before making any application for New Shares and should rely only on that information when considering an investment in either or both of the Companies. However, prospective investors should not treat the contents of this document or any subsequent communication from the Companies, the Sponsor, the Investment Manager or any of their respective affiliates, officers, directors, members, employees or agents as advice relating to legal, financial, taxation, accounting, regulatory, investment or any other related matters. Prospective investors should inform themselves as to:

- the legal requirements within their own countries for the purchase, holding, transfer or other disposal of New Shares;
- any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of New Shares which they might encounter; and
- the income and other tax consequences that may apply in their own countries as a result of the purchase, holding, transfer or other disposal of New Shares.

Prospective investors must rely on their own advisers as to legal, financial, taxation, accounting, regulatory, investment or any other related matters concerning the Companies and an investment in the New Shares.

Prospective investors should be aware that although the Companies have similar investment objectives and policies, the same Investment Manager and similar portfolios they are two separate companies with independent Boards, separate dividend policies and their own management fee arrangements. Prospective investors should consider all of these factors before subscribing for New Shares in either or both of the Companies.

Apart from the responsibilities and liabilities, if any, which may be imposed on the Sponsor under FSMA or the regulatory regime established thereunder, the Sponsor makes no representation, express or implied, or accepts any responsibility whatsoever for the contents of this document or for any statement made or purported to be made by it or on its behalf in connection with the Companies, the Investment Manager, the Ordinary Shares or the Offers. Accordingly, the Sponsor, to the fullest extent permitted by law, disclaims all and any responsibility and liability whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of this document or any such statement.

All Shareholders are entitled to the benefit of, and are bound by and are deemed to have notice of, the provisions of the memorandum of association and the Articles which prospective investors should review. A summary of the Articles is contained in paragraph 3 of Part 7 of this document.

Data protection

The information that an investor provides to the Companies or their agents in relation to a subscription for or purchase of New Shares or subsequently, by whatever means, which relates to the investor (if the investor is an individual) or a third party individual ("**personal data**") will be held and processed by

the Companies (and any third party, functionary or agent in the United Kingdom to whom the Companies may delegate certain administrative or other functions in relation to the Companies, including the Registrar) in compliance with the relevant data protection legislation and regulatory requirements of the United Kingdom. Each investor acknowledges and consents that such information will be held and processed by the Companies (or any third party, functionary or agent appointed by the relevant Company, including the Registrar) for the following purposes:

- verifying the identity of the investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;
- carrying out the business of the Companies and the administering of interests in the Companies;
- meeting the legal, regulatory, reporting and/or financial obligations of the Companies in the UK or elsewhere;
- disclosing personal data to other functionaries of, or advisers to, the relevant Company to operate and/or administer the relevant Company; and
- contacting the investor with information about other products and services provided by the Investment Manager or its affiliates, which may be of interest to the investor.

Each investor acknowledges and consents that, where appropriate, it may be necessary for the Companies (or any third party, functionary or agent appointed by the relevant Company, including the Registrar) to:

- disclose personal data to third party service providers, affiliates, agents or functionaries appointed by the Companies or their agents to provide services to the investor; and
- transfer personal data outside of the EEA States to countries or territories which may not offer the same level of protection of personal data as the United Kingdom.

If either Company (or any third party, functionary or agent appointed by the relevant Company, including the Registrar) discloses personal data to such a third party, functionary or agent and/or makes such a transfer of personal data it will use reasonable endeavours to ensure that any third party, functionary or agent to whom the relevant personal data is disclosed or transferred is contractually bound to provide an adequate level of protection in respect of such personal data.

Investors and/or other Applicants are responsible for informing and obtaining any required consent of any third party individual to whom the personal data relates to the disclosure and use of such data in accordance with these provisions.

By becoming a registered holder of New Shares, such holder becomes a data subject (as defined in the Data Protection Act 1998) and is deemed to have consented to the processing by the relevant Company or any third party, functionary or agent appointed by the relevant Company (including the Registrar) of any personal data relating to them in the manner described above.

Presentation of information

Market, economic and industry data

Market, economic and industry data used throughout this document is sourced from various industry and other independent sources. The Companies and the Directors confirm that such data has been accurately reproduced and, so far as they are aware and are able to ascertain from information published from such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Currency presentation

All references in this document to “£”, “Sterling” or “pence” are to the lawful currency of the United Kingdom.

Law and practice

Statements made in this document are based on the law and practice in force in England and Wales as at the date of this document and are subject to changes therein.

Forward looking statements

This document includes forward looking statements concerning the Companies that are based on the current expectations of the relevant Board and are naturally subject to uncertainty and changes in circumstances. Forward looking statements include, without limitation, statements containing the words “believes”, “intends”, “expects”, “anticipates”, “targets”, “estimates” or their negative or other similar expressions.

Such forward looking statements involve risks, uncertainties and other factors which may cause the actual results, financial condition, performance or achievement of the Companies, or industry results, to be materially different from future results, financial condition, performance or achievements expressed or implied by such forward looking statements. Given these risks and uncertainties, prospective investors should not place undue reliance on such forward looking statements as a prediction of actual results.

Such forward looking statements speak only as at the date of this document. Subject to its legal and regulatory obligations, each Company expressly disclaims any obligation to update or revise any forward looking statement contained in this document to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. Information in this document will be updated as required under the Prospectus Rules, the Listing Rules and/or the Disclosure Guidance and Transparency Rules.

Nothing in the preceding three paragraphs seeks to limit or qualify in any way the working capital statements in relation to each of the Companies in Part 5 of this document.

Selling restrictions

The distribution of this document and the offering of New Shares in jurisdictions other than the United Kingdom may be restricted by law or regulation and accordingly persons into whose possession this document comes are required to inform themselves about and observe any such restrictions. No action has been taken to permit the distribution of this document and the offering of New Shares in any jurisdiction outside the United Kingdom where such action is required to be taken.

This document does not constitute, and may not be used for the purposes of, an offer to sell, or the solicitation of an offer to acquire or subscribe for, New Shares in any jurisdiction in which such offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the relevant Company, the Sponsor or the Investment Manager or to any person to whom it is unlawful to make such offer or solicitation. If you receive a copy of this document in any territory other than the United Kingdom, you may not treat it as constituting an invitation or offer to you. It is your responsibility, if you are outside the United Kingdom, to satisfy yourself that you have fully observed the laws of any relevant territory in connection with your receipt of this document and/or New Shares, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.

Without limiting the above, the New Shares have not been, and will not be, registered under the US Securities Act or under any of the relevant securities laws of, or with any securities regulatory authority of, any state of the United States or of Canada, Australia, Japan or the Republic of South Africa. Accordingly, unless an exemption under such act or laws is applicable, the New Shares may not be offered, sold or delivered, directly or indirectly, in or into the United States, Canada, Australia, Japan or the Republic of South Africa or to, or for the account or benefit of, any resident of the United States, Canada, Australia, Japan or the Republic of South Africa. The Companies have not been and will not be registered under the US Investment Company Act and recipients of this document and investors will not be entitled to the benefits of that Act.

Latest practicable date

In this document, where the context requires, references to 29 September 2017 should be treated as being references to the latest practicable date prior to the publication of this document, unless stated otherwise.

Expected Timetable

	2017
Record date for the Offers	27 September
Offers open	4 October
Exclusive period for Existing Shareholders ends	close of business on 16 October
First allotment	26 October
Second allotment	15 November
Offers close	12 noon on 15 November
Dealings in New Shares commence	three Business Days after the relevant allotment
Definitive share certificates despatched	within ten Business Days of the relevant allotments

Notes:

1. Each Board may close the relevant Offer earlier than the date stated above if it is fully subscribed by an earlier date or may extend such Offer. Each Board further reserves the right to accept Subscription Forms and to allot and arrange for the listing of New Shares in respect of Subscriptions received on or prior to the closing date of the relevant Offer as they see fit, which may not be on the dates stated above.
2. The times and dates set out in the expected timetable above and mentioned throughout this document may be adjusted by the Companies, in which event details of the new times and/or dates will be notified, as required, to the UK Listing Authority and the London Stock Exchange and, where appropriate, to Shareholders and an announcement will be made through a Regulatory Information Service.
3. All references to times in this document are to London time, unless otherwise stated.

Offers Statistics

Number of New Shares	The number of New Shares to be allotted pursuant to the Offers will be determined by the relevant Offer Price as set out below
Offer Price	Latest published Net Asset Value of an existing Ordinary Share in the relevant Company at the time of allotment divided by 0.97 (to allow for the costs of the Offer of 3.0 per cent. of the total amount raised under the relevant Offer) rounded up to the nearest one decimal place
Minimum subscription under the relevant Offer	£3,000
Costs of each Offer	3.0 per cent.
Expected net proceeds of the BVT Offer	£20.4 million
Expected net proceeds of the BVT Offer if the over allotment facility is utilised	£27.2 million
Expected net proceeds of the BSVT Offer	£23.3 million
Expected net proceeds of the BSVT Offer if the over allotment facility is utilised	£31.0 million

Directors, Investment Manager and Other Advisers

BVT Directors	Peter Lawrence (<i>Chairman</i>) Les Gabb Valerie Marshall Christina McComb
BSVT Directors	Anthony Townsend (<i>Chairman</i>) Malcolm Groat Ian Orrock John Davies all non-executive and of: 100 Wood Street London EC2V 7AN
Investment Manager and Secretary	Livingbridge VC LLP 100 Wood Street London EC2V 7AN
Solicitors and Sponsor	Dickson Minto W.S. Broadgate Tower 20 Primrose Street London EC2A 2EW
Auditors	KPMG LLP Saltire Court Castle Terrace Edinburgh EH1 2EG
VCT status adviser	PricewaterhouseCoopers LLP Cornwall Court 19 Cornwall Street Birmingham B3 2DT
Registrar and Receiving Agent	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS13 8AE
Promoter	RAM Capital Partners LLP 4 Staple Inn London WC1V 7QH

Part 1 – Letter from the Chairmen of the Companies

4 October 2017

Dear Shareholders

Introduction

We are delighted to be offering Existing Shareholders and new investors an opportunity to invest in Baronsmead Venture Trust plc and/or Baronsmead Second Venture Trust plc. Both Companies are generalist VCTs managed by one of the most experienced teams in the VCT industry.

Since 1 January 2016 the Companies have raised £23 million in aggregate (after costs). Since 1 January 2016 the Companies have invested approximately £21 million in new and follow-on investments in unquoted and AIM-traded companies. As a result, the Companies are now seeking to raise further funds to allow them to take advantage of attractive investment opportunities over the next two to three years, in accordance with their investment policies.

Offers for Subscription

The Companies are seeking to raise £45 million in aggregate under the Offers (being up to £21 million by BVT and up to £24 million by BSVT). The Companies may also utilise over allotment facilities to raise up to a further £15 million in aggregate (being up to a further £7 million by BVT and up to a further £8 million by BSVT) if sufficient demand arises prior to the close of the Offers on 15 November 2017 and the respective Boards decide it is in the best interests of their Shareholders to utilise their respective over allotment facility.

Amounts subscribed under the Offers will be used to purchase New Shares in the relevant Company and will enable investors to participate in the investment returns of such Company's investment portfolio following the allotment of the New Shares. New Shares issued under the Offers will qualify for the tax reliefs set out in Part 6 of this document.

The Offers will be open exclusively to satisfy subscriptions from Existing Shareholders until the close of business on 16 October 2017 and will then be open to all investors. Subscriptions will be processed on a "first come, first served" basis by the Receiving Agent. As it is anticipated that there will be strong demand for New Shares under the Offers Existing Shareholders and new investors who wish to participate in the Offers are advised to return their completed Subscription Forms as soon as possible.

The Directors have committed to investing £360,000 in aggregate in the Offers.

Subscribers can elect to invest in either or both of the Offers. The minimum subscription under each of the Offers is £3,000. There is no maximum investment. However, potential investors should be aware that tax relief is only available on a maximum of £200,000 in each tax year. Potential investors should consult their professional or financial advisers before deciding whether and, if so, how much they should invest under the Offers.

Further details of the Offers are set out in Part 4 of this document.

Performance track records

Since BVT was launched in 1998, BVT has paid an average annual dividend of 7.4 pence per BVT Share. Over the last five years BVT has paid an average annual dividend of 11.0 pence per BVT Share. Since BSVT was launched in 2001, BSVT has paid an average annual dividend of 7.4 pence per BSVT Share. Over the last five years BSVT has paid an average annual dividend of 11.9 pence per BSVT Share.

A summary of the average annual dividends paid by the Companies since launch and over the past five years is set out below:

Company	Launch date	NAV* £m	Average annual dividends paid per Share since launch* (p)	Average annual dividends paid per Share over the past 5 years*
BVT	April 1998	158.5	7.4	11.0
BSVT	January 2001	186.0	7.4	11.9

* As at 31 August 2017.

The NAV total return over recent years for the Companies and since launch is set out below:

Period to 31 August 2017	NAV total return per Share (p)			
	1 year	3 years	5 years	Since launch
BVT	107.17	124.63	158.88	394.69
BSVT	104.04	121.71	152.03	311.04

The past performance of the Companies is not a guide to their future performance. The data in the tables above relates principally to periods prior to November 2015 when the UK Government amended the VCT rules to restrict the types of investments that VCTs could make.

Investment objectives and policy

Both Companies invest primarily in a diversified portfolio of UK growth businesses, whether unquoted or quoted. Investments are made selectively across a range of sectors in companies that have the potential to grow and enhance their value. Full details of the investment policies are set out in Part 2 of this document and a summary of the existing portfolios is contained in Part 5.

Dividend policies

Baronsmead Venture Trust

The BVT Board aims to sustain a minimum annual dividend level at an average of 6.5 pence per BVT Share, mindful of the need to maintain net asset value. The ability to meet these twin objectives depends significantly on the level and timing of profitable realisations and cannot be guaranteed. There will be variations in the amount of dividends paid year on year.

Baronsmead Second Venture Trust

The BSVT Board has the objective to maintain a minimum annual dividend level of around 4.5 pence per BSVT Share if possible, but this depends primarily on the level of realisations achieved and cannot be guaranteed.

Action to be taken

Full terms and conditions of the Offers are set out in Part 8. Should you wish to participate in the Offers and subscribe for New Shares in either Company you should read these terms, together with the Terms and Conditions set out in Part 8 of this document. The Subscription Form which accompanies this document should be completed and returned as soon as possible to the Receiving Agent, Computershare Investor Services PLC at Corporate Action 3, Bridgwater Road, Bristol BS99 6AR or by hand (during business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE.

We would like to thank Existing Shareholders for their continued support of the Companies. We very much look forward to welcoming participation from Existing Shareholders and new investors in the Companies.

Yours faithfully

Peter Lawrence & Anthony Townsend (Chairmen)

Part 2 – Information on the Companies

Investment objectives and policies

Baronsmead Venture Trust

BVT is a tax efficient listed company which aims to achieve long-term investment returns for private investors, including tax-free dividends.

BVT's investment policy is to invest primarily in a diverse portfolio of UK growth businesses, whether unquoted or traded on AIM, which are substantially based in the UK, although many of these investees may have some trade overseas.

Investments are made selectively across a range of sectors in companies that have the potential to grow and enhance their value and which will diversify the portfolio.

BVT will make investments in accordance with the prevailing VCT legislation which places restrictions, *inter alia*, on the type and age of investee companies as well as the maximum amount of investment that such investee companies may receive.

Investment securities

BVT invests in a range of securities including, but not limited to, ordinary and preference shares, loan stocks, convertible securities, and permitted non-qualifying investments as well as cash. Unquoted investments are usually structured as a combination of ordinary shares and loan stocks or preference shares, while AIM-traded investments are primarily held in ordinary shares. No single investment may represent more than 15 per cent. (by VCT Value) of BVT's total investments.

Liquidity

Pending investment in VCT qualifying investments, BVT's cash and liquid funds are held in permitted non-qualifying investments.

Investment style

Investments are selected in the expectation that the application of private equity disciplines including active management of the investments will enhance value and enable profits to be realised on the sale of investments.

Co-investment

BVT typically invests alongside BSVT in companies sourced by the Investment Manager.

The Manager's members and staff invest in unquoted investments alongside BVT. This scheme is in line with current practice of private equity houses and its objective is to attract, recruit, retain and incentivise the Manager's team and is made on terms which align the interests of BVT Shareholders and the Manager.

Borrowing powers

Should it be required BVT's policy is to use borrowing for short term liquidity purposes only up to a maximum of 25 per cent. of BVT's gross assets, as permitted by BVT's Articles of Association.

Any material change in the investment policy will require the approval of BVT Shareholders at a general meeting. In the event of a breach of BVT's investment policy, the BVT Directors will announce through a Regulatory Information Service the actions which will be taken to rectify the breach.

Baronsmead Second Venture Trust

BSVT is a tax efficient listed company which aims to achieve long-term investment returns for private investors.

BSVT's investment policy is to invest primarily in a diverse portfolio of UK growth businesses, whether unquoted or traded on AIM, which are substantially based in the UK, although many of these investees may have some trade overseas.

Investments are made selectively across a range of sectors in companies that have the potential to grow and enhance their value and which will diversify the portfolio.

BSVT will make investments in accordance with the prevailing VCT legislation which places restrictions, *inter alia*, on the type and age of investee companies as well as the maximum amount of investment that such investee companies may receive.

Investment securities

BSVT invests in a range of securities including, but not limited to, ordinary and preference shares, loan stocks, convertible securities, and permitted non-qualifying investments as well as cash. Unquoted investments are usually structured as a combination of ordinary shares and loan stocks or preference shares, while AIM-traded investments are primarily held in ordinary shares. No single investment may represent more than 15 per cent. (by VCT Value) of BSVT's total investments.

Liquidity

Pending investment in VCT qualifying investments, BSVT's cash and liquid funds are held in permitted non-qualifying investments.

Investment style

Investments are selected in the expectation that the application of private equity disciplines including active management of the investments will enhance value and enable profits to be realised on the sale of investments.

Co-investment

BSVT typically invests alongside BVT in companies sourced by the Investment Manager.

The Manager's members and staff invest in unquoted investments alongside BSVT. This scheme is in line with current practice of private equity houses and its objective is to attract, recruit, retain and incentivise the Manager's team and is made on terms which align the interests of BSVT Shareholders and the Manager.

Borrowing powers

Should it be required BSVT's policy is to use borrowing for short term liquidity purposes only up to a maximum of 25 per cent. of BSVT's gross assets, as permitted by BSVT's Articles of Association.

Any material change in the investment policy will require the approval of BSVT Shareholders at a general meeting. In the event of a breach of BSVT's investment policy, the BSVT Directors will announce through a Regulatory Information Service the actions which will be taken to rectify the breach.

Established companies with invested portfolios

BVT was launched in 1998 and had an unaudited Net Asset Value of 91.49 pence as at 31 August 2017. As at 29 September 2017, BVT had direct investments in 20 unquoted companies and 54 quoted companies. BSVT was launched in 2001 and had an unaudited Net Asset Value of 93.86 pence as at 31 August 2017. As at 29 September 2017, BSVT had direct investments in 20 unquoted companies and 52 quoted companies.

Summaries of the unaudited investment portfolios as at 29 September 2017 are shown in the following table.

	Number of directly held portfolio companies	Percentage of net assets in asset class			Liquid assets
		Investments in unquoted companies	Investments in quoted companies	Investments held through Collective Investment Vehicles	
BVT	74	32	44	15	9
BSVT	72	32	48	12	8

The future performance of the Companies will be determined in the short to medium term by their investment portfolios. As investments are sold and new investments made, the longer term performance of the portfolios will be determined by the Investment Manager's ability to find, select and manage such new investments. The market for stock in smaller unquoted and quoted companies is often less liquid than that for larger companies, bringing with it potential difficulties in acquiring, valuing and disposing of such investments. In addition, past performance is no indication of future performance.

Track record

Since BVT was launched in 1998, BVT has paid an average annual dividend of 7.4 pence per BVT Share. Over the last five years BVT has paid an average annual dividend of 11.0 pence per BVT Share.

Since BSVT was launched in 2001, BSVT has paid an average annual dividend of 7.4 pence per BSVT Share. Over the last five years BSVT has paid an average annual dividend of 11.9 pence per BSVT Share.

A summary of the track record of the Companies since launch and in the last five years is set out in the table below.

	NAV* £m	Average annual dividends paid per Share since launch (p)	Unaudited NAV total return per Share since launch* (p)	Average annual dividends paid per Share in last five years* (p)	Unaudited NAV total return per Share in last five years* (p)
BVT	158.5	7.4	394.69	11.0	158.88
BSVT	186.0	7.4	311.04	11.9	152.03

* As at 31 August 2017 (unaudited)

Note: AIC methodology: NAV total return to the investor, including the original amount invested (rebased to 100 pence) from launch, assuming dividends paid were reinvested at the NAV of the relevant Company at the time the Shares were quoted ex-dividend.

The past performance of the Companies is not a reliable indicator of the future performance. The data in the table above relates principally to periods prior to November 2015 when the UK Government amended the VCT rules to restrict the types of investments that VCTs could make. The market for stock in smaller unquoted and quoted companies is often less liquid than that for larger companies, bringing with it potential difficulties in acquiring, valuing and disposing of such investments.

Outlook

As a result of the VCT rule changes that came into force in November 2015, the investments made by the Companies in the future will be in small, early stage, unquoted and AIM-traded companies that by their nature are illiquid assets and investments in these companies carry a high degree of risk.

Over the short to medium term, Shareholder returns will be largely based on the existing portfolios of the Companies, which are currently largely made up of investments made prior to the November 2015 rule changes. As older investments are realised and replaced with new investments, over time the portfolios of each of the Companies will evolve until they consist entirely of investments that are compliant with the post November 2015 VCT investment rules. By seeking to invest in a portfolio of established and profitable companies, the Investment Manager will seek to generate similar overall returns to those achieved in the past, even though the returns from each individual investment may be more unpredictable. However, the success or otherwise of this approach will take some time to emerge and as a result the past performance of the Companies should not be taken as guide to their future performance.

Co-investment with other funds

The Companies aim to invest in unquoted and quoted companies and have at times historically invested alongside other funds managed by the Investment Manager. It is intended that the Companies will continue to co-invest alongside each other.

Dividends

Baronsmead Venture Trust

The BVT Board aims to sustain a minimum annual dividend level at an average of 6.5 pence per BVT Share, mindful of the need to maintain net asset value. The ability to meet these twin objectives depends significantly on the level and timing of profitable realisations and cannot be guaranteed. There will be variations in the amount of dividends paid year on year.

Baronsmead Second Venture Trust

The BSVT Board has the objective to maintain a minimum annual dividend level of around 4.5 pence per BSVT Share if possible, but this depends primarily on the level of realisations achieved and cannot be guaranteed.

Both Boards have sought to maintain a regular flow of dividends to Shareholders over time, as illustrated in the table below. They have done so through the retention of some of the profits realised from the sale of investments for the payment of future dividends, where it has been possible and appropriate to do so. Each Board intends to continue this strategy in the future where appropriate, at the sole discretion of the relevant Board, should it consider it to be in the best interests of Shareholders and subject to the legal and regulatory requirements at the time. There is no certainty that any dividends will be paid.

	Dividends paid in the previous five financial years (pence per Share)					Average
	2012	2013	2014	2015	2016	
BVT	7.5	9.5	12.5	6.5	18.5	10.9
BSVT	7.5	7.5	17.0	7.5	17.0	11.3

The ability of either Company to meet its dividend policy objective cannot be guaranteed and depends primarily on the level and timing of profitable realisations of its investments. As a result, there may be variations in the amounts and timing of dividends paid year on year. The value of the investment in, and the dividend stream from, a company can rise and fall. The data in the table above relates principally to periods prior to November 2015 when the UK Government amended the VCT rules to restrict the types of investments that VCTs could make.

Share buy back policy

Each of the Companies will buy back its Shares if, in the opinion of the relevant Board, a repurchase of Shares would be in the best interests of Shareholders as a whole. Each of the Companies will seek to buy back its Shares at a 5 per cent. discount to net asset value. Any purchases of Shares will be made subject to the Listing Rules of the UK Listing Authority, other statutory and regulatory restrictions and will be made within the guidelines established from time to time by the relevant Board. There can be no guarantee that the Companies will be able to maintain their share buy back policies and future share buy backs, if any, will depend on market circumstances at the time.

Shareholder communications

The Directors are committed to a policy of regular and open communication with Shareholders and this is expressed not only in the statutory accounts but also through quarterly updates, annual general meetings and *ad hoc* Shareholder surveys.

Annual running costs

Annual running costs, including the Investment Manager's fees, Directors' fees, professional fees and the costs incurred by each of the Companies in the ordinary course of business (but excluding any performance fees payable to the Investment Manager and irrecoverable VAT), are capped at 3.5 per cent. of the relevant Company's net assets, any excess being met by the Investment Manager by way of a reduction in future management fees. Further details of the fees paid to the Investment Manager are set out in Part 3 of this document.

Capital structure

The Companies each have one class of share in issue, Ordinary Shares. The Ordinary Shares are listed on the premium segment of the Official List and traded on the Main Market. As at 29 September 2017 (the latest practicable date prior to the publication of this document), there were 173,020,866 BVT Shares in issue (excluding Shares held in treasury) and 197,344,707 BSVT Shares in issue (excluding Shares held in treasury).

New Shares issued pursuant to the Offers will rank equally in all respects with the existing Ordinary Shares.

The ISIN for the BVT Shares is GB0002631934 and the SEDOL number is 0263193. The ISIN for the BSVT Shares is GB0030028103 and the SEDOL number is 3002810.

Further details of the rights attaching to the Ordinary Shares are set out in paragraph 3 of Part 7 of this document.

Accounts and Auditors

The accounting reference date for both Companies is 30 September and annual accounts are usually dispatched in November each year with half yearly accounts for the six month period to 31 March being dispatched in May each year. The Auditors of the Companies are KPMG LLP.

Publication of NAV

The NAV of an Ordinary Share is calculated by the Investment Manager in accordance with the relevant Company's accounting policies. The NAV of an Ordinary Share will be calculated at least on a monthly basis and published via a Regulatory Information Service. The most recent unaudited NAVs and share prices of the Ordinary Shares are available free on the website of the London Stock Exchange. The calculation of each Company's NAV will be suspended only in circumstances where the underlying data necessary to value the investments of the Companies cannot readily, or without undue expenditure, be obtained. Details of any suspension in making such calculations will be announced through a Regulatory Information Service.

Advising ordinary retail investors

The Companies currently conduct their affairs so that the Shares can be recommended by financial intermediaries to ordinary retail investors in accordance with the FCA rules in relation to non-mainstream investment products and intend to continue to do so for the foreseeable future. The FCA restrictions which apply to non-mainstream pooled investment products do not apply to any of the Shares because they are shares in a VCT which, for the purposes of the FCA rules relating to non-mainstream pooled investment products, are excluded securities and may be promoted to ordinary retail investors without restriction.

VCT status

Each Board has managed and intend to continue to manage the affairs of their respective Companies in order that they comply with the legislation applicable to VCTs. In this regard, the Companies have retained PricewaterhouseCoopers LLP to advise on their VCT status. The Companies have continued to conduct their affairs so as to comply with section 274 of the Tax Act for their current financial years and intend to continue to do so for subsequent periods. However, there can be no guarantee that their VCT status will be maintained and investors' attention is drawn to Part 6 of this document.

Part 3 – Directors, Investment Manager, Custodian Arrangements and Administration

BVT Directors

The BVT Board currently comprises four Directors, all of whom are non-executive and independent of the Investment Manager. The BVT Directors are responsible for the determination of BVT's investment policy and the overall supervision of BVT. The BVT Directors are as follows:

Peter Lawrence joined the board of Baronsmead VCT plc in November 1999, and became Chairman in 2009. Peter was also a prior Chairman of Baronsmead VCT 5 plc before retiring as director of that company in 2010. Peter is currently Chairman of ECO Animal Health Group plc, an AIM-traded company which he founded in 1972. Peter is also a Director of Amati VCT plc and Algatechnologies Limited, which is a private equity backed company and Anpario plc, which is listed on AIM.

Valerie Marshall joined the board of Baronsmead VCT plc in November 2009. Previously, she was Corporate Finance Director at stockbrokers Greig Middleton & Co Ltd, and formerly invested in growing companies with both 3i plc and the Scottish Development Agency. She has also been chair of the Council of the University of Kent and deputy chair of the Committee of University Chairs. She is CEO of Stratagem Corporate Finance and Strategy Ltd, on the Board of Town and Country Housing Group and Treasurer and Trustee of the British Science Association, established by Royal Charter.

Les Gabb joined the board of Baronsmead VCT plc in May 2014. He studied biochemistry at Oxford University and subsequently qualified as a Chartered Accountant at KPMG in 1987. For 10 years Les was the managing director of the London subsidiary of the Bank of Bermuda with responsibility for the finance function of the Bank's European group. Since 2000 Les has been Finance Partner at Advent Venture Partners and currently holds a similar role at the recently formed Felix Capital Partners. Les is an Associate of the Institute of Taxation, and a previous member of the BVCA Legal and Technical committee and the EVCA Venture Capital Council.

Christina McComb joined the board of Baronsmead VCT 2 plc in February 2011 and was appointed to the BVT Board following the merger of Baronsmead VCT plc and Baronsmead VCT 2 plc in February 2016. She has over 25 years' experience of venture capital investment and fund management and has advised the UK Government on initiatives to support investment in UK SMEs. She is a former director of 3i plc and more recently was CEO of C5 Capital Limited, a fund investing in growth companies in the security technology sector. She is currently Chair of OneFamily, a leading UK financial mutual and Senior Independent Director of the British Business Bank plc. She also holds non-executive positions at Big Society Capital Limited, Standard Life Private Equity Trust plc and Nexxon Ltd.

BSVT Directors

The BSVT Board currently comprises four Directors, all of whom are non-executive and independent of the Investment Manager. The BSVT Directors are responsible for the determination of BSVT's investment policy and the overall supervision of BSVT. The BSVT Directors are as follows:

Anthony Townsend joined the board of Baronsmead VCT 3 plc in August 2009. He has over 40 years' experience in financial services. He was previously a director of Rea Brothers Group plc, a non-executive director of Worldwide Healthcare Trust plc and was chairman of the Association of Investment Companies. He is chairman of British & American Investment Trust plc, Gresham House plc, F&C Global Smaller Companies plc, Finsbury Growth & Income Trust plc and Miton Global Opportunities plc and a non-executive director of Hansa Capital Ltd.

Malcolm Groat joined the board of Baronsmead VCT 4 plc in April 2014 and was appointed to the BSVT Board following the merger of Baronsmead VCT 3 plc and Baronsmead VCT 4 plc in March 2016. He is a fellow of the Institute of Directors, the Institute of Chartered Accountants in England and Wales and the Royal Society for the Encouragement of Arts, Manufactures and Commerce. During his career, Malcolm has worked as finance director for global businesses in engineering, construction and financial services. Malcolm currently holds directorships at established companies Corps Security, Maritime House and Tekcapital plc, and at young ventures daVictus plc and Vale International Group Limited.

Ian Orrock joined the board of Baronsmead VCT 3 plc in August 2009. He has wide experience having founded, developed and sold a number of businesses particularly focusing on the international media, technology and telecoms sectors (“TMT”) and has worked at board level in quoted global organisations. He was also a non-executive director of Henderson Private Equity Investment Trust plc. He is currently a director of a number of TMT businesses including Arkessa Limited, Iotic-Labs Ltd and Silchester Limited.

John Davies joined the board of Baronsmead VCT 5 plc in February 2006 and was appointed to the BSVT Board following the merger of BSVT and Baronsmead VCT 5 plc in November 2016. He was a Director of BlackRock Smaller Companies Trust plc until his retirement in July 2011. He was Managing Director of 3i Asset Management Ltd (1985 – 2002), responsible for the management of three investment trusts and the group’s quoted portfolio. He is also a director of Gardens Pensions Trustees Ltd, a corporate trustee of the 3i Group Pension Scheme and is a member of the investment committee of the scheme.

The Investment Manager

The Investment Manager and its related predecessor businesses have managed the Baronsmead VCTs since the incorporation of Baronsmead VCT plc in 1995. As at 31 August 2017, the combined net asset value of the Companies was approximately £345 million. Livingbridge and Livingbridge EP LLP (a sister partnership to Livingbridge) have offices in London, Birmingham and Manchester and as at 29 September 2017 (being the last practicable date before the publication of this document) had a total of 82 members and employees, 48 being engaged in finding, investing in and managing investments on behalf of its VCT and institutional clients. As at 31 August 2017, Livingbridge VC LLP, Livingbridge EP LLP and Livingbridge Enterprise LLP managed approximately £1.7 billion in aggregate on behalf of their respective institutional clients.

The Investment Manager aims to bring capital and strategic support to profitable growth businesses that have ambitious management teams, scalable business models and the potential for market leadership. The Investment Manager takes an active role in helping the portfolio companies to grow through organic development, providing expertise from within its own team and helping to source external support when required.

Details of the senior members of the Investment Manager’s VCT team are set out below:

Wol Kolade has been the managing partner (formerly managing director) of Livingbridge since 2000 and leads the team of investment professionals. He joined Livingbridge in 1993 from Barclays Bank plc and has played a key role in the strategic and operational development of the business and, in particular, the development of Livingbridge’s investment strategy. He is a past chairman of the British Private Equity and Venture Capital Association.

Andrew Garside joined Livingbridge in 2005 and has been leading new investment teams investing on behalf of the Baronsmead VCTs since that date. Notable investments include the successful realisations of Inspired Thinking Group and Nexus. He is jointly responsible for the overall management of the Baronsmead VCTs and leads investment activity. He has extensive private equity experience having previously worked on growth investments at 3i plc for 15 years (1989 to 2004), latterly as the Director of a large regional office for 3i.

Adam Holloway joined Livingbridge in 1999 and has overall responsibility for all portfolio management activities within Livingbridge. He also directly manages investments and has been an active board member of several Baronsmead investee companies. Previously he worked at Deloitte where his experience encompassed corporate finance, corporate restructuring and insolvency.

Sheenagh Egan joined Livingbridge in 1997. She is the chief operating officer of Livingbridge and is jointly responsible for the overall management of the Baronsmead VCTs. Before joining Livingbridge, her experience encompassed both corporate finance, advising on private equity transactions, and corporate recovery. She trained as a chartered accountant with Deloitte, and has also worked for PricewaterhouseCoopers.

Ken Wotton joined Livingbridge in February 2007 and leads the Livingbridge Quoted investment team managing AIM and other listed investments on behalf of the Baronsmead VCTs, CF Livingbridge UK Micro Cap Fund, and CF Livingbridge UK Multi Cap Income Fund. He had previously spent two years

at Evolution Securities where he worked in equity research, specialising in the telecoms and technology sectors, focusing on smaller companies with significant experience of AIM market fund raisings. Prior to that, he spent five years in the equity research department of Commerzbank Securities where he focused on the pan-European telecoms sector. Ken qualified as a chartered accountant with KPMG in London.

Steve Cordiner joined Livingbridge in 2010 and he has been part of the Livingbridge team investing on behalf of Baronsmead VCT's since that date, now leading the VCT investment activity. Notable investments include Happy Days Nurseries and In The Style, along with successful realisations such as Kingsbridge. Steve is a qualified Chartered Accountant and prior to joining Livingbridge he spent five years advising Corporate and Private Equity clients on a range of corporate finance and due diligence matters.

Tania Hayes joined Livingbridge in 2005 and has worked on the Baronsmead VCTs since then, progressing from administration assistant to Finance Manager in 2011 and qualified as a Chartered Management Accountant in 2012 while working for Livingbridge. Previously she had worked at a Chartered Accountancy practice in New Zealand for eight years where she commenced her accounting training.

Heather Duncan joined Livingbridge in 2002 and qualified as a Chartered Management Accountant while working in its fund management department on both the institutional and VCT funds. Following this Heather moved to analysing new investments, then client management on the institutional side of the business. Since returning from maternity leave in 2016 Heather has led the client relations and distribution team for the Baronsmead VCTs, CF Livingbridge UK Micro Cap Fund and CF Livingbridge UK Multi Cap Income Fund.

Custodian arrangements

JPMorgan Chase Bank has been appointed as the custodian of the assets of the Companies which are traded on a recognised exchange. JP Morgan Chase Bank has its registered office at 1111 Polaris Parkway, Columbus, Ohio 43240, United States and its principal place of business in the UK is 52 Bank Street, Canary Wharf, London E14 5JP. Its telephone number is 0212 270 6000. The Custodian is authorised by the PRA and regulated by the FCA and PRA.

Ipes holds the share certificates in relation to the unquoted investments. Ipes has its registered office at 1 Royal Plaza Avenue, St Peter Port, Guernsey GY1 2HL. Its telephone number is 01481 713843.

Management, administration and performance fee

Baronsmead Venture Trust

Under the BVT Investment Management Agreement, the Investment Manager receives a fee of 2.0 per cent. per annum of the net assets of BVT. In addition, the Investment Manager is responsible for providing all secretarial, administrative and accounting services to BVT. The Investment Manager has appointed Capita to provide these services to BVT on its behalf. BVT is responsible for paying the fee charged by Capita in relation to the performance of these services to the Investment Manager.

Under the BVT Investment Management Agreement the Investment Manager is also entitled to receive a performance related fee. No performance fee is payable to the Investment Manager until the total return on shareholders' funds exceeds an annual threshold of the higher of 4.0 per cent. or base rate plus 2.0 per cent. calculated on a compound basis. To the extent that the total return exceeds the threshold over the relevant period then a performance fee of 10 per cent. of the excess will be paid to the Investment Manager. The amount of any performance fee which is paid in an accounting period shall be capped at 5.0 per cent. of shareholders' funds for that period.

It is expected that BVT will pay a performance fee for the 12 month period to 30 September 2017.

Baronsmead Second Venture Trust

Under the BSVT Investment Management Agreement, the Investment Manager receives a fee of 2.5 per cent per annum of the net assets of BSVT. In addition, the Investment Manager is responsible for providing all secretarial, administrative and accounting services to BSVT. The Investment Manager has

appointed Capita to provide these services to BSVT on its behalf. BSVT is responsible for paying the fee charged by Capita in relation to the performance of these services to the Investment Manager.

Under the BSVT Investment Management Agreement the Investment Manager is also entitled to receive a performance related fee. A performance fee is payable to the Investment Manager when the total return on net proceeds of the BSVT Shares exceeds 8.0 per cent. per annum (simple). To the extent that the total return exceeds the threshold over the relevant period then a performance fee of 10.0 per cent. of the excess will be paid to the Investment Manager. The amount of any performance fee which is paid in an accounting period shall be capped at 5.0 per cent. of shareholders' funds for that period.

It is not expected that BSVT will pay a performance fee for the 12 month period to 30 September 2017.

Annual running costs are capped at 3.5 per cent of the net assets of each Company (excluding any performance fee payable to the Investment Manager and irrecoverable VAT), any excess being refunded by the Investment Manager by way of an adjustment to its management fee.

Management incentivisation and retention

The Boards wish the Investment Manager to maintain the quality of its investment teams in the VCT and private equity market place. As a result, a co-investment incentive scheme was introduced in November 2004 to help attract, recruit, retain and incentivise the Investment Manager's staff.

Founding members and certain members and employees of the Investment Manager are invited to participate in the scheme. Members of the scheme are required to subscribe for, in aggregate, 12 per cent. of each investment being made in ordinary shares in the unquoted investee company by the Companies. Members of the scheme have to invest in all unquoted investments (unless the aggregate amount to be invested in ordinary shares by the Companies is greater than £1.425 million and participation would be onerous or the investee company is within the biotechnology or biopharmaceutical sectors) and cannot choose in which investments to participate.

Other fees received by the Investment Manager

In addition to the fees described above, which are paid by the Companies, the Investment Manager's group receives advisory fees in connection with new investments which are paid by the relevant investee company. Where expenses have been incurred and the investment does not proceed, the Investment Manager's group pays any abort fees. The Investment Manager's group also receives monitoring fees from unquoted portfolio companies. Details of these fees are disclosed each year in the annual report and accounts for each Company.

Both the management and performance fees set out above (the management fee taking priority) are reduced by an amount equal to any fee received by the Investment Manager's group in respect of investments made by the Companies in the Collective Investment Vehicles.

Conflicts of interest

The Investment Manager may be involved in other financial, investment or professional activities that may on occasion give rise to conflicts of interest with the Companies. In particular, it currently does, and may continue to, provide investment management, investment advice or other services in relation to a number of other funds or accounts that may have similar investment objectives and/or policies to that of the Companies and may receive *ad valorem* and/or performance-related fees for doing so. As a result, the Investment Manager may have conflicts of interest in allocating investments among the Companies and other clients and in effecting transactions between the Companies and other clients. The Investment Manager may give advice or take action with respect to such other clients that differs from the advice given or actions taken with respect to the Companies.

Each Board has noted that the Investment Manager has other clients and have satisfied themselves that the Investment Manager has procedures in place to address potential conflicts of interest.

The Investment Manager has regard to its obligations under the BVT Investment Management Agreement and the BSVT Investment Management Agreement or otherwise to act in the best interests of each of the Companies, so far as is practicable having regard to its obligations to the other Company and its other clients, when potential conflicts of interest arise. In the event of a conflict of interest arising, the Investment Manager will ensure that it is resolved fairly and in accordance with the COB

Rules. The COB Rules require the Investment Manager to ensure fair treatment of all its clients. The COB Rules also require that when an investment is made it should be allocated fairly amongst all of its clients for whom the investment is appropriate. In particular, the Investment Manager uses its reasonable efforts to ensure that each Company has the opportunity to participate in potential investments identified by the Investment Manager which fall within the investment objectives and policies of the Companies, on the best terms reasonably obtainable at the relevant time with the aim of ensuring that the principle of best execution is attained in accordance with the COB Rules.

Part 4 – The Offers

The Offers

The Companies are seeking to raise £45 million in aggregate under the Offers, before taking account of the costs of the Offers and further funds that may be raised under the over allotment facilities. The net proceeds of each Company's Offer will be added to its liquid resources available for investment so as to put each Company into a position to take advantage of attractive investment opportunities over the next two to three years, in accordance with their respective investment policies. The Offers are not being underwritten.

The Directors of each of the Companies believe that the profile of a typical investor in the relevant Company is an individual retail investor aged 18 or over who is a UK tax payer and who already has a portfolio of VCT and non-VCT investments (such as unit trusts, OEICs, investment trusts and direct shareholdings in listed and non-listed companies) and who is willing to invest for the long term in small, illiquid unquoted and quoted companies.

Terms of the Offers

Under the BVT Offer the BVT Directors are proposing to raise £21 million (before costs), BVT is also offering an over allotment facility of £7 million if the demand arises prior to the close of the BVT Offer on 15 November 2017 and the BVT Board decides that it is in the best interests of BVT Shareholders to utilise the over allotment facility.

Under the BSVT Offer the BSVT Directors are proposing to raise £24 million (before costs), BSVT is also offering an over allotment facility of £8 million if the demand arises prior to the close of the BSVT Offer on 15 November 2017 and the BSVT Board decides that it is in the best interests of BSVT Shareholders to utilise the over allotment facility.

If the over allotments are utilised in full by each Board, the maximum amount to be raised under the Offers would be £60 million (being £28 million under the BVT Offer and £32 million under the BSVT Offer) before taking account of the costs of the Offers.

Subscribers can elect to invest in either or both of the Offers. Subscribers must subscribe a minimum of £3,000 per elected Offer and thereafter in multiples of £1,000 per elected Offer.

The Offers will be open exclusively to satisfy Subscriptions from Existing Shareholders until the close of business on 16 October 2017 and will then be open to all investors. Subscriptions will be processed on a "first come, first served" basis by the Receiving Agent. As it is anticipated that there will be strong demand for New Shares in both Companies under the Offers, Existing Shareholders and new investors are advised to return their completed Subscription Form as soon as possible.

The New Shares will rank *pari passu* with existing Shares. There is no maximum amount for which a Subscriber may subscribe under the Offers. However, a Subscriber may wish to consider the annual VCT allowance of £200,000 per Qualifying Investor, as detailed in Part 6 of this document, and the acquisition of other shares in VCTs that they may have made prior to subscribing to the Offers during the current tax year.

Pricing Formula

The number of New Shares to be allotted to each investor under the relevant Offer will be determined by dividing the subscription amount by an Offer Price calculated on the basis of the following Pricing Formula:

Latest published Net Asset Value of an existing Ordinary Share in the relevant Company at the time of allotment divided by 0.97 (to allow for the costs of the Offer of 3.0 per cent. of the total amount raised under the relevant Offer) rounded up to the nearest one decimal place.

The number of New Shares to be issued under the Offers will be rounded down to the nearest whole number (fractions of New Shares will not be allotted). No direct costs of the Offers will be charged to investors. If there is a surplus of funds from an investor's subscription amount, the balance will be returned (without interest) in the form of a cheque made payable to the Subscriber (or Nominee if

applicable) sent to the address shown on the Subscription Form (or Nominee Subscription Form) (save where the amount is less than £2.00, in which case it will be retained by the relevant Company). Share and tax certificates will be sent to the Subscriber (or Nominee if applicable) at the address shown on the Subscription Form (or Nominee Subscription Form).

The net asset values of the Companies are expected to be announced in respect of the anticipated allotments in accordance with the following table:

Allotment	Date of NAV	Expected Date of Announcement	Expected Date of Allotments
First allotment	30 September 2017	17 October 2017	26 October 2017
Second allotment	31 October 2017	6 November 2017	15 November 2017

For illustrative purposes, assuming the BVT Offer is fully subscribed and the New BVT Shares are issued at the BVT Illustrative Offer Price of 94.4 pence, set out below, the number of New BVT Shares that will be issued under the BVT Offer is 22,245,762 New BVT Shares (29,661,016 New BVT Shares if the BVT Board chooses to utilise their over allotment facility). Although the actual number of New BVT Shares that will be issued will depend on the BVT Offer Price which could be higher or lower than the BVT Illustrative Offer Price.

Likewise, for illustrative purposes, assuming the BSVT Offer is fully subscribed (before taking account of the over allotment facility) and the New BSVT Shares are issued at the BSVT Illustrative Offer Price of 96.8 pence, set out below, the number of New Shares that will be issued under the BSVT Offer is 24,793,388 New BSVT Shares (33,057,851 New BSVT Shares if the BSVT Board chooses to utilise their over allotment facility). Although the actual number of New BSVT Shares that will be issued will depend on the BSVT Offer Price which could be higher or lower than the BSVT Illustrative Offer Price.

Each Board may close their respective Offer earlier than 15 November 2017 or may extend such Offers. The Boards further reserve the right to accept a Subscription and to allot and arrange the listing of New Shares in respect of Subscriptions received on or prior to the closing date of the relevant Offer as the Boards see fit, which may not be on the dates stated above.

Illustrative Offer Prices

An illustration of the application of the Pricing Formula based on the most recently published NAV per existing Share for each Company as at 31 August 2017, is set out below.

	Unaudited NAV per Share as 31 August 2017	Illustrative Offer Price per New Share*
BVT	91.49 pence	94.4 pence
BSVT	93.86 pence	96.8 pence

* The illustrative Offer Prices shown above are for illustrative purposes only as the NAV per Share may be different for the purposes of calculating the actual Offer Prices applicable for each allotment of New Shares under the Offers (which may be higher or lower than in the example above).

Listing and dealing

New Shares issued pursuant to each Offer will be issued in registered form and may be held either in certificated form or settled through CREST. It is expected that definitive certificates in respect of New Shares will, where requested, be despatched by post within 10 Business Days of the allotment of the relevant New Shares. Temporary documents of title will not be issued. Pending despatch of such certificates, transfers will be certified against the Register of Members of the relevant Company. Dealings in New Shares issued under each Offer are expected to commence three Business Days after the allotment of the relevant New Shares at the earliest. The Offers cannot be revoked after dealings in the relevant New Shares have commenced.

The ISIN for the New BVT Shares is GB0002631934 and the SEDOL number is 0263193. The ISIN for the New BSVT Shares is GB0030028103 and the SEDOL number is 3002810.

Costs of the Offers

The Investment Manager will, in respect of services provided pursuant to the Offers, receive a fee of 3.0 per cent. of the gross proceeds of each Offer. Out of this fee, the Investment Manager will pay all costs associated with the Offers, on behalf of the Companies. In addition, the Investment Manager will pay permissible annual trail commission payments in relation to non-advised sales. The Investment Manager will be responsible for any costs associated with the Offers in excess of this fee. Therefore, if the BVT Offer is fully subscribed the net proceeds available for investment by BVT will be £20.4 million and if the BSVT Offer is fully subscribed the net proceeds available for investment by BSVT will be £23.3 million, assuming that each Board decides not to utilise its over allotment facility.

Dilution

Existing Shareholders are not obliged to participate in the Offers. However, those Shareholders who do not participate in the relevant Offer will suffer a dilution of the percentage of the issued share capital that their current holding in that Company represents based on the actual number of New Shares issued by such Company.

Assuming the BVT Offer is fully subscribed at a BVT Offer Price of 94.4 pence (being the BVT Illustrative Offer Price), the maximum number of New BVT Shares to be issued under the BVT Offer would be 22,245,762. If the maximum number of BVT Shares to be issued under the BVT Offer is issued, BVT Shareholders who do not participate in the BVT Offer will suffer dilution of 11.4 per cent. to their existing holdings in BVT.

If the BVT Board chooses to utilise their over allotment facility and assuming the over allotment facility is also fully subscribed at the BVT Illustrative Offer Price the maximum number of New Shares to be issued under the BVT Offer would be 29,661,016 and BVT Shareholders who do not participate in the BVT Offer will suffer dilution of 14.6 per cent.

Assuming the BSVT Offer is fully subscribed at a BSVT Offer Price of 96.8 pence (being the BSVT Illustrative Offer Price), the maximum number of New BSVT Shares to be issued under the BSVT Offer would be 24,793,388. If the maximum number of BSVT Shares to be issued under the BSVT Offer is issued, BSVT Shareholders who do not participate in the BSVT Offer will suffer dilution of 11.2 per cent. to their existing holdings in BSVT.

If the BSVT Board chooses to utilise their over allotment facility and assuming the over allotment facility is also fully subscribed at the BSVT Illustrative Offer Price the maximum number of New Shares to be issued under the BSVT Offer would be 33,057,851 and BSVT Shareholders who do not participate in the BSVT Offer will suffer dilution of 14.3 per cent.

Intermediary commissions

In order to keep the costs of the Offers to 3.0 per cent. of the gross proceeds of the Offers, and to avoid any dilution of the relevant NAV per Share, the Investment Manager will, where permissible, pay annual trail commission to financial intermediaries at the rate of 0.4 per cent. of the aggregate amount subscribed for four years. Such annual trail commission will be paid to financial intermediaries (other than those providing a platform service) who have acted in an “execution only” capacity and where investors have not received financial advice in respect of their Subscription Form from another financial intermediary.

The annual trail commission will cease to be payable if the Shares are sold by the relevant investor, if the relevant Company is wound up, if the Investment Manager is no longer the investment manager of the relevant Company or if the Investment Manager is no longer permitted under the FCA rules to make such a payment. Financial intermediaries must substantiate the interests of investors who hold their Shares through Nominees to the satisfaction of the Investment Manager.

The Receiving Agent, or other agent appointed by the Investment Manager, will aggregate any permissible trail commission payable to a financial intermediary with respect to its clients’ Subscription to the Offers, on behalf of the Investment Manager, and arrange to pay this sum to the financial intermediary in January 2018, January 2019, January 2020 and January 2021, if permissible.

Directors' subscriptions

The Directors and their connected persons intend to subscribe £360,000, in aggregate, for New Shares under the Offers.

Application procedure

Existing Shareholders will have received a personalised Subscription Form with this document. Existing Shareholders who hold Shares in BVT only will have received a blue Subscription Form. Existing Shareholders who hold Shares in BSVT only will have received a green Subscription Form. Existing Shareholders who hold Shares in both Companies will have received a pink Subscription Form. In order for Subscriptions from Existing Shareholders to be processed efficiently, Existing Shareholders should ensure that they complete the coloured Subscription Form they receive with this document.

The Offers will be open exclusively to satisfy Subscriptions from Existing Shareholders until the close of business on 16 October 2017 and will then be open to all investors. The Subscription Form provides an option to stipulate if the subscription for the New Shares in the Company of your choice cannot be fulfilled then you can subscribe for New Shares in the other Company (subject to availability). The personalised Subscription Forms sent to Existing Shareholders include notes on how to complete the Subscription Form.

Subscription Forms accompanied by a post-dated cheque will not be accepted. Each Company may, in its absolute discretion, reject Subscriptions if cheques do not clear on first presentation. Acknowledgement of the receipt of Subscriptions will be sent electronically to the Subscriber's email address to be included in his or her Subscription Form.

Following the introduction of the 2014 Finance Act, investments in a VCT can now be made through a Nominee. If you would like to apply for New Shares as a Nominee please contact Computershare on 0800 923 1533 for a separate Nominee Subscription Form.

The terms and conditions of Subscription for the New Shares under the Offers are set out in Part 8 of this document. By signing the Subscription Form, Subscribers will be declaring that they have read the terms and conditions of Subscription and agree to be bound by them. Subscribers are advised to read the notes on how to complete the Subscription Form on pages 93 to 97 of this document.

The Companies consent to the use of this document by financial intermediaries and accept responsibility for the content of the Prospectus in connection with the subsequent resale or final placement of securities by financial intermediaries in the United Kingdom. The offer period within which subsequent resale or final placement of securities by financial intermediaries can be made, and for which consent is given to financial intermediaries to use this document commences on the date of this document and closes at 12 noon on 15 November 2017 unless closed or extended prior to that date (any such earlier closure or extension will be announced through a Regulatory Information Service).

Any financial intermediary that uses this document must state on its website that it is using this document with the consent of the Companies. Each financial intermediary is required to provide the terms and conditions of the Offers to any prospective investor who has expressed an interest in participating in the Offers. **Information on the terms and conditions of any subsequent resale or final placement of securities by a financial intermediary is to be provided at the time the offer is introduced to an investor by the relevant financial intermediary.**

Please send all completed Subscription Forms to the Receiving Agent at Corporate Actions 3, Bridgwater Road, Bristol BS99 6AR.

Part 5 – Financial Information (Including Portfolio Information)

Baronsmead Venture Trust

1. Introduction

BVT has produced annual statutory accounts for the three financial years ended 30 September 2014, 2015 and 2016. The Auditors, KPMG LLP of Saltire Court, 20 Castle Terrace, Edinburgh EH1 2EG, have reported on these statutory accounts without qualification and without statements under sections 495 to 497 of the Companies Act.

The annual report for year ended 30 September 2014 was prepared in accordance with UK generally accepted accounting practice (GAAP). The annual reports for the years ended 30 September 2015 and 30 September 2016 were prepared under UK Accounting Standards, including FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland. The annual report for the year ended 30 September 2014 has been restated in accordance with FRS 102 for the purposes of this document.

The annual reports referred to above were also prepared in accordance with the fair value rules of the Companies Act and the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts'. The annual reports contain a description of BVT's financial condition, changes in financial condition and results of operations for each relevant financial year and are being incorporated by reference and can be accessed at the following website: www.baronsmeadvcts.co.uk.

Where these documents make reference to other documents, such other documents are not incorporated into and do not form part of this document. Those parts of the annual statutory accounts referred to above which are not being incorporated into this document by reference are either not relevant for investors or are covered elsewhere in this document.

2. Historical financial information

Historical financial information relating to BVT on the matters referred to below is included in the published annual report and audited accounts of BVT for the three years ended 30 September 2014, 2015 and 2016 and in the unaudited interim reports for the six months ended 31 March 2016 and 2017 as set out in the table below and is incorporated by reference into this document. The non-incorporated parts of these annual reports of BVT are either not relevant to investors or covered elsewhere in this document.

Nature of Information	Accounts for the year ended 30 September 2014 Page No.	Accounts for the year ended 30 September 2015 Page No.	Accounts for the year ended 30 September 2016 Page No.	Half-yearly report for the six months ended 31 March 2016 Page No.	Half-yearly report for the six months ended 31 March 2017 Page No.
Financial Headlines	3	2	2	1	1
Balance sheet	43	44	43	14	12
Income statement	42	42	41	12	10
Reconciliation of movements in Shareholders' funds	42	43	42	13	11
Cash flow statement	44	45	44	15	13
Independent auditor's report	40	39	40	—	—
Notes to the financial statements	45	46	45	15	13

3. Selected financial information

The information in this paragraph 3 has been extracted directly from the financial information referred to in paragraph 2 of this Part 5. Selected historical financial information relating to BVT which summarises the financial condition of BVT for the three financial years ended 30 September 2014, 2015 and 2016 and the six month periods ended 31 March 2016 and 2017 is set out in the following table:

Nature of Information	Audited financial results for the year ended 30 September 2014	Audited financial results for the year ended 30 September 2015	Audited financial results for the year ended 30 September 2016	Unaudited half-yearly report for the six months ended 31 March 2016	Unaudited half-yearly report for the six months ended 31 March 2017
Net asset value					
Net assets (£'000)	83,139	85,132	150,558	173,934	153,620
Net asset value per Ordinary Share (p)	98.62	102.56	87.09	102.09	88.23
Income					
Revenue return after taxation (£'000)	1,090	913	475	151	383
Revenue return per Ordinary Share (p)	1.35	1.10	0.34	0.14	0.22
Dividend per Ordinary Share (p)	12.5	6.5	18.5	10.0	3.0
Portfolio summary					
Shareholders' funds (£'000)	83,139	85,132	150,558	173,934	153,620
Ordinary Share price (p)	93.25	95.38	82.38	94.13	84.00

4. Operational and financial review

A description of changes in the performance of BVT, both capital and revenue, and changes to BVT's portfolio of investments is set out in the sections headed "Performance Summary", "Chairman's Statement", "Manager's Review" and "Full Investment Portfolio" in the published statutory accounts and half-yearly reports of BVT for the periods stated as follows and are incorporated by reference into this document:

Nature of Information	Audited financial results for the year ended 30 September 2014 Page No.	Audited financial results for the year ended 30 September 2015 Page No.	Audited financial results for the year ended 30 September 2016 Page No.	Unaudited half-yearly report for the six months ended 31 March 2016 Page No.	Unaudited half-yearly report for the six months ended 31 March 2017 Page No.
Performance Summary	4	3	3	2	2
Chairman's Statement	5	4	4	4	4
Manager's Review	8	7	7	—	—
Full Investment Portfolio	61	63	61	18	16

5. Significant change

Since 31 March 2017 (being the end of the last financial period of BVT for which financial information has been published) there has been no significant change in the financial or trading position of BVT.

6. Capitalisation and indebtedness

The following table shows the capitalisation and indebtedness of BVT (distinguishing between guaranteed and unguaranteed, secured and unsecured indebtedness) as at 31 March 2017 (being the latest date in respect of which financial information on BVT has been published) and 29 September 2017.

	As at 31 March 2017 £'000	As at 29 September 2017 £'000
Total current debt		
Guaranteed	—	—
Secured	—	—
Unguaranteed/unsecured	—	—
Total non-current debt		
Guaranteed	—	—
Secured	—	—
Unguaranteed/unsecured	—	—
Shareholders' equity		
Share capital	18,412	18,412
Other reserves	135,208	140,127
Total debt and Shareholders' equity	153,620	158,539

The information in the table above is unaudited financial information of BVT as at 31 March 2017 and as at 29 September 2017.

The following table shows BVT's net indebtedness at 29 September 2017.

	£'000
A. Cash	409
B. Cash equivalent	15,330
C. Trading Securities	93,156
D. Liquidity (A+B+C)	108,895
E. Current financial receivable	162
F. Current bank debt	—
G. Current portion of non-current debt	—
H. Other current financial debt	—
I. Current financial debt (F + G + H)	—
J. Net current financial indebtedness (I - E - D)	108,733
K. Non-current bank loans	—
L. Bonds issued	—
M. Other non-current loans	—
N. Non-current financial indebtedness (K + L + M)	—
O. Net financial indebtedness (J + N)	108,733

The information in the table above is unaudited financial information of BVT and has been extracted from internal accounting records as at 29 September 2017 and has not been reported on by an accountant.

7. Working capital

BVT is of the opinion that the working capital available to BVT is sufficient for its present requirements (that is, for at least the next 12 months from the date of this document).

8. Net Asset Value

The unaudited NAV per BVT Share as at 31 August 2017 (being the latest date in respect of which BVT has published its NAV per BVT Share) was 91.49 pence.

9. Analysis of BVT's investment portfolio

As at the date of this document, BVT is invested in 20 unquoted investments and 54 quoted investments. As at 29 September 2017 (being the date of the latest valuations of BVT's portfolio) the aggregate valuation of BVT's portfolio was approximately £144.2 million. In addition, BVT had cash and liquidity fund investments of approximately £14.6 million. As at 31 August 2017, the unaudited NAV per BVT Share was 91.49 pence.

An unaudited summary of BVT's unquoted and quoted portfolio (representing at least 50 per cent. of its gross assets as at the date of this document using the estimated NAV values as at 29 September 2017) is set out below:

	Cost £'000	Market Value £'000	% of NAV
Unquoted	35,070	51,054	32
Quoted	40,093	69,811	44
Investments held through Collective Investment Vehicles	7,050	23,345	15

The following tables show the distribution of BVT's portfolio by sector, asset class and time investments held as at the date of this document (the valuations are based on valuations as at 29 September 2017, the latest date for which valuations have been produced):

By sector	% by value
Business Services	28
Consumer Markets	19
Healthcare and Education	15
Technology, Media and Telecommunications	38
By asset class	% by value
Unquoted – loan stock	22
Unquoted – equity	10
Quoted and Collective Investment Vehicles	59
Liquid assets	9
By time investments held	% by value
Less than 1 year	5
Between 1 and 3 years	19
Between 3 and 5 years	31
Greater than 5 years	45

The table below shows BVT's portfolio as at the date of this document (the valuations are based on valuations as at 29 September 2017, the latest date for which valuations have been produced):

Company	Sector	Location	Book cost £'000	Valuation £'000
Unquoted investments				
Crew Clothing Company Ltd	Consumer Markets	London	2,907	4,952
Pho Holdings Ltd	Consumer Markets	London	1,981	4,194
Happy Days Consultancy Ltd	Healthcare and Education	Cornwall	3,420	4,022
Cablecom II Networking Holdings Limited	Technology, Media and Telecommunications	Somerset	2,500	3,735
Eque2 Limited	Technology, Media and Telecommunications	Manchester	1,532	3,640
Create Health Ltd	Healthcare and Education	London	1,006	3,607
Key Travel Holdings Limited	Business Services	London	1,908	3,488
Carousel Logistics Ltd	Business Services	Kent	1,910	3,248
Armstrong Craven Ltd	Business Services	Manchester	1,346	3,111
Kirona Holdings Limited	Technology, Media and Telecommunications	Cheshire	1,909	3,027
In the Style Limited	Consumer Markets	Salford	2,250	2,250
Ten10 Group Ltd	Business Services	West Sussex	1,907	2,198
Niche Finance Group Ltd	Consumer Markets	Hampshire	1,911	2,115
Upper Street Events Ltd	Consumer Markets	London	1,906	2,041
CR7 Services Ltd	Technology, Media and Telecommunications	Kent	1,887	1,887
Symphony Ventures Limited	Consumer Markets	London	1,575	1,575
IP Solutions Ltd	Technology, Media and Telecommunications	London	1,908	1,288
SilkFred Limited	Consumer Markets	London	450	450
Custom Materials Limited	Consumer Markets	London	225	225
Xention Pharma Limited	Healthcare and Education	Cambridge	632	0
Total unquoted investments			35,070	51,054
Quoted investments				
Staffline Recruitment Group plc	Business Services	Nottingham	174	7,813
Netcall plc	Technology, Media and Telecommunications	St Ives	1,738	4,754
Bioventix plc	Healthcare and Education	Surrey	454	4,673
IDOX plc	Technology, Media and Telecommunications	London	614	4,147
Ideagen plc	Technology, Media and Telecommunications	Matlock	1,350	4,012
Dods (Group) plc	Technology, Media and Telecommunications	London	2,022	3,678
Inspired Energy plc	Business Services	Kirkham	575	3,558
Cerillion plc	Technology, Media and Telecommunications	London	1,800	2,795
Wey Education plc	Healthcare and Education	London	428	2,321
EG Solutions plc	Technology, Media and Telecommunications	Staffordshire	1,428	2,126
Plastics Capital plc	Business Services	Kirkham	1,586	1,878
Anpario plc	Healthcare and Education	Surrey	304	1,760
Cloudcall Group plc	Technology, Media and Telecommunications	Leicester	824	1,674
Everyman Media Group plc	Consumer Markets	London	783	1,622
CentralNic Group plc	Technology, Media and Telecommunications	London	918	1,531
Sanderson Group plc	Technology, Media and Telecommunications	Coventry	1,176	1,475
LoopUp Group	Technology, Media and Telecommunications	London	504	1,361
Driver Group plc	Business Services	Rossendale	1,127	1,266

Company	Sector	Location	Book cost £'000	Valuation £'000
Gama Aviation plc	Business Services	Oxford	776	1,149
Vianet Group plc	Business Services	Glasgow	1,293	1,108
TLA Worldwide Plc	Business Services	London	1,467	1,091
Escher Group Holdings plc	Technology, Media and Telecommunications	Dublin	910	1,044
Plant Impact plc	Business Services	Hertfordshire	1,278	1,030
Eden Research	Business Services	Gloucestershire	900	966
Tasty plc	Consumer Markets	London	1,189	938
The Property Franchise Group plc	Consumer Markets	Bournemouth	686	878
Sysgroup plc	Technology, Media and Telecommunications	Liverpool	1,293	860
FreeAgent Holdings plc	Technology, Media and Telecommunications	Edinburgh	788	844
Begbies Traynor Group plc	Business Services	Manchester	434	725
Venn Life Science	Healthcare and Education	London	1,224	721
Belvoir Lettings plc	Consumer Markets	Lincolnshire	752	664
Rosslyn Data Technologies plc	Technology, Media and Telecommunications	London	431	622
Synectics plc	Business Services	London	519	509
Castleton Technology plc	Technology, Media and Telecommunications	Cambridge	202	481
Paragon Entertainment Ltd	Consumer Markets	London	498	432
Scholium Group Plc	Consumer Markets	London	900	405
Brady plc	Technology, Media and Telecommunications	Cambridge	351	405
STM Group plc	Business Services	Gibraltar	323	357
Science in Sport plc	Consumer Markets	London	287	331
Collagen Solutions plc	Healthcare and Education	London	338	321
InterQuest Group plc	Business Services	London	619	304
Fulcrum Utility Services Ltd	Business Services	Nottingham	31	223
Totally plc	Healthcare and Education	London	71	190
Crawshaw Group plc	Consumer Markets	Rotherham	400	157
Gresham House plc	Technology, Media and Telecommunications	London	112	135
Adept4 plc	Technology, Media and Telecommunications	Cheshire	437	127
MXC Capital Ltd	Business Services	Guernsey	225	126
Mi-Pay Group plc	Business Services	Surrey	800	83
One Media iP Group plc	Technology, Media and Telecommunications	Buckinghamshire	226	66
Zoo Digital Group plc	Technology, Media and Telecommunications	Sheffield	788	37
Ubisense Group plc	Technology, Media and Telecommunications	Cambridge	106	19
APC Technology Group plc	Business Services	Surrey	79	14
AorTech International plc	Healthcare and Education	London	509	5
Marwyn Management Partners plc	Business Services	London	1,050	—
Total quoted investments			40,093	69,811
CF Livingbridge UK Micro Cap Fund			7,050	23,345
Total			82,213	144,210

The information in this paragraph 9 is unaudited information on BVT, which has been extracted from internal management accounting records held by BVT and has not been reported on by an accountant.

Baronsmead Second Venture Trust

1. Introduction

BSVT has produced annual statutory accounts for the four financial periods ended 30 September 2016. The Auditors, KPMG LLP of Saltire Court, 20 Castle Terrace, Edinburgh EH1 2EG, have reported on these statutory accounts without qualification and without statements under sections 495 to 497 of the Companies Act.

The annual reports for the years ended 31 December 2013 and 2014 were prepared in accordance with UK generally accepted accounting practice (GAAP). The annual reports for the years ended 31 December 2015 and 2016 were prepared under UK Accounting Standards, including FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland. The annual report for the year ended 31 December 2014 has been restated in accordance with FRS 102 for the purposes of this document.

The annual reports referred to above were also prepared in accordance with the fair value rules of the Companies Act and the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts'. The annual reports contain a description of BSVT's financial condition, changes in financial condition and results of operations for each relevant financial year and are being incorporated by reference and can be accessed at the following website: www.baronsmeadvcts.co.uk.

Where these documents make reference to other documents, such other documents are not incorporated into and do not form part of this document. Those parts of the annual statutory accounts referred to above which are not being incorporated into this document by reference are either not relevant for investors or are covered elsewhere in this document.

2. Historical financial information

Historical financial information relating to BSVT on the matters referred to below is included in the published annual report and audited accounts of BSVT for the four financial periods ended 31 December 2013, 31 December 2014, 31 December 2015 and 30 September 2016 and in the unaudited interim reports for the six months ended 30 June 2016 and 31 March 2017 as set out in the table below and is incorporated by reference into this document. The non-incorporated parts of these annual reports of BSVT are either not relevant to investors or covered elsewhere in this document.

Nature of Information	Accounts for the year ended 31 December 2013 Page No.	Accounts for the year ended 31 December 2014 Page No.	Accounts for the year ended 31 December 2015 Page No.	Accounts for the period from 1 January 2016 to 30 September 2016 Page No.	Half-yearly report for the six months ended 30 June 2016 Page No.	Half-yearly report for the six months ended 31 March 2017 Page No.
Financial Headlines	1	3	2	2	1	1
Balance sheet	42	43	44	42	13	13
Income statement	41	42	42	40	11	11
Reconciliation of movements in						
Shareholders' funds	41	42	43	41	12	12
Cash flow statement	43	44	45	43	14	14
Independent auditor's report	38	40	39	37	—	—
Notes to the financial statements	44	45	46	44	14	14

3. Selected financial information

The information in this paragraph 3 has been extracted directly from the financial information referred to in the above paragraph 2 of this Part 5. Selected historical financial information relating to BSVT which summarises the financial condition of BSVT for the four financial periods ended 31 December 2013, 2014, 2015 and 30 September 2016 and the six month periods ended 30 June 2016 and 31 March 2017 is set out in the following table:

Nature of Information	Audited financial results for the year ended 31 December 2013	Audited financial results for the year ended 31 December 2014	Audited financial results for the year ended 31 December 2015	Audited financial results for the period from 1 January 2016 to 30 September 2016	Unaudited half-yearly report for the six months ended 30 June 2016	Unaudited half-yearly report for the six months ended 31 March 2017
Net asset value						
Net assets (£'000)	74,879	76,617	79,196	140,908	150,150	182,715
Net asset value per Ordinary Share (p)	113.40	101.72	106.46	92.17	99.16	91.56
Income						
Revenue return after taxation (£'000)	2,322	1,425	675	(205)	(346)	109
Revenue return per Ordinary Share (p)	3.50	1.95	0.90	(0.16)	(0.29)	0.06
Dividend per Ordinary Share (p)	7.50	17.00	7.50	17.00	7.0	3.0
Portfolio summary						
Shareholders' funds (£'000)	74,879	76,617	79,196	140,908	150,150	182,715
Ordinary Share price (p)	106.25	95.00	101.00	87.13	97.13	87.75

4. Operational and financial review

A description of changes in the performance of BSVT, both capital and revenue, and changes to BSVT's portfolio of investments is set out in the sections headed "Performance Summary", "Chairman's Statement", "Manager's Review" and "Full Investment Portfolio" in the published statutory accounts and half-yearly reports of BSVT for the periods stated as follows and are incorporated by reference into this document:

Nature of Information	Audited financial results for the year ended 31 December 2013 Page No.	Audited financial results for the year ended 31 December 2014 Page No.	Audited financial results for the year ended 31 December 2015 Page No.	Audited financial results for the year ended 30 September 2016 Page No.	Unaudited half-yearly report for the six months ended 30 June 2016 Page No.	Unaudited half-yearly report for the six months ended 31 March 2017 Page No.
Performance Summary	3	4	3	3	2	2
Chairman's Statement	5	5	4	4	4	4
Manager's Review	8	8	7	7	—	—
Full Investment Portfolio	62	61	63	61	17	17

5. Significant change

Since 31 March 2017 (being the end of the last financial period of BSVT for which financial information has been published) there has been no significant change in the financial or trading position of BSVT.

6. Capitalisation and indebtedness

The following table shows the capitalisation and indebtedness of BSVT (distinguishing between guaranteed and unguaranteed, secured and unsecured indebtedness) as at 31 March 2017 (being the latest date in respect of which financial information on BSVT has been published) and as at 29 September 2017.

	As at 31 March 2017 £'000	As at 29 September 2017 £'000
Total current debt		
Guaranteed	—	—
Secured	—	—
Unguaranteed/unsecured	—	—
Total non-current debt		
Guaranteed	—	—
Secured	—	—
Unguaranteed/unsecured	—	—
Shareholders' equity		
Share capital	20,904	20,904
Other reserves	161,811	165,069
Total debt and Shareholders' equity	182,715	185,973

The information in the table above is unaudited financial information of BSVT as at 31 March 2017 and as at 29 September 2017.

The following table shows BSVT's net indebtedness at 29 September 2017.

	£'000
A. Cash	515
B. Cash equivalent	15,490
C. Trading Securities	110,711
D. Liquidity (A+B+C)	126,716
E. Current financial receivable	192
F. Current bank debt	—
G. Current portion of non-current debt	—
H. Other current financial debt	—
I. Current financial debt (F + G + H)	—
J. Net current financial indebtedness (I - E - D)	126,524
K. Non-current bank loans	—
L. Bonds issued	—
M. Other non-current loans	—
N. Non-current financial indebtedness (K + L + M)	—
O. Net financial indebtedness (J + N)	126,524

The information in the table above is unaudited financial information of BSVT and has been extracted from internal accounting records as at 29 September 2017 and has not been reported on by an accountant.

7. Working capital

BSVT is of the opinion that the working capital available to BSVT is sufficient for its present requirements (that is, for at least the next 12 months from the date of this document).

8. Net Asset Value

The unaudited NAV per BSVT Share as at 31 August 2017 (being the latest date in respect of which BSVT has published its NAV per BSVT Share) was 93.86 pence.

9. Analysis of BSVT's investment portfolio

As at the date of this document, BSVT is invested in 20 unquoted investments and 52 quoted investments. As at 29 September 2017 (being the date of the latest valuations of BSVT's portfolio) the aggregate valuation of BSVT's portfolio was approximately £171.2 million. In addition BSVT had cash and liquidity fund investments of approximately £15.3 million. As at 31 August 2017, the unaudited NAV per BSVT Share was 93.86 pence.

An unaudited summary of BSVT's unquoted and quoted portfolio (representing at least 50 per cent. of its gross assets as at the date of this document using the estimated NAV values as at 29 September 2017) is set out below:

	Cost £'000	Market Value £'000	% of NAV
Unquoted	41,783	60,472	32
Quoted	54,572	87,711	48
Investments held through Collective Investment Vehicles	8,689	23,000	12

The following tables show the distribution of BSVT's portfolio by sector, asset class and time investments held as at the date of this document (the valuations are based on valuations as at 29 September 2017, the latest date for which valuations have been produced):

By sector	% by value
Business Services	25
Consumer Markets	19
Healthcare and Education	16
Technology, Media and Telecommunications	40
By asset class	% by value
Unquoted – loan stock	22
Unquoted – equity	10
Quoted and Collective Investment Vehicles	60
Liquid assets	8
By time investments held	% by value
Less than 1 year	6
Between 1 and 3 years	19
Between 3 and 5 years	30
Greater than 5 years	45

The table below shows BSVT's portfolio as at the date of this document (the valuations are based on valuations as at 29 September 2017, the latest date for which valuations have been produced):

Company	Sector	Location	Book cost £'000	Valuation £'000
Unquoted investments				
Pho Holdings Ltd	Consumer Markets	London	2,421	5,130
Crew Clothing Company Ltd	Consumer Markets	London	2,907	4,952
Happy Days Consultancy Ltd	Healthcare and Education	Cornwall	4,180	4,916
Eque2 Limited	Technology, Media and Telecommunications	Manchester	1,872	4,449
Create Health Ltd	Healthcare and Education	London	1,229	4,408
Key Travel Holdings Limited	Business Services	London	2,332	4,263
Carousel Logistics Ltd	Business Services	Kent	2,335	3,970
Armstrong Craven Ltd	Business Services	Manchester	1,645	3,803
Cablecom II Networking Holdings Limited	Technology, Media and Telecommunications	Somerset	2,500	3,735
Kirona Holdings Limited	Technology, Media and Telecommunications	Cheshire	2,334	3,699
In the Style Limited	Consumer Markets	Salford	2,750	2,750
Ten10 Group Ltd	Business Services	West Sussex	2,331	2,686
Niche Finance Group Ltd	Consumer Markets	Hampshire	2,335	2,586
Upper Street Events Ltd	Consumer Markets	London	2,329	2,495
CR7 Services Ltd	Technology, Media and Telecommunications	Kent	2,306	2,306
Symphony Ventures Limited	Consumer Markets	London	1,925	1,925
IP Solutions Ltd	Technology, Media and Telecommunications	London	2,332	1,574
SilkFred Limited	Consumer Markets	London	550	550
Custom Materials Limited	Consumer Markets	London	275	275
Xention Pharma Limited	Healthcare and Education	Cambridge	893	0
Total unquoted investments			41,783	60,472
Quoted investments				
IDOX plc	Technology, Media and Telecommunications	London	1,027	7,141
Netcall plc	Technology, Media and Telecommunications	St Ives	2,616	7,100
Bioventix plc	Healthcare and Education	Surrey	554	5,712
Dods (Group) plc	Technology, Media and Telecommunications	London	3,267	5,551
Inspired Energy plc	Business Services	Kirkham	862	5,337
Ideagen plc	Technology, Media and Telecommunications	Matlock	1,650	4,904
Anpario plc	Healthcare and Education	Surrey	662	3,835
Cerillion plc	Technology, Media and Telecommunications	London	2,200	3,416
Plastics Capital plc	Business Services	Kirkham	2,539	3,004
Wey Education plc	Healthcare and Education	London	522	2,836
EG Solutions plc	Technology, Media and Telecommunications	Staffordshire	1,985	2,691
Cloudcall Group plc	Technology, Media and Telecommunications	Leicester	1,007	2,046
Everyman Media Group plc	Consumer Markets	London	957	1,983
CentralNic Group plc	Technology, Media and Telecommunications	London	1,122	1,871
Fulcrum Utility Services Ltd	Business Services	Nottingham	342	1,816
Vianet Group plc	Business Services	Glasgow	2,093	1,774
Tasty plc	Consumer Markets	London	2,034	1,752
Driver Group plc	Business Services	Rossendale	1,529	1,701
LoopUp Group	Technology, Media and Telecommunications	London	616	1,663
Sanderson Group plc	Technology, Media and Telecommunications	Coventry	1,324	1,656

Company	Sector	Location	Book cost £'000	Valuation £'000
TLA Worldwide Plc	Business Services	London	2,137	1,591
Escher Group Holdings plc	Technology, Media and Telecommunications	Dublin	1,366	1,566
Gama Aviation plc	Business Services	Oxford	1,004	1,496
Plant Impact plc	Business Services	Hertfordshire	1,562	1,259
Eden Research	Business Services	Gloucestershire	1,100	1,180
The Property Franchise Group plc	Consumer Markets	Bournemouth	839	1,073
Sysgroup plc	Technology, Media and Telecommunications	Liverpool	1,580	1,051
FreeAgent Holdings plc	Technology, Media and Telecommunications	Edinburgh	962	1,031
Venn Life Science	Healthcare and Education	London	1,496	881
Belvoir Lettings plc	Consumer Markets	Lincolnshire	919	812
Begbies Traynor Group plc	Business Services	Manchester	545	792
STM Group plc	Business Services	Gibraltar	756	765
Rosslyn Data Technologies plc	Technology, Media and Telecommunications	London	527	761
Brady plc	Technology, Media and Telecommunications	Cambridge	652	751
Paragon Entertainment Ltd	Consumer Markets	London	1,020	715
Castleton Technology plc	Technology, Media and	Cambridge	247	588
Crawshaw Group plc	Consumer Markets Telecommunications	Rotherham	835	579
Scholium Group Plc	Consumer Markets	London	1,100	495
Synectics plc	Business Services	London	482	473
Science in Sport plc	Consumer Markets	London	351	405
Collagen Solutions plc	Healthcare and Education	London	413	392
InterQuest Group plc	Business Services	London	619	304
Totally plc	Healthcare and Education	London	87	233
Gresham House plc	Technology, Media and Telecommunications	London	137	165
Adept4 plc	Technology, Media and Telecommunications	Cheshire	535	155
MXC Capital Ltd	Business Services	Guernsey	275	154
Mi-Pay Group plc	Business Services	Surrey	800	83
One Media iP Group plc	Technology, Media and Telecommunications	Buckinghamshire	276	81
Zoo Digital Group plc	Technology, Media and Telecommunications	Sheffield	817	38
Ubisense Group plc	Technology, Media and Telecommunications	Cambridge	158	29
APC Technology Group plc	Business Services	Surrey	118	21
Marwyn Management Partners plc	Business Services	London	1,950	0
Total quoted investments			54,572	87,711
CF Livingbridge UK Micro Cap Fund			6,189	20,389
CF Livingbridge UK Multi Cap Income Fund			2,500	2,611
Total			105,044	171,183

The information in this paragraph 9 is unaudited information on BSVT, which has been extracted from internal management accounting records held by BSVT and has not been reported on by an accountant.

Part 6 – Taxation

Tax position of investors

1. Tax reliefs

The following is only a summary of the current law concerning the tax position of individual Qualifying Investors in VCTs. Potential investors are recommended to consult a duly authorised independent financial adviser as to the taxation consequences of an investment in a VCT. The tax rules or their interpretation in relation to an investment in the Companies and/or rates of tax may change during the life of the Companies and can be retrospective.

The tax reliefs set out below are those currently available to individuals aged 18 or over who subscribe for New Shares under the Offer and will be dependent on personal circumstances. 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 does not exceed £200,000. Qualifying Investors who intend to invest more than £200,000 in VCTs in any one tax year should consult their professional advisers.

1.1. Income tax

1.1.1. *Relief from income tax on investment*

A Qualifying Investor subscribing for New Shares will be entitled to claim income tax relief on amounts subscribed up to a maximum of £200,000 invested in VCTs in any tax year.

The relief is given at the rate of 30 per cent. on the amount subscribed regardless of whether the Qualifying Investor is a higher rate, additional rate or basic rate tax payer, provided that the relief is limited to the amount which reduces the Qualifying 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.

1.1.2. *Dividend relief*

A Qualifying Investor, who acquires shares in VCTs in any tax year 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.

1.1.3. *Purchases in the market*

A Qualifying Investor who purchases existing shares in the market will be entitled to claim dividend relief (as described in paragraph 1.1.2 above) but not relief from income tax on investment (as described in paragraph 1.1.1 above).

1.1.4. *Withdrawal of relief*

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

Dividend relief ceases to be available once the Qualifying Investor ceases to be beneficially entitled to the dividend or if the VCT loses its approval within this period as detailed below.

1.1.5. *Linked sales*

If an investor subscribes for shares in a VCT within six months before or after selling any shares in that same VCT, or if there is a contractual link between the subscription and the disposal, the tax reliefs in relation to that subscription will apply only to the amount invested less the amount for which the shares are sold.

1.2. Capital gains tax

1.2.1. Relief from capital gains tax on disposal of VCT shares

Except where VCT shares that were issued after 5 April 2014 and within three years of the issue are bought by the VCT directly from the shareholder, a disposal by a Qualifying Investor of VCT shares will give rise to neither a chargeable gain nor an allowable loss for the purposes of UK capital gains tax. The relief is limited to the disposal of VCT shares acquired within the limit of £200,000 for any tax year.

1.2.2. Purchases in the market

An individual purchaser of existing shares in the market will be entitled to claim relief from capital gains tax on disposal (as described in paragraph 1.2.1 above).

1.3. Loss of VCT approval

For a company to be fully approved as a VCT it must meet the various requirements for full approval as set out below.

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. 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 Qualifying 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
Investors unable to claim any tax reliefs	£10,000	Nil
Qualifying Investor able to claim full 30% income tax relief	£7,000	£3,000

Income tax relief is only available if the shares are held for the minimum holding period of five years. The limit for obtaining income tax relief on investments in VCTs is £200,000 in each tax year.

3. Obtaining tax reliefs

The Company will provide to each Qualifying Investor a certificate which the Qualifying Investor may use to claim income tax relief, either by obtaining from HMRC 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.

Tax position of the Companies

The Companies have to satisfy a number of tests to qualify as VCTs. 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 HMRC. To obtain such approval it must:

- (a) not be a close company;
- (b) have each class of its ordinary share capital listed on a regulated market;
- (c) derive its income wholly or mainly from shares or securities;
- (d) have at least 70 per cent. by VCT Value of its investments in shares or securities in Qualifying Investments, of which 70 per cent. must be in eligible shares (30 per cent. for funds raised before 6 April 2011);

- (e) have at least 10 per cent. by VCT Value of each Qualifying Investment in eligible shares;
- (f) not have more than 15 per cent. 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);
- (g) not retain more than 15 per cent. of its income derived from shares and securities in any accounting period;
- (h) not make an investment in a company which causes that company to receive more than £5 million of Risk Finance State Aid investment (including from VCTs) in the 12 months ending on the date of this investment;
- (i) not make an investment in a company which causes that company to receive more than £12 million (£20 million in the case of a “knowledge intensive” company”) of Risk Finance State Aid investment (including from VCTs) in its lifetime;
- (j) not make an investment in a company whose first commercial sale was more than seven years prior to the VCT investment (10 years in the case of a “knowledge intensive” company”), unless the investment is significant in relation to the investee company’s turnover; and
- (k) the VCT must not make a non-Qualifying Investment other than those specified in section 274 of the Tax Act.

Conditions (h) to (j) above do not apply to investments in shares and securities listed on a recognised stock exchange or to certain money market securities.

The approved status of a VCT may also be affected where an investee company uses any of the VCT’s investment to acquire another company or trade in the five years after the VCT’s investment.

The term “eligible shares” means shares which carry no preferential rights to assets on a winding up and no rights to be redeemed, although they may have certain preferential rights to dividends. For funds raised before 6 April 2011, ‘eligible shares’ are shares which do not carry any rights to be redeemed or a preferential right to dividends or to assets on a winding-up.

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 paragraph 4 of Part 6 of the Tax Act.

The conditions are detailed, but include the following:

- (a) the investee company must be a Qualifying Company, have gross assets not exceeding £15 million immediately before and £16 million immediately after the investment;
- (b) investee companies receiving VCT investments from funds raised after 5 April 2011 have to have fewer than 250 full-time (or full-time equivalent) employees (500 in the case of a “knowledge intensive” company”);
- (c) apply the money raised for the purposes of a qualifying trade within a certain time period;
- (d) the investee company cannot be controlled by another company and at the time of investment does not obtain more than £5 million of Risk Finance State Aid investment in the 12 month period ending on the date of the investment by the VCT;
- (e) at the time of investment the investee company has not obtained more than £12 million (£20 million in the case of a “knowledge intensive company”) of Risk Finance State Aid investment in its lifetime;
- (f) the first commercial sale of the company was not more than seven years (ten years in the case of a “knowledge intensive company”) prior to the first VCT or EIS investment unless the investment is significant in relation to the investee company’s turnover; and
- (g) the money raised from the VCT investments must be for the company’s organic growth and development or, where the company is a parent, the group’s.

The investee company's status as a qualifying investment may also be affected where it uses any of the investment from a VCT to acquire another company or trade in the five years after the VCT's investment.

3. Qualifying Companies

A Qualifying Company must be unquoted (for VCT purposes this includes companies whose shares are traded on AIM) 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 90 per cent. subsidiary at the time of the issue of shares or securities to the VCT (and at all times thereafter).

A Qualifying Company must have a permanent establishment in the UK, but a Qualifying Company need not be a 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 cannot be controlled by another company and may have no subsidiaries other than qualifying subsidiaries which must, in most cases, be at least 51 per cent. owned.

From 6 April 2012 there is a 'disqualifying purpose' test under which an investment will not be a Qualifying Investment if the investee company has been set up for the purpose of accessing tax reliefs or is in substance a financing business, although the Boards currently anticipate that these measures are unlikely to affect the Companies.

4. Approval as a VCT

A VCT must be approved at all times by HMRC. Approval has effect from the time specified in the approval letter issued by HMRC.

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

The Companies have each received approval as a VCT from HMRC.

5. Withdrawal of approval

Approval of a VCT may be withdrawn by HMRC if the various tests set out above are not satisfied. The exemption from corporation tax on capital gains will not apply to any gain realised after the point at which VCT status is lost.

The Finance Act 2014 restricts the ability of a VCT to return capital to its investors. If a VCT makes a payment to its shareholders in relation to shares issued on or after 6 April 2014, which amounts to a repayment of share capital (including the payment of a dividend or a distribution), other than for the purpose of redeeming or repurchasing such shares, before the end of the third accounting period following the accounting period in which the shares were issued, the VCT status will be withdrawn.

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.

6. State Aid

As a result of the tax status of VCTs, investments by VCTs in underlying portfolio companies are regarded as State aid. Where the European Commission believe that State aid has been provided which is unlawful, in particular if it is not in accordance with the Risk Finance Guidelines, they may require that the UK government recovers that State aid, such recovery may be from the investee company, the VCT or the VCT's investors.

The VCT regime as it currently stands has been approved as consistent with State aid rules by the European Commission. However, from 1 January 2015 to 18 November 2015 there was no State aid approval in place for the VCT regime. There is therefore a technical risk that VCT relief may be withdrawn for investments made between those dates.

The VCTs have each updated their investment policy to ensure it is consistent with current legislation and HMRC guidance, which has received EU State aid approval. The Boards and Livingbridge will continue to monitor the situation in relation to investments made in the relevant period and will update Shareholders if required.

7. Patient Capital Review

The UK Government may announce changes to the VCT rules in 2017 Autumn Budget as part of a wider review of the provision of patient capital that is currently being undertaken. These changes may lead to further restrictions on the types of companies in which VCTs can invest or other adverse changes to the VCT regime. The extent of these changes are not yet known.

Part 7 – General Information

1. Incorporation and general

- 1.1. BVT was incorporated and registered in England and Wales on 29 January 1998 as a public company limited by shares with registered number 03504214. BVT operates under the Companies Act (and the regulations from time to time made thereunder). Its registered office and principal place of business is at Livingbridge, 100 Wood Street, London EC2V 7AN (telephone number 020 7506 5717). Save for its compliance with the Companies Act (and the regulations from time to time made thereunder), the Listing Rules, the Disclosure Guidance and Transparency Rules and the Prospectus Rules, BVT is not an authorised or regulated entity. The objects of BVT are unrestricted.
- 1.2. BSVT was incorporated and registered in England and Wales on 22 November 2000 as a public company limited by shares with registered number 04115341. BSVT operates under the Companies Act (and the regulations from time to time made thereunder). Its registered office and principal place of business is at Livingbridge, 100 Wood Street, London EC2V 7AN (telephone number 020 7506 5717). Save for its compliance with the Companies Act (and the regulations from time to time made thereunder), the Listing Rules, the Disclosure Guidance and Transparency Rules and the Prospectus Rules, BSVT is not an authorised or regulated entity. The objects of the BSVT are unrestricted.
- 1.3. The Companies have each been granted approval as a VCT under section 274 of the Tax Act and the respective Directors have managed and intend to manage the affairs of BVT and BSVT respectively in such a manner so as to comply with section 274 of the Tax Act.
- 1.4. The Companies are both registered as small UK registered Alternative Investment Funds under the Alternative Investment Fund Managers Directive.
- 1.5. Applications will be made to the UK Listing Authority for all of the New Shares to be admitted to the Official List with a Premium Listing and to the London Stock Exchange for such Shares to be admitted to trading on the Main Market. It is expected that BVT Admission and BSVT Admission will become effective and dealings in the New Shares issued pursuant to the Offers will commence on 31 October 2017.
- 1.6. The Investment Manager was incorporated and registered in England and Wales on 16 June 2006 as a limited liability partnership under the Limited Liability Partnerships Act 2000 with registered number OC320408. The Investment Manager operates under the Limited Liability Partnerships Act 2000 and the regulations from time to time made thereunder. Its registered office and principal place of business is at 100 Wood Street, London EC2V 7AN (telephone number 020 7506 5600). The Investment Manager is authorised and regulated by the FCA.
- 1.7. JPMorgan Chase Bank was registered in England and Wales on 1 January 1993 as an overseas company with registered number FC004891. Its registered office is at 1111 Polaris Parkway, Columbus, Ohio 43240, United States and its principal place of business in the UK is 25 Bank Street, Canary Wharf, London E14 5JP (telephone 020 7777 2000). JPMorgan Chase Bank is authorised by the PRA and regulated by the FCA and PRA with firm reference number 124491.
- 1.8. Ipes was incorporated and registered in Guernsey on 9 January 1998 with registered number 33475. Its registered office is at 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey GY1 2HL (telephone number is 01481 713843).

2. Share capital and indebtedness

- 2.1. The issued share capital of each of the Companies (all of which is, and will be, fully paid in respect of both Companies) as at the date of this document and immediately following completion of the Offers (assuming the maximum number of New Shares available under the Offers (in relation to BVT and BSVT respectively) are issued) is and will be:

	Number of Ordinary Shares	Nominal value of each Share
As at the date of this document		
BVT Shares	173,020,866	10 pence
BSVT Shares	197,344,707	10 pence
Immediately following the Offers*		
BVT Shares	195,266,628	10 pence
BSVT Shares	222,138,095	10 pence
Immediately following the Offers if the over allotment facility is utilised		
BVT Shares	202,681,882	10 pence
BSVT Shares	230,402,558	10 pence

***Note:** The above table assumes that 22,245,762 New Shares are issued pursuant to the BVT Offer and 29,661,016 New Shares are issued if the BVT Board chooses to utilise its over allotment facility and 24,793,388 New Shares are issued pursuant to the BSVT Offer and 33,057,851 New Shares are issued if the BSVT Board chooses to utilise its over allotment facility.

As at the date of this document, BVT held 11,103,819 Shares in treasury and BSVT held 11,693,214 Shares in treasury.

- 2.2. The following changes have occurred in the share capital of BVT between 1 October 2013 and 31 March 2017 (being the period covered by the historical financial information incorporated by reference into this document).
- 2.2.1 On 3 December 2013, BVT purchased a total of 100,000 Ordinary Shares at a price of 98.0 pence per Share to be held in treasury.
 - 2.2.2 On 14 March 2014, a total of 9,633,363 Ordinary Shares were issued at a price of 103.8 pence per Share pursuant to an offer for subscription.
 - 2.2.3 On 31 March 2014, BVT purchased a total of 200,000 Ordinary Shares at a price of 95.5 pence per Share to be held in treasury.
 - 2.2.4 On 25 June 2014, BVT purchased a total of 175,000 Ordinary Shares at a price of 97.5 pence per Share to be held in treasury.
 - 2.2.5 On 30 September 2014, BVT purchased a total of 170,000 Ordinary Shares at a price of 93.0 pence per Share to be held in treasury.
 - 2.2.6 On 19 December 2014, BVT purchased a total of 675,000 Ordinary Shares at a price of 91.5 pence per Share to be held in treasury.
 - 2.2.7 On 27 March 2015, BVT purchased a total of 440,000 Ordinary Shares at a price of 94.25 pence per Share to be held in treasury.
 - 2.2.8 On 29 June 2015, BVT purchased a total of 480,000 Ordinary Shares at a price of 95.25 pence per Share to be held in treasury.
 - 2.2.9 On 16 September 2015, a total of 300,000 Ordinary Shares were sold by BVT from the Shares held in treasury at a price of 95.5 pence per Share.
 - 2.2.10 On 11 February 2016, a total of 79,425,134 Ordinary Shares were issued at a price of 99.68 pence per Share pursuant to BVT's participation in the scheme of reconstruction and winding up of Baronsmead VCT plc and a total of 9,727,419 Ordinary Shares were issued at a price of 102.80 pence per Share pursuant to an offer for subscription.
 - 2.2.11 On 30 March 2016, BVT purchased a total of 1,780,000 Ordinary Shares at a price of 94.125 pence per Share to be held in treasury.
 - 2.2.12 On 1 June 2016, a total of 850,000 Ordinary Shares were sold by BVT from the Shares held in treasury at a price of 91.375 pence per Share.

- 2.2.13 On 29 June 2016, BVT purchased a total of 260,000 Ordinary Shares at a price of 91.25 pence per Share to be held in treasury.
 - 2.2.14 On 29 September 2016, a total of 1,900,000 Ordinary Shares were sold by BVT from the Shares held in treasury at a price of 82.5 pence per Share.
 - 2.2.15 On 8 December 2016, a total of 750,000 Ordinary Shares were sold by BVT from the Shares held in treasury at a price of 82.0 pence per Share.
 - 2.2.16 On 28 March 2017, a total of 500,000 Ordinary Shares were sold by BVT from the Shares held in treasury at a price of 83.625 pence per Share.
- 2.3. The following changes have occurred in the share capital of BSVT between 1 January 2013 and 31 March 2017 (being the period covered by the historical financial information incorporated by reference into this document).
- 2.3.1 On 27 March 2013, BSVT purchased a total of 220,000 Ordinary Shares at a price of 104.0 pence per Share to be held in treasury.
 - 2.3.2 On 30 May 2013, BSVT purchased a total of 550,000 Ordinary Shares at a price of 106.25 pence per Share to be held in treasury.
 - 2.3.3 On 14 March 2014, BSVT issued 8,896,261 Ordinary Shares at an offer price of 112.40 pence per Share pursuant to an offer for subscription.
 - 2.3.4 On 19 September 2014, a total of 190,000 Ordinary Shares were sold by BSVT from the Shares held in treasury at a price of 100.5 pence per Share.
 - 2.3.5 On 18 December 2014, BSVT sold a total of 200,000 Ordinary Shares at a price of 94.75 pence per Share from the Shares held in treasury.
 - 2.3.6 On 27 March 2015, BSVT purchased a total of 330,000 Ordinary Shares at a price of 96.75 pence per Share to be held in treasury.
 - 2.3.7 On 29 June 2015, BSVT purchased a total of 735,000 Ordinary Shares at a price of 99.0 pence per Share to be held in treasury.
 - 2.3.8 On 16 September 2015, BSVT sold a total of 140,000 Ordinary Shares at a price of 100.0 pence per Share from the Shares held in treasury.
 - 2.3.9 On 16 March 2016, a total of 68,003,674 Ordinary Shares were issued at a price of 103.94 pence per Share pursuant to BSVT's participation in the scheme of reconstruction and winding up of Baronsmead VCT 4 plc and a total of 9,328,156 Ordinary Shares were issued at a price of 107.2 pence per Share pursuant to an offer for subscription.
 - 2.3.10 On 30 March 2016, BSVT purchased a total of 970,000 Ordinary Shares at a price of 98.625 pence per Share to be held in treasury.
 - 2.3.11 On 1 June 2016, BSVT sold a total of 950,000 Ordinary Shares at a price of 96.5 pence per Share from the Shares held in treasury.
 - 2.3.12 On 29 June 2016, BSVT purchased a total of 285,000 Ordinary Shares at a price of 96.875 pence per Share to be held in treasury.
 - 2.3.13 On 29 September 2016, BSVT sold a total of 1,450,000 Ordinary Shares at a price of 87 pence per Share from the Shares held in treasury.
 - 2.3.14 On 2 December 2016, a total of 47,077,911 Ordinary Shares were issued at a price of 90.67 pence per share pursuant to BSVT's participation in the scheme of reconstruction and winding up of Baronsmead VCT 5 plc.
 - 2.3.15 On 14 December 2016, BSVT purchased a total of 395,000 Ordinary Shares at a price of 86.25 pence per Share to be held in treasury.

- 2.4. As at 1 October 2013, BVT had in issue 75,314,950 Ordinary Shares and, as at 31 March 2017, BVT had in issue 174,120,866 Ordinary Shares (excluding treasury shares). Since 1 April 2017 and up to 29 September 2017, being the latest practicable date before publication of this document, BVT has issued no further Ordinary Shares but has purchased a further 1,100,000 Ordinary Shares to be held in treasury. As at 1 January 2013, BSVT had in issue 66,802,705 Ordinary Shares and, as at 31 March 2017, BSVT had in issue 199,553,707 Ordinary Shares (excluding treasury shares). Since 1 April 2017 and up to 29 September 2017, being the latest practicable date before publication of this document, BSVT has issued no further Ordinary Shares but has purchased a further 2,209,000 Ordinary Shares to be held in treasury.
- 2.5. No share or loan capital of the Companies is under option or has been agreed, conditionally or unconditionally, to be put under option.
- 2.6. At the annual general meeting of BVT held on 14 February 2017, *inter alia*:
- 2.6.1. the Directors were, in substitution for all subsisting authorities to the extent unused, generally and unconditionally authorised in accordance with section 551 of the Companies Act to allot shares in BVT up to an aggregate nominal amount of £8,681,043 (such authority to expire on the fifth anniversary following the passing of the resolution);
 - 2.6.2. the Directors were, in substitution for all subsisting authorities to the extent unused, generally and unconditionally empowered pursuant to sections 570 and 573 of the Companies Act to allot equity securities (as defined in section 560 of the Companies Act) for cash, pursuant (save in relation to a transfer of equity shares out of treasury) to the authority referred to in paragraph 2.6.1 above, as if section 561 of the Companies Act did not apply to any such allotment (such authority to expire on the expiry of 15 months following the passing of the resolution or, if earlier, the conclusion of BVT's next annual general meeting); and
 - 2.6.3. BVT was authorised, generally and unconditionally, in accordance with section 701 of the Companies Act to make market purchases (within the meaning of section 693(4) of the Companies Act) of no more than 26,025,767 Ordinary Shares in aggregate or, if lower, up to 14.99 per cent. of the issued Ordinary Shares (such authority to expire on the expiry of 15 months following the passing of the resolution or, if earlier, the conclusion of BVT's next annual general meeting).
- 2.7. At the annual general meeting of BSVT held on 23 March 2017, *inter alia*:
- 2.7.1. the Directors were, in substitution for all subsisting authorities to the extent unused, generally and unconditionally authorised in accordance with section 551 of the Companies Act to allot shares in BSVT up to an aggregate nominal amount of £9,977,685 (such authority to expire on the fifth anniversary following the passing of the resolution);
 - 2.7.2. the Directors were, in substitution for all subsisting authorities to the extent unused, generally and unconditionally empowered pursuant to sections 570 and 573 of the Companies Act to allot equity securities (as defined in section 560 of the Companies Act) for cash, pursuant (save in relation to a transfer of equity shares out of treasury) to the authority referred to in paragraph 2.7.1 above, as if section 561 of the Companies Act did not apply to any such allotment (such authority to expire on the expiry of 15 months following the passing of the resolution or, if earlier, the conclusion of BSVT's next annual general meeting); and
 - 2.7.3. BSVT was authorised, generally and unconditionally, in accordance with section 701 of the Companies Act to make market purchases (within the meaning of section 693(4) of the Companies Act) of no more than 29,913,100 Ordinary Shares in aggregate or, if lower, up to 14.99 per cent. of the issued Ordinary Shares (such authority to expire on the expiry of 15 months following the passing of the resolution or, if earlier, the conclusion of BSVT's next annual general meeting).

- 2.8. The disapplication of statutory pre-emption rights in the terms provided under the special resolutions noted at paragraphs 2.6.2 and 2.7.2 of this Part 7 has given give the Companies the flexibility to resell Ordinary Shares which they may purchase and hold in treasury for cash without first being required to offer such Ordinary Shares to BVT Shareholders or BSVT Shareholders respectively in proportion to their existing holdings.
- 2.9. The provisions of section 561 of the Companies Act, which confer on Shareholders certain rights of pre-emption in respect of the allotment of equity securities which are to be paid up in cash, apply except as referred to in paragraphs 2.6.1, 2.6.2, 2.7.1 and 2.7.2 of this Part 7.
- 2.10. Panmure Gordon & Co acts as market maker in respect of the BVT Shares and the BSVT Shares.

3. Summary of the Articles of the Companies

The Articles of BVT were adopted on 14 December 2009 and the Articles of BSVT were adopted on 18 May 2010 by way of special resolution and both contain, *inter alia*, provisions as summarised below. For the purposes of paragraph 3 of this Part 7, “Company” shall be read to mean BVT or BSVT respectively and “Boards” shall be read to mean the BVT Board or BSVT Board respectively.

3.1. Voting rights

Subject to the provisions of the Companies Act or any special terms as to voting on which any shares may have been issued, or may for the time being be held, and to any suspension or abrogation of voting rights pursuant to the Articles, 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 who is present in person or who (being a corporation) is present by a representative or by proxy shall have one vote for every share of which he is the holder.

3.2. Offer of shares

Subject to the provisions of the Companies Act and the Articles and to any relevant authority of the Company in general meeting required by the Companies Act, unissued shares shall be at the disposal of the Board and they may allot, grant options over, offer or otherwise deal with or dispose of them or rights to subscribe for or convert any security into shares to such persons at such time and on such terms as the Board may decide, provided that no share may be issued at a discount to its nominal value. The Board may also issue redeemable shares on such terms as provided in the Articles.

3.3. Transfer of shares

Subject to such of the restrictions of the Articles and Companies Act as may be applicable, any member may transfer all or any of his shares by an instrument of transfer in the usual form or in any other form that the Board may approve. Such instrument shall be signed for or on behalf of the transferor and (in the case of a partly paid share) the transferee.

The Board may, in its absolute discretion, refuse to register any transfer of a share unless (i) it is in respect of a share which is fully paid up, (ii) it is in respect of only one class of shares, (iii) it is in favour of a single transferee or not more than four joint transferees, (iv) it is duly stamped (if so required) and (v) it is delivered for registration to the registered office of the Company or such other place as the Board may reasonably require to prove the title of the transferor and the due execution of the transfer by him or, if the transfer is executed by some other person on his behalf, the authority of that person to do so.

3.4. Variation of rights

Where the Company’s share capital is divided into different classes of shares, the rights attached to any shares or class of shares may be varied or abrogated in such manner (if any) as may be provided by such rights or, in the absence of any such provision, either with the written consent of the holders of not less than three-quarters in nominal value of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of shares of that class of shares. The quorum for such a class meeting is two persons holding or representing by proxy at least one third of the nominal amount of the issued shares of that class.

3.5. **Alteration of capital**

The Company may from time to time in general meeting, by ordinary resolution, increase its share capital by such sums to be divided into shares of such amount as the resolution prescribes, consolidate and divide all or any of its share capital into shares of larger nominal amounts than its existing shares, cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled, and sub-divide its shares, or any of them into shares of a smaller amount and may by such resolution determine that, as between the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred or deferred or other special rights or be subject to any such restrictions as the Company has power to attach to unissued or new shares.

3.6. **Dividends and distributions**

The Company may, subject to the provisions of the Companies Act and the Articles, by ordinary resolution from time to time declare dividends to be paid to members not exceeding the amount recommended by the Board. Subject to the provisions of the Companies Act, in so far as, in the Board's opinion, the Company's profits justify such payments, the Board may pay interim dividends on any class of shares including those carrying a fixed dividend. The Board may, if authorised by an ordinary resolution of the Company, offer shareholders in respect of any dividend the right to receive shares instead of cash. The Board may withhold dividends payable (with no obligation to pay interest thereon) on shares after there has been a failure to provide the Company with information concerning interests in those shares required to be provided under the Articles or the Companies Act until such failure has been remedied. Any dividend unclaimed after a period of 12 years from the date such dividend is payable shall, if the Board resolves, be forfeited and shall revert to the Company.

3.7. **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 (a "**Relevant Period**"), distribution of the Company's capital profits (within the meaning of section 833(2)(c) of the Companies Act) shall be prohibited except to the extent that the requirements for investment company status under section 833 of the Companies Act do not require a company to prohibit the distribution of its capital profits in its memorandum or articles of association. The Board 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, repayment of or other dealing with any capital asset in excess of the book value thereof and all other monies which are considered by the Board to be in the nature of accretion to capital shall be credited to the capital reserve. Subject to the Companies Act, the Board 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 repayment of or other dealing with any investments or other capital assets and, subject to the Companies Act, any expense or liability (or provision thereof) which the Board considers to relate to a capital item or which the Board otherwise considers 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 to which the sums standing to any revenue reserve are applicable except and provided that, notwithstanding any other provision of the Articles, 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 829 of the Companies Act), except to the extent that the requirements for investment company status under section 833 of the Companies Act do not require a company to prohibit the distribution of its capital profits in its memorandum or articles of association, or be applied in paying dividends on any shares in the Company. In periods 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 (as defined by section 829 of the Companies Act) or applied in paying dividends on any shares in the Company.

3.8. Duration and winding up

The Board shall procure that, at the annual general meeting of the Company falling after the fifth anniversary of the then latest allotment of shares and every third annual general meeting thereafter, an ordinary resolution will be proposed to the effect that the Company shall continue in being as a VCT. If, at any such meeting, such resolution is not passed the Board shall, within nine months of such meeting, convene an extraordinary general meeting to propose a special resolution for the re-organisation or re-construction of the Company and (if such resolution is not passed) a special resolution to wind up the Company voluntarily. In the case of the special resolution relating to voluntary winding up only, any member may demand a poll and each holder of shares present in person or by proxy and who votes in favour of the special resolution shall have such number of votes in respect of each share held by him (including fractions of a vote) that the aggregate number of votes cast in favour of the resolution is four times the aggregate number of shares in respect of which votes are cast against the resolution and each holder of shares who votes against the resolution shall have one vote for each share held by him.

If the Company shall be wound up, the liquidator may, with the authority of an extraordinary resolution and subject to any sanction, divide among the members in specie or in kind the whole or part of the assets of the Company and may determine how such a division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest the whole or any part of the assets in trustees upon such trusts for the benefit of members as the liquidator with the like authority shall think fit and the liquidation of the Company may be closed and the Company dissolved, but no member shall be compelled to accept any assets in respect of which there is a liability.

3.9. Directors

- 3.9.1. Unless otherwise determined by ordinary resolution of the Company, the directors (disregarding alternate directors) shall not be less than two and not more than ten in number.
- 3.9.2. The Company may by ordinary resolution appoint a person who is willing to be a director. The Board may appoint any person who is willing to act as a director. The Board may appoint one or more of its body to hold any employment or executive office and may revoke or terminate such appointment, without prejudice to any claim for damages for breach of contract between the director and the Company.
- 3.9.3. A Director shall not be required to hold any shares in the Company.
- 3.9.4. The Company may by ordinary resolution remove any director before the expiration of his period of office.
- 3.9.5. The business and affairs of the Company shall be managed by the Board, which may exercise all such powers of the Company, subject nevertheless to the provisions of the Companies Act and the Articles and to any directions given by the Company in general meeting by special resolution.
- 3.9.6. Subject to the provisions of the Articles, at every annual general meeting one third of the directors who are subject to retirement by rotation or, if their number is not a multiple of three, then the number nearest to but not exceeding one third, shall retire from office. If there are fewer than three directors who are subject to retirement by rotation, one director will retire.

3.10. Authorisation of interests of Directors

- 3.10.1. Subject to the provisions of the Companies Act and of the Articles, a Director, notwithstanding his office:
 - (a) may enter into or otherwise be interested in any contract, arrangement, transaction or proposal with the Company or in which the Company is otherwise interested, either in regard to his tenure of any office or place of profit or as vendor, purchaser or otherwise;

- (b) may hold any other office or place of profit under the Company (except that of auditor or of auditor of a subsidiary of the Company) in conjunction with the office of director and may act by himself or through his firm in a professional capacity for the Company, and in any such case on such terms as to remuneration and otherwise as the Board may arrange, either in addition to or in lieu of any remuneration provided for by any other Article;
 - (c) may be a Director or other officer, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any company promoted by the Company or in which the Company is otherwise interested or as regards which the Company has any powers of appointment; and
 - (d) shall not be liable to account to the Company for any profit, remuneration or other benefit realised by any such office, employment, contract, arrangement, transaction or proposal and no such contract, arrangement, transaction or proposal shall be avoided on the grounds of any such interest or benefit.
- 3.10.2. A Director who, to his knowledge, is in any way (directly or indirectly) interested in any contract, arrangement, transaction or proposal with the Company, shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract, arrangement, transaction or proposal is first considered, if he knows his interest then exists or, in any other case, at the first meeting of the Board after he knows that he is or has become so interested.
- 3.10.3. Save as provided in the Articles, a Director shall not vote on, or be counted in the quorum in relation to, any resolution of the Board or of a committee of the Board concerning any contract, arrangement, transaction or any proposal whatsoever to which the Company is or is to be a party and in which he is, to his knowledge, alone or together with any person connected with him, materially interested, unless the resolution concerns any of the following matters:
- (a) the giving to him of any guarantee, security or indemnity in respect of money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiaries;
 - (b) a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part, either alone or jointly with others, under a guarantee or indemnity or by the giving of security;
 - (c) any proposal concerning an offer of shares, debentures or other securities of the Company or any of its subsidiaries in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
 - (d) any contract, arrangement, transaction or proposal to which the Company is or is to be a party concerning any other body corporate (a “**relevant company**”) in which he (together with persons connected with him), directly or indirectly (and whether as an officer or shareholder, creditor or otherwise), does not hold or have a beneficial interest in 1.0 per cent. or more of either a relevant company or an intermediate company (as defined in the Articles) (any such interest being deemed for the purposes of this Article to be a material interest in all circumstances);
 - (e) any contract, arrangement, transaction or proposal relating to an arrangement for the benefit of the employees of the Company or its subsidiaries which does not award him any privilege or benefit not generally awarded to the employees to which such arrangement relates, and concerning the adoption, modification or operation of a pension, superannuation or similar scheme or retirement, death or disability benefits scheme or employees’ share scheme under which he may benefit and which either has been approved by or is subject to and conditional on approval by, HMRC for taxation purposes or relates to both employees and

Directors of the Company (or any of its subsidiaries) and does not accord to any Director as such any privilege or advantage not accorded to the employees to which such scheme or fund relates; or

- (f) any contract, arrangement, transaction or proposal concerning the purchase and/or maintenance of any insurance policy for the benefit of Directors or for the benefit of persons including Directors pursuant to the Articles.

3.10.4. A Director shall not vote or be counted in the quorum on any resolution of the Board or committee of the Board concerning his own appointment (including fixing or varying the terms of his appointment or its termination) as the holder of any office or place of profit with the Company or any company in which the Company is interested. Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment or its termination) of two or more Directors to offices or places of profit with the Company or any company in which the Company is interested, such proposals may be divided and a separate resolution considered in relation to each Director. In such case each of the Directors concerned (if not otherwise debarred from voting under these Articles) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

3.10.5. Subject to the provisions of the Companies Act and the Articles:

- (a) the Board shall have the power to purchase and maintain insurance at the expense of the Company for, or for the benefit of any persons who are or were at any time Directors, officers or employees of the Company, including insurance against any liability incurred by such persons in relation to or in connection with their duties, powers or offices in relation to the Company; and
- (b) every Director, alternate director, secretary and other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, damages and liabilities incurred by him in connection with his duties or the exercise of his powers.

3.11. **Borrowing powers**

The Board may exercise all powers of the Company to borrow money and to mortgage or charge all or any Part of its undertaking, property and assets (present and future) and uncalled capital and, subject to the provisions of the Companies Act, to create and issue debentures, other loan stock and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party. Such powers are however limited so that the aggregate principal amount outstanding in respect of monies borrowed by the Company shall not, without the previous sanction of an ordinary resolution of the Company, exceed an amount equal to 25 per cent. of the value of its gross assets.

3.12. **General meetings**

Annual general meetings shall be called by not less than 21 clear days notice in writing. Any other general meeting shall be called by not less than 14 clear days notice in writing.

3.13. **Uncertificated Shares**

Uncertificated Shares may be transferred by means of a relevant system. The Board may refuse to register a transfer of uncertificated Shares in such circumstances as may be permitted or required by the regulations relating thereto and the relevant system.

4. Directors' and others' interests

Baronsmead Venture Trust

- 4.1. The aggregate financial remuneration paid, and benefits in kind granted, to the BVT Directors by BVT for the last completed financial period of BVT to 30 September 2017 was £98,980. The BVT Directors who served BVT during the financial period to 30 September 2017 received the said aggregate remuneration in the form of the following fees:

Name	Financial period to 30 September 2017
Peter Lawrence	£26,260
Les Gabb	£24,240
Valerie Marshall	£24,240
Christina McComb	£24,240

It is estimated that the aggregate remuneration to be paid and benefits in kind granted to the BVT Directors by BVT for the current financial period will not exceed £98,980. No BVT Director is eligible for bonuses, pensions, retirement or other similar benefits or share options.

Name	Year ending 30 September 2018
Peter Lawrence	£26,260
Les Gabb	£24,240
Valerie Marshall	£24,240
Christina McComb	£24,240

- 4.2. Each of Peter Lawrence, Les Gabb, Valerie Marshall and Christina McComb has been appointed pursuant to the terms of letters of appointment with BVT dated 9 June 2017. Either party may terminate the appointment upon three months notice. The fees will be reviewed annually by the BVT Board and may be increased in line with market rates. No amounts have been set aside by BVT to provide pension, retirement or similar benefits. Save as set out in this paragraph 4.2, there are no existing or proposed letters of engagement between any BVT Director and BVT.
- 4.3. No BVT Director has, or has had, any direct or indirect interest in any transaction which is or was unusual in its nature or conditions or which is or was significant to the business of BVT and which has been effected by BVT since its date of incorporation.
- 4.4. BVT has no current borrowings nor any borrowing requirements and the BVT Directors have no current intention of making any borrowings.
- 4.5. The BVT Directors do not have any options over BVT Shares. As at the date of this document, the BVT Directors or their immediate families and related trusts, had the following interests in the issued share capital of BVT (all of which are beneficial): (a) which are required to be notified to BVT pursuant to the Disclosure Guidance and Transparency Rules; or (b) being interests of persons connected (within the meaning given in the Disclosure Guidance and Transparency Rules) with the BVT Directors which would, if such persons were a director, be required to be disclosed under (a) above and the existence of which was known to or could, with reasonable diligence, be ascertained by the BVT Director:

Name	Ordinary Shares currently held	Percentage of current issued share capital
Peter Lawrence	672,742	0.37%
Les Gabb	24,319	0.01%
Valerie Marshall	53,775	0.03%
Christina McComb	34,858	0.02%

- 4.6. The BVT Directors are not aware of any person or persons who directly or indirectly, jointly or severally, exercise control over BVT or could do so following completion of the BVT Offer.
- 4.7. As at 29 September 2017 (being the latest practicable date prior to publication of this document), BVT is not aware of any person who is or, following the BVT Offer will be, interested directly or indirectly in 3.0 per cent. or more of the issued share capital of BVT.
- 4.8. There are no different voting rights for any BVT Shareholder, save for those which derive from the Articles.
- 4.9. Details of those companies (other than BVT) and partnerships of which the BVT Directors have been a member of the administrative, management or supervisory body or a partner at any time during the five years immediately preceding the date of this document (apart from their directorships of the subsidiaries of any issuers of which the BVT Directors are or have been members of the administrative, management or supervisory bodies) are as follows:

	<i>Current directorships/partnerships</i>	<i>Previous directorships/partnerships</i>
Peter Lawrence	7 Springfield Road Management Company Limited Amati VCT plc Anpario Plc Aquatice Limited Baronsmead VCT plc (in liquidation) C-Corp Limited Dynamic Design UK Holdings Ltd ECO Animal Health Group plc Emmelle Construction Limited Emmelle Developments Limited Higher Nature Limited ICA in Israel JCA Charitable Foundation Kiotech Limited Petlove Limited	None
Les Gabb	Advent Venture Partners LLP Baronsmead VCT plc (in liquidation) Felix Capital Partners LLP	None
Valerie Marshall	Baronsmead VCT plc (in liquidation) Marshall Capital Limited Stratagem Corporate Finance & Strategy Limited Town and Country Housing Group	None
Christina McComb	Baronsmead VCT plc (in liquidation) Big Society Capital Limited British Business Bank Plc Family Assurance Friendly Society Limited Nexeon Ltd Standard Life European Private Equity Trust plc	Engage Mutual Services Limited Land Restoration Trust Proven Legal Technologies Limited

- 4.10. As at the date of this document there are no potential conflicts of interest between any of the BVT Directors' duties to BVT and their private interests and/or other duties.
- 4.11. As at the date of this document, none of the BVT Directors:
- 4.11.1. has any convictions in relation to fraudulent offences during the previous five years;
- 4.11.2. has in the past five years immediately preceding the date of this document been the subject of any bankruptcies, receiverships or liquidations when acting in the capacity of (i) a member of the administrative, management or supervisory body, (ii) a partner with unlimited liability in the case of a limited partnership with a share capital, (iii) a founder

where the company had been established for fewer than five years or (iv) a senior manager during the previous five years; or

- 4.11.3. has been the subject of any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company during the previous five years.

Baronsmead Second Venture Trust

- 4.12. The aggregate financial remuneration paid, and benefits in kind granted, to the BSVT Directors by BSVT for the last completed financial period of BSVT to 30 September 2017 was £97,500. The BSVT Directors who served BSVT during the financial period to 30 September 2017 received the said aggregate remuneration in the form of the following fees:

Name	Financial period to 30 September 2017
Anthony Townsend	£29,500
Malcolm Groat	£24,000
Ian Orrock	£22,000
John Davies	£22,000

It is estimated that the aggregate remuneration to be paid and benefits in kind granted to the BSVT Directors by BSVT for the current financial period will not exceed £116,000. No BSVT Director is eligible for bonuses, pensions, retirement or other similar benefits or share options.

Name	Year ending 30 September 2018
Anthony Townsend	£35,000
Malcolm Groat	£27,000
Ian Orrock	£27,000
John Davies	£27,000

- 4.13. Each of Anthony Townsend, Malcolm Groat, Ian Orrock and John Davies has been appointed pursuant to the terms of letters of appointment with BSVT dated 9 June 2017. Either party may terminate the appointment upon three months notice. The fees will be reviewed annually by the BSVT Board and may be increased in line with market rates. No amounts have been set aside by BSVT to provide pension, retirement or similar benefits. Save as set out in this paragraph 4.13, there are no existing or proposed letters of engagement between any BSVT Director and BSVT.
- 4.14. No BSVT Director has, or has had, any direct or indirect interest in any transaction which is or was unusual in its nature or conditions or which is or was significant to the business of BSVT and which has been effected by BSVT since its date of incorporation.
- 4.15. BSVT has no current borrowings nor any borrowing requirements and the BSVT Directors have no current intention of making any borrowings.
- 4.16. The BSVT Directors do not have any options over BSVT Shares. As at the date of this document, the BSVT Directors or their immediate families and related trusts, had the following interests in the issued share capital of BSVT (all of which are beneficial): (a) which are required to be notified to BSVT pursuant to the Disclosure Guidance and Transparency Rules; or (b) being interests of persons connected (within the meaning given in the Disclosure Guidance and Transparency Rules) with the BSVT Directors which would, if such persons were a director, be required to be disclosed under (a) above and the existence of which was known to or could, with reasonable diligence, be ascertained by the BSVT Director:

Name	Ordinary Shares currently held	Percentage of current issued share capital
Anthony Townsend	177,444	0.08%
Malcolm Groat	37,426	0.02%
Ian Orrock	41,430	0.02%
John Davies	113,269	0.05%

- 4.17. The BSVT Directors are not aware of any person or persons who directly or indirectly, jointly or severally, exercise control over BSVT or could do so following completion of the BSVT Offer.
- 4.18. As at 29 September 2017 (being the latest practicable date prior to publication of this document), BSVT is not aware of any person who is or, following the BSVT Offer will be, interested directly or indirectly in 3.0 per cent. or more of the issued share capital of BSVT.
- 4.19. There are no different voting rights for any BSVT Shareholder, save those which derive from the Articles.
- 4.20. Details of those companies (other than BSVT) and partnerships of which the BSVT Directors have been a member of the administrative, management or supervisory body or a partner at any time during the five years immediately preceding the date of this document (apart from their directorships of the subsidiaries of any issuers of which the BSVT Directors are or have been members of the administrative, management or supervisory bodies) are as follows:

	<i>Current directorships/partnerships</i>	<i>Previous directorships/partnerships</i>
Anthony Townsend	British & American Investment Trust plc F&C Global Smaller Companies plc Finsbury Growth & Income Trust plc Gresham House PLC Hansa Capital Limited Milton Global Opportunities plc	Cranleigh Foundation Cranleigh School Worldwide Healthcare Trust plc
Malcolm Groat	Baronsmead VCT 4 plc (in liquidation) Corps of Commissionaires Management Limited daVictus plc Maritime House Limited Mr Lee's Pure Foods Co Ltd Tekcapital PLC Tomco Energy PLC Vale International Group Ltd	Cordula Home Improvements Limited Landmark Development Group Limited Powerhouse Home Group Ltd
Ian Orrock	Arkessa Ltd IOTIC Labs Limited Silchester Limited	Acrossair Ltd NESS Software Design Services Limited Tvguide.co.uk Limited
John Davies	Baronsmead VCT 5 Plc (in liquidation) Gardens Pension Trustees Ltd	

- 4.21. As at the date of this document there are no potential conflicts of interest between any of the BSVT Directors' duties to BSVT and their private interests and/or other duties.
- 4.22. As at the date of this document, none of the BSVT Directors:
- 4.22.1. has any convictions in relation to fraudulent offences during the previous five years;
- 4.22.2. has in the past five years immediately preceding the date of this document been the subject of any bankruptcies, receiverships or liquidations when acting in the capacity of (i) a member of the administrative, management or supervisory body, (ii) a partner with unlimited liability in the case of a limited partnership with a share capital, (iii) a founder where the company had been established for fewer than five years, or (iv) a senior manager during the previous five years; or

- 4.22.3. has been the subject of any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company during the previous five years.

5. Corporate governance

Baronsmead Venture Trust

The BVT Board consists solely of non-executive Directors of whom Peter Lawrence is Chairman. All of the BVT Directors are considered by the BVT Board to be independent of the Investment Manager and the BVT Board does not consider that a Director's tenure reduces his ability to act independently.

By reporting against the AIC Code and by following the AIC Corporate Governance Guide, as at the date of this document BVT complies with its obligations under the UK Corporate Governance Code.

In view of the requirement in the Articles that all Directors retire by rotation, the BVT Board considers that it is not appropriate for the Directors to be appointed for a specified term as recommended by principle 3 of the AIC Code and provision B.2.3 of the UK Corporate Governance Code. However, the BVT Board has agreed that each Director will retire and, if appropriate, seek annual re-election.

The BVT Board has delegated certain responsibilities and functions to the audit committee, the management engagement and remuneration committee and the nomination committee.

The audit committee, chaired by Les Gabb, operates within clearly defined terms of reference and comprises all the Directors. The duties of the audit committee include reviewing the annual and interim accounts, the system of internal controls, the terms of appointment of the Auditors together with their remuneration, and ensuring that Auditor objectivity and independence is safeguarded in the provision of non-audit services by the Auditors. It also provides a forum through which the auditors may report to the BVT Board and meets at least twice yearly.

The management engagement and remuneration committee, chaired by Christina McComb, comprises all of the Directors and reviews the appropriateness of the Investment Manager's appointment together with the terms and conditions thereof on a regular basis.

The nomination committee, chaired by Christina McComb, comprises all of the Directors and is convened for the purpose of considering the appointment of additional directors as and when considered appropriate. In considering appointments to the BVT Board, the nomination committee takes into account the ongoing requirements of BVT and the need to have a balance of skills, experience and knowledge within its Board, together with diversity of experience and approach.

Baronsmead Second Venture Trust

The BSVT Board consists solely of non-executive Directors of whom Anthony Townsend is Chairman. All of the BSVT Directors are considered by the BSVT Board to be independent of the Manager and the BSVT Board does not consider that a Director's tenure reduces his ability to act independently.

By reporting against the AIC Code and by following the AIC Corporate Governance Guide, as at the date of this document BSVT complies with its obligations under the UK Corporate Governance Code.

In view of the requirement in the Articles that all Directors retire by rotation, the BSVT Board considers that it is not appropriate for the Directors to be appointed for a specified term as recommended by principle 3 of the AIC Code and provision B.2.3 of the UK Corporate Governance Code. However, the BSVT Board has agreed that each Director will retire and, if appropriate, seek annual re-election.

The BVT Board has delegated certain responsibilities and functions to the audit committee, the management engagement and remuneration committee and the nomination committee.

The audit committee, chaired by Malcolm Groat, operates within clearly defined terms of reference and comprises all the Directors. The duties of the audit committee include reviewing the annual and interim accounts, the system of internal controls, the terms of appointment of the Auditors together with their remuneration, and ensuring that Auditor objectivity and independence is safeguarded in the provision

of non-audit services by the Auditors. It also provides a forum through which the auditors may report to the BSVT Board and meets at least twice yearly.

The management engagement and remuneration committee, chaired by Anthony Townsend, comprises all of the Directors and reviews the appropriateness of the Investment Manager's appointment together with the terms and conditions thereof on a regular basis.

The nomination committee, chaired by Anthony Townsend, comprises all of the Directors and is convened for the purpose of considering the appointment of additional directors as and when considered appropriate. In considering appointments to the BSVT Board, the nomination committee takes into account the ongoing requirements of BSVT and the need to have a balance of skills, experience and knowledge within its Board, together with diversity of experience and approach.

6. Material contracts

The following are the only material contracts (being contracts other than contracts entered into in the ordinary course of business) that have been entered into by the Companies during the period beginning two years prior to publication of this document and which are, or may be, material to the Companies, or are all of the contracts which have been entered into by the Companies and contain any provisions under which the Companies have any obligations or entitlements which are material as at the date of this document:

6.1 *Baronsmead Venture Trust*

6.1.1 **BVT Investment Management Agreement**

A management agreement that was made on 20 December 2006, as supplemented on 11 October 2007, varied on 19 May 2009 and, by way of an oral agreement, in August 2013 and as amended and restated on 1 June 2014 and 10 August 2016 whereby the Investment Manager agreed to provide investment management services to BVT. Livingbridge has appointed JPMorgan Chase Bank to provide custodian services in respect of the assets that are traded on a recognisable exchange and Ipes to provide custodian services in relation to its non-quoted assets. The BVT Investment Management Agreement is terminable by either party at any time by 12 months prior written notice. The BVT Investment Management Agreement is subject to early termination in the event of, *inter alia*, a party committing a material breach of the BVT Investment Management Agreement and/or becoming insolvent, and by BVT if the Investment Manager ceases to be regulated by the FCA or ceases to provide its services or perform its obligations to BVT pursuant to the BVT Investment Management Agreement.

Under the BVT Investment Management Agreement Livingbridge is entitled to receive an annual management fee of 2.0 per cent. of BVT's net assets, calculated and paid on a quarterly basis. In addition, the Investment Manager is responsible for providing all secretarial, administrative and accounting services to BVT. The Investment Manager has appointed Capita to provide these services to BVT on its behalf. BVT is responsible for paying the fee charged by Capita in relation to the performance of these services to the Investment Manager, which is currently £143,000.

Under the terms of the BVT Investment Management Agreement, the Investment Manager is also entitled to receive a performance related incentive fee. No performance fee is payable to the Investment Manager until the total return on shareholders' funds exceeds an annual threshold of the higher of 4 per cent. or base rate plus 2 per cent. calculated on a compound basis. To the extent that the total return exceeds the threshold over the relevant period then a performance fee of 10 per cent. of the excess will be paid to the Investment Manager. The amount of any performance fee which is paid in an accounting period shall be capped at 5 per cent. of shareholders' funds for that period. It is expected that BVT will pay a performance fee for the 12 month period to 30 September 2017. BVT are also party to a co-investment agreement with the Investment Manager. Further details of the co-investment incentive scheme are given on page 34 of this document under the heading "Management incentivisation and retention".

The annual running costs of BVT are capped at 3.5 per cent. of the net assets of BVT (excluding any performance fee payable to the Investment Manager and irrecoverable VAT), any excess of this amount is refunded to BVT by the Investment Manager by way of an adjustment to its management fee.

6.1.2 Custodian agreement with JPMorgan Chase Bank

A global custody agreement between BVT and JPMorgan Chase Bank made on 30 March 2015, whereby JPMorgan Chase Bank is appointed to undertake certain custodian functions in relation to the assets of BVT that are traded on a recognised exchange. JPMorgan Chase Bank is paid an annual fee based on the number of transactions that take place during the relevant period, subject to a minimum annual fee of £30,000 from BVT. The agreement provides for an initial period of three years from the date on which JPMorgan Chase Bank commenced providing services under the agreement. Following the initial term BVT may terminate the agreement on 60 days written notice and JPMorgan Chase Bank may terminate on 180 days written notice.

6.1.3 Custodian agreement with Ipes

A safekeeping agreement between BVT and Ipes made on 1 June 2014, whereby Ipes is appointed to undertake certain custodian functions in relation to the BVT's non-quoted assets. The fee to be paid to Ipes will be calculated by reference to the number of transactions that take place during the relevant period but is based on set up and rate on fees of approximately £1,200 for each investment and ongoing fees of up to approximately £1,000 per investment for the period. Either party may terminate the agreement by giving not less than 60 days written notice.

6.1.4 Registrar agreement with Computershare

A Registrar agreement between BVT and Computershare dated 10 December 2014 and as amended by a side letter dated 28 November 2016, under which Computershare agreed to act as BVT's registrar and carry out various duties including the maintenance of the register of Shareholders of BVT and the processing of any transfer of BVT Shares. BVT has agreed a fixed fee of £35,487 in respect of the maintenance of its register with other *ad hoc* services charged in addition to this.

6.1.5 Directors' letters of appointment

Letters of appointment between BVT and each of the BVT Directors, dated 9 June 2017, under which each BVT Director is required to devote such time to the affairs of BVT as the BVT Board reasonably requires and as is consistent with his or her role as a non-executive BVT Director. The letters are terminable on notice by either party. Other than these letters of appointment, none of the BVT Directors has a service contract with BVT.

6.1.6 BVT Offer Agreement

An offer agreement between BVT and Livingbridge made on 4 October 2017, pursuant to which Livingbridge is appointed to administer the BVT Offer. As consideration for the services provided by Livingbridge to BVT, BVT has agreed to pay Livingbridge a fee of 3.0 per cent of the gross proceeds of the BVT Offer. The offer agreement provides that Livingbridge shall be responsible for all costs and expenses of and incidental to the BVT Offer.

6.2 *Baronsmead Second Venture Trust*

6.2.1 BSVT Investment Management Agreement

A management agreement that was made on 20 December 2006, as supplemented on 11 October 2007, varied on 19 May 2009 and, by way of an oral agreement, in August 2012, as amended and restated on 1 June 2014 and as further amended and restated on 9 August 2016 whereby the Investment Manager agreed to provide investment management services to BSVT. Livingbridge has appointed JPMorgan Chase Bank to provide custodian services in respect of the assets that are traded on a recognisable

exchange and Ipes to provide custodian services in relation to its non-quoted assets. The BSVT Investment Management Agreement is terminable by either party at any time by 12 months prior written notice. The BSVT Investment Management Agreement is subject to early termination in the event of, *inter alia*, a party committing a material breach of the Investment Management Agreement and/or becoming insolvent, and by BSVT if the Investment Manager ceases to be regulated by the FCA or ceases to provide its services or perform its obligations to BSVT pursuant to the BSVT Investment Management Agreement.

Under the BSVT Investment Management Agreement Livingbridge is entitled to receive an annual management fee of 2.5 per cent. of BSVT's net assets, calculated and paid on a quarterly basis. In addition, the Investment Manager is responsible for providing all secretarial, administrative and accounting services to BVT. The Investment Manager has appointed Capita to provide these services to BSVT on its behalf. BSVT is responsible for paying the fee charged by Capita in relation to the performance of these services to the Investment Manager, which is currently £163,000.

Under the terms of the BSVT Investment Management Agreement, the Investment Manager is also entitled to receive a performance related incentive fee. A performance fee is payable to the Investment Manager when the total return on net proceeds of the BSVT Shares exceeds 8 per cent. per annum (simple). To the extent that the total return exceeds the threshold over the relevant period then a performance fee of 10 per cent. of the excess will be paid to the Investment Manager. The amount of any performance fee which is paid in an accounting period shall be capped at 5 per cent. of shareholders' funds for that period. It is not expected that BSVT will pay a performance fee for the 12 month period to 30 September 2017. BSVT are also party to a co-investment agreement with the Investment Manager. Further details of the co-investment incentive scheme are given on page 34 of this document under the heading "Management incentivisation and retention".

The annual running costs of BSVT are capped at 3.5 per cent. of the net assets of BSVT (excluding any performance fee payable to the Investment Manager and irrecoverable VAT), any excess of this amount is refunded to BSVT by the Investment Manager by way of an adjustment to its management fee.

6.2.2 Custodian agreement with JPMorgan Chase Bank

A global custody agreement between BSVT and JPMorgan Chase Bank made on 30 March 2015, whereby JPMorgan Chase Bank is appointed to undertake certain custodian functions in relation to the assets of BSVT that are traded on a recognised exchange. JPMorgan Chase Bank is paid an annual fee based on the number of transactions that take place during the relevant period, subject to a minimum annual fee of £30,000 from BSVT. The agreement provides for an initial period of three years from the date on which JPMorgan Chase Bank commenced providing services under the agreement. Following the initial term BSVT may terminate the agreement on 60 days written notice and JPMorgan may terminate on 180 days written notice.

6.2.3 Custodian agreement with Ipes

A safekeeping agreement between BSVT and Ipes made on 1 June 2014, whereby Ipes is appointed to undertake certain custodian functions in relation to the BSVT's non-quoted assets. The fee to be paid to Ipes will be calculated by reference to the number of transactions that take place during the relevant period but is based on set up and rate on fees of approximately £1,200 for each investment and ongoing fees of up to approximately £1,000 per investment for the period. Either party may terminate the agreement by giving not less than 60 days written notice.

6.2.4 Registrar agreement with Computershare

A Registrar agreement between BSVT and Computershare dated 10 December 2014 and as amended by a side letter dated 8 November 2016, under which Computershare agreed to act as BSVT's registrar and carry out various duties including the maintenance of the register of Shareholders of BSVT and the processing of any transfer of Ordinary Shares.

BSVT has agreed a fixed fee of £40,285 in respect of the maintenance of its register with other *ad hoc* services charged in addition to this.

6.2.5 Directors' letters of appointment

Letters of appointment between BSVT and each of the BSVT Directors, dated 9 June 2017, under which each BSVT Director is required to devote such time to the affairs of BSVT as the BSVT Board reasonably requires and as is consistent with his role as a non-executive Director. The letters are terminable on notice by either party. Other than these letters of appointment, none of the BSVT Directors has a service contract with BSVT.

6.2.6 BSVT Offer Agreement

An offer agreement between BSVT and Livingbridge made on 4 October 2017, pursuant to which Livingbridge is appointed to administer the BSVT Offer. As consideration for the services provided by Livingbridge to BSVT, BSVT have agreed to pay Livingbridge a fee of 3.0 per cent. of the gross proceeds of the the BSVT Offer. The offer agreement provides that Livingbridge will be responsible for all costs and expenses of and incidental to the BSVT Offer.

7. Investment and other restrictions

- 7.1. The Companies are closed-ended investment funds and each must comply with Chapter 15 of the Listing Rules. In accordance with Chapter 15 of the Listing Rules, each of the Companies must, at all times, invest and manage its assets in a way which is consistent with its object of spreading investment risk and in accordance with its published investment policy. A detailed description of the current investment policy of each of the Companies is set out in Part 3 of this document. In accordance with Chapter 15 of the Listing Rules, neither of the Companies will make any material changes to their respective investment policy without the approval of their respective Shareholders by ordinary resolution passed at a general meeting of the relevant Company. Such an alteration would be announced by the relevant Company through a Regulatory Information Service provider. The Companies will be subject to and will comply with the restrictions regarding investments for closed-ended investment funds that are contained in the Listing Rules.
- 7.2. In the event of any breach of either of the Companies' investment policy or of the investment restrictions applicable to the Companies, Shareholders will be informed of the actions to be taken by the relevant Company and/or the Investment Manager (at the time of such a breach) by an announcement issued through a Regulatory Information Service provider.
- 7.3. The Companies are not required to be, and are therefore not, regulated by the FCA. In order to obtain VCT status, the Companies must, however, obtain and maintain approval as a VCT from HMRC.
- 7.4. The Companies are regulated by Part 6 of the Tax Act in respect of the investments they make. Each of the Companies has appointed PricewaterhouseCoopers LLP as its VCT status adviser. PricewaterhouseCoopers LLP will report twice yearly to the Companies in their annual and half yearly reporting obligations. In respect of any breach of the VCT rules, the Companies will report the matter immediately to HMRC.
- 7.5. The Companies will not invest in any derivatives or currencies save for the purpose of efficient portfolio management, that is, solely for the purpose of reducing, transferring or eliminating investment risk in underlying investments.
- 7.6. The Companies do not intend to conduct any significant trading activity.
- 7.7. In accordance with Chapter 15 of the Listing Rules, each Company will not invest more than 10 per cent. in aggregate of the value of its total assets at the time of a new investment in other closed-ended investment funds listed on the premium segment of the Official List (except to the extent that those closed-ended investment funds have published investment policies to invest no more than 15 per cent. of their total assets in other closed-ended investment funds listed on the premium segment of the Official List).

8. Related party transactions

Baronsmead Venture Trust

Save for the BVT Investment Management Agreement and the BVT Offer Agreement, BVT is not a party to, nor had any interest in, any related party transaction (as defined in the standards adopted according to the Regulation (EC) No 1606/2002) in the period from 1 October 2013 (being the start of the period covered by the historical financial information in Part 5 of this document up to the date of this document).

Baronsmead Second Venture Trust

Save for the BSVT Investment Management Agreement and the BSVT Offer Agreement, BSVT is not a party to, nor had any interest in, any related party transaction (as defined in the standards adopted according to the Regulation (EC) No 1606/2002) in the period from 1 January 2013 (being the start of the period covered by the historical financial information in Part 5 of this document up to the date of this document).

9. General

- 9.1. There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Companies are aware) which may have, or have had in the recent past (covering the 12 months preceding the date of this document), significant effects on the financial position or profitability of the Companies.
- 9.2. The Companies have no subsidiaries.
- 9.3. The Companies have no employees and own no premises.
- 9.4. Dickson Minto W.S. has given and not withdrawn its written consent to the issue of this document with inclusion therein of its name in the form and context in which it is included.

10. Mandatory bids, squeeze-out and sell-out rules

10.1. Mandatory bids

As companies incorporated in England and Wales admitted to trading on the London Stock Exchange, the Companies are subject to the provisions of the Takeover Code. The Takeover Code is issued and administered by the Panel on Takeovers and Mergers (the "Panel"). The Panel has been designated as the supervisory authority to carry out certain regulatory functions in relation to takeovers pursuant to the Takeovers Directive. Following the implementation of the Takeovers Directive, the rules set out in the Takeover Code which are derived from the Takeovers Directive now have a statutory basis in the United Kingdom.

Under Rule 9 of the Takeover Code, any person or group of persons acting in concert with each other which, taken together with shares already held by that person or group of persons, acquires 30 per cent. or more of the voting rights of a public company which is subject to the Takeover Code or holds not less than 30 per cent. but not more than 50 per cent. of the voting rights exercisable at a general meeting and acquires additional shares which increase the percentage of their voting rights, would normally be required to make a general offer in cash at the highest price paid within the preceding 12 months for all the remaining equity share capital of that Company.

Under Rule 37 of the Takeover Code, when a company purchases its own voting shares, a resulting increase in the percentage of voting rights carried by the shareholdings of any person or group of persons acting in concert will be treated as an acquisition for the purposes of Rule 9. A shareholder who is neither a director nor acting in concert with a director will not normally incur an obligation to make an offer under Rule 9. However, under note 2 to Rule 37, where a shareholder has acquired shares at a time when he/she had reason to believe that a purchase by the company of its own voting shares may take place, an obligation to make a mandatory bid under Rule 9 may arise in certain circumstances. The buy back by the Companies of Ordinary Shares could, therefore, have implications for Shareholders with significant shareholdings.

10.2. Squeeze-out and sell-out rules

Other than as provided by the Companies Act, there are no rules or provisions relating to squeeze-out and sell out rules in relation to the Shares.

11. Restrictions on transfer

11.1. General

The distribution of this document and offer of New Shares in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

11.2. European Economic Area

11.2.1. In relation to each of the EEA States (other than the United Kingdom) which has implemented the Prospectus Regulation (each, a “**relevant member state**”), with effect from and including the date on which the Prospectus Regulation was implemented in that relevant member state (the “**relevant implementation date**”) no New Shares have been offered or will be offered pursuant to an offer to the public in that relevant member state, except that with effect from and including the relevant implementation date, offers of New Shares may be made to the public in that relevant member state at any time:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than €43 million; and (iii) an annual net turnover of more than €50 million as shown in its last annual or consolidated accounts; or
- (c) in any other circumstances which do not require the publication by the Companies of a prospectus pursuant to Article 3 of the Prospectus Regulation, provided that no such offer of New Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Regulation or any measure implementing the Prospectus Regulation in a relevant member state and each person who initially acquires any New Shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed that it is a “qualified investor” within the meaning of Article 2(e) of the Prospectus Regulation.

11.2.2. For the purpose of the expression an “offer of any New Shares to the public” in relation to any New Shares in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the issue of any New Shares, so as to enable a potential investor to decide to purchase or subscribe for the New Shares, as the same may be varied in that relevant member state by any measure implementing the Prospectus Regulation in that relevant member state.

12. Disclosure requirements and notification of interest in shares

Under Chapter 5 of the Disclosure Guidance and Transparency Rules, subject to certain limited exceptions, a person must notify the relevant Company (and, at the same time, the FCA) of the percentage of voting rights he or she holds (within two trading days) if he or she acquires or disposes of shares in the company to which voting rights are attached and if, as a result of the acquisition or disposal, the percentage of voting rights which he or she holds as a shareholder (or, in certain cases, which he or she holds indirectly) or through his or her direct or indirect holding of certain types of financial instruments (or a combination of such holdings):

12.1. reaches, exceeds or falls below 3.0 per cent. and each 1.0 per cent. threshold thereafter; or

- 12.2. reaches, exceeds or falls below an applicable threshold in paragraph 12.1 of this Part 7 above as a result of events changing the breakdown of voting rights and on the basis of the total voting rights notified to the market by the relevant Company.

Such notification must be made using the prescribed form TR1 available from the FCA's website at <http://www.fca.org.uk>. Under the Disclosure Guidance and Transparency Rules, the relevant Company must announce the notification to the public as soon as possible and in any event by not later than the end of the trading day following receipt of a notification in relation to voting rights.

The FCA may take enforcement action against a person holding voting rights who has not complied with Chapter 5 of the Disclosure Guidance and Transparency Rules.

13. Overseas investors

No person receiving a copy of this document in any territory other than the UK may treat the same as constituting an invitation or offer to him unless, in the relevant territory, such an invitation or offer could be lawfully made to him without contravention of any registration or other legal requirements.

The distribution of this document in jurisdictions other than the UK may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any of these restrictions. Any failure to comply with any of those restrictions may constitute a violation of the securities law of any such jurisdiction.

It is the responsibility of any person outside the UK wishing to make an application to satisfy himself as to the full observance of the laws of the 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.

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.

The New Shares have not been, nor will they be, registered in the United States under the US Securities Act or under the securities laws of any Restricted Territory and they may not be offered or sold directly or indirectly within the United States or any of the Restricted Territories or to, or for the account or benefit of US Persons or any national, citizen or resident of the United States or any of the Restricted Territories. The New Shares are not being offered, directly or indirectly, in or into the United States or any of the Restricted Territories or in any other jurisdiction where to do so would be unlawful. In particular, prospective shareholders who are resident in the United States or any Restricted Territory should note that this document is being sent for information purposes only.

All Applicants under the Offers will be required to warrant that they are not a US Person nor a resident, national or citizen of a Restricted Territory.

14. Documents available for inspection

Copies of the following documents are available for inspection in person during normal business hours on any Business Day at the offices of Livingbridge VC LLP, 100 Wood Street, London EC2V 7AN until 15 November 2017:

- 14.1. the Articles of each of the Companies;
- 14.2. the letters of appointment as referred to in paragraphs 6.1.5 and 6.2.5 of this Part 7;
- 14.3. the report and accounts of BVT for the three financial years to 30 September 2016 and the half yearly reports for the periods ending 31 March 2016 and 2017;
- 14.4. the report and accounts of BSVT for the four financial periods to 30 September 2016 and the half yearly reports for the periods ending 30 June 2016 and 31 March 2017; and
- 14.5. this document.

15. Availability of prospectus

This document is available for inspection at www.morningstar.co.uk/uk/nsm and, until 15 November 2017, copies are available for collection, free of charge, from the offices of Livingbridge VC LLP, 100 Wood Street, London EC2V 7AN on any Business Day.

4 October 2017

Part 8 – Terms And Conditions of Subscription under the Offers

The following terms and conditions apply to the Offers.

Save where the context otherwise requires, words and expressions defined in this document have the same meanings when used in these terms and conditions, the Subscription Form and explanatory notes.

The section headed “Notes on how to complete the Subscription Form” forms part of these terms and conditions of Subscription.

- (a) The contract created by the acceptance of a Subscription under the relevant Offer will be conditional on BVT Admission and/or BSVT Admission, unless otherwise so resolved by the relevant Board.
- (b) The right is reserved by the Companies to present all cheques and bankers’ drafts for payment on receipt and to retain the relevant share certificates and Subscription monies, pending clearance of such successful Subscribers’ cheques and bankers’ drafts. The Companies may treat Subscriptions as valid and binding even if not made in all respects in accordance with the prescribed instructions and the Companies may, at their discretion, accept a Subscription in respect of which payment is not received by the relevant Company prior to the closing date of the relevant Offer. If any Subscription is not accepted in full or if any contract created by acceptance does not become unconditional, the Subscription monies or, as the case may be, the unused balance thereof in excess of £2.00 will be returned (without interest) by returning each relevant Subscriber’s (or Nominee’s) cheque or bankers’ draft or by crossed cheque in favour of the Subscriber (or Nominee), through the post at the risk of the person(s) entitled thereto. Balances of less than £2.00 may be retained by the relevant Company and used for its own purposes. In the meantime, Subscription monies will be retained by the Companies in a separate account. Each Board reserves the right to close the relevant Offer earlier than the closing date if fully subscribed or to extend such Offer to a date up to and including 29 December 2017. Subscriptions which are accompanied by post-dated cheques will not be accepted until such date as the cheque can be presented, subject to the absolute discretion of the relevant Board to accept such Subscription. If any dispute arises as to the date or time on which a Subscription is received, the determination of the relevant Board shall be final and binding.
- (c) Subject to paragraph (d) below, no person receiving a copy of this document or any part thereof, or a Subscription Form, in any territory other than the UK may treat the same as constituting an invitation or offer to him, nor should he in any event use such Subscription Form unless, in the relevant territory, such an invitation or offer could lawfully be made to him or such Subscription Form could lawfully be used without contravention of any regulation or other legal requirements. It is the responsibility of any person outside the UK wishing to make a Subscription 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 requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.
- (d) The New Shares have not been, nor will they be, registered in the United States under the US Securities Act or under the securities laws of the Restricted Territories and they may not be offered or sold directly or indirectly within the United States or any of the Restricted Territories or to, or for the account or benefit of, US Persons or any national, citizen or resident of the United States or any of the Restricted Territories. The Offers are not being made, directly or indirectly, in or into the United States or any of the Restricted Territories or in any other jurisdiction where to do so would be unlawful. The distribution of this document in jurisdictions other than the UK may be restricted by law and therefore, persons into whose possession this document comes should inform themselves about and observe any of these restrictions. Any failure to comply with any of those restrictions may constitute a violation of the securities law of any such jurisdiction. The Subscription Form is not being and must not be forwarded to or transmitted in or into the United States or a Restricted Territory. No Subscription will be accepted if it bears an address in the United States.

- (e) Subscribers will be bound by the Subscription(s) indicated by them on their Subscription Forms. Multiple Subscriptions under the Offers are not permitted. Subscriptions will be accepted on a “first come, first served” basis, subject always to the discretion of the relevant Board. The right is reserved to reject in whole or in part and scale down any Subscription or any part thereof including, without limitation, Subscriptions in respect of which any verification of identity which the Companies or the Receiving Agent consider may be required for the purposes of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 has not been satisfactorily supplied. Each Board in their absolute discretion may decide to close, suspend or extend the relevant Offer to a date up to and including 29 December 2017. The Offers shall be suspended if the issue of such New Shares in the relevant Company would result in a breach of the Listing Rules, the relevant Company not having the requisite shareholder authorities from time to time to allot New Shares or a breach of any other statutory provision or regulation applicable to such Company. Dealings prior to the issue of certificates for New Shares will be at the risk of Subscribers. A person so dealing must recognise the risk that a Subscription may not have been accepted to the extent anticipated at all.
- (f) The Investment Manager will, where permissible, pay to authorised financial intermediaries who, acting on behalf of their clients, return valid Subscription Forms bearing their stamp or full address details and FCA number an annual trail commission for four years of 0.4 per cent. on the aggregate amount paid in respect of the New Shares allotted by the relevant Company under the Offers in respect of such Subscription Forms whilst the Investment Manager is appointed as the investment manager to the relevant Company. Such annual trail commission can only be paid where the financial intermediary is not providing a platform service and the Subscriber has not received a personal recommendation to invest in the New Shares, whether the personal recommendation is given by the financial intermediary identified on the Subscription Form or another financial intermediary. Should the Investment Manager no longer be appointed as the investment manager of the relevant Company, annual trail commission payments will cease. Annual trail commission will also cease to be payable if the Shares are sold by the relevant investors, if the relevant Company is wound up or if the Investment Manager is no longer permitted under the FCA rules to make such payments. financial intermediaries should keep a record of Subscription Forms submitted bearing their FCA number to substantiate any claim for trail commission. Claims for trail commission must be made and substantiated on the Subscription Forms.
- (g) By completing and delivering a Subscription Form, you confirm and warrant that you:
- (i) offer to subscribe the monetary amount stated on the Subscription Form in the relevant Company for such number of New Shares (or such lesser amount for which your Subscription is accepted and subject to paragraph (e) above) obtained by dividing the monetary amount by the applicable Offers Price of the New Shares resulting from the application of the relevant Pricing Formula (as described in this document), subject to these terms and conditions of Subscription, and subject to the relevant memorandum and Articles;
 - (ii) agree that, in consideration of the relevant Company agreeing to process your Subscription, your Subscription will not be revoked until the relevant Offer is closed and that this paragraph shall constitute a collateral contract between you and the relevant Company which will become binding upon despatch by post to, or (in the case of delivery by hand) on receipt by, the Receiving Agent of your Subscription Form;
 - (iii) agree and warrant that your cheque or bankers’ draft may be presented for payment on receipt and will be honoured on first presentation and agree that if it is not so honoured your Subscription may be rejected and you will not be entitled to receive a certificate in respect of the New Shares in the relevant Company until you make payment in cleared funds for such New Shares and such payment is accepted by the relevant Company in its absolute discretion, (which acceptance shall be on the basis that you indemnify the relevant Company and the Receiving Agent 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 you agree that, at any time prior to the

unconditional acceptance by the relevant Company of such late payment, such Company may (without prejudice to its other rights) void the agreement to allot such New Shares to you and may issue or allot such New Shares to some other person, in which case you will not be entitled to any payment in respect of such New Shares, other than the refund to you, at your risk, of the proceeds (if any) of the cheque or bankers' draft accompanying your Subscription Form, without interest;

- (iv) agree that, in respect of those New Shares for which your Subscription has been received and is not rejected, your Subscription may be accepted at the election of the relevant Company either by notification to the London Stock Exchange of the basis of allocation or by notification of acceptance thereof to the Receiving Agent;
- (v) agree that any monies refundable to you may be retained by the relevant Company or the Receiving Agent pending clearance of your remittance and any verification of identity which is, or which the relevant Company or the Receiving Agent may consider to be, required for the purposes of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and that such monies will not bear interest;
- (vi) authorise the Receiving Agent to send share certificate(s) or arrange for your CREST account to be credited in respect of the number of New Shares for which your Subscription is accepted and authorise the relevant Company to send a crossed cheque for any monies returnable, by post, at your own risk, without interest, to your address set out in the Subscription Form and to procure that your name is placed on the register of members of the relevant Company in respect of such New Shares;
- (vii) agree that all Subscriptions, acceptances of Subscriptions and contracts resulting therefrom and any non-contractual obligations arising out of or in connection with your Subscription shall be governed by and construed in all respects in accordance with English law and that you submit to the jurisdiction of the English courts and agree that nothing shall limit the right of the relevant Company to bring any action, suit or proceeding arising out of or in connection with any such Subscriptions, acceptances of Subscriptions and contracts in any other manner permitted by law or any court of competent jurisdiction;
- (viii) agree and acknowledge that you are making your Subscription on the basis of the information and statements concerning the relevant Company and the relevant New Shares contained in this document and that no person responsible solely or jointly for this document or any part thereof or involved in the preparation thereof shall have any liability for any other information or representation relating to the relevant Company or the New Shares or for any change in the law or regulations affecting VCTs;
- (ix) irrevocably authorise the Receiving Agent and/or the relevant Company or any person authorised by any of them, as your agent, to do all things necessary to effect registration of any New Shares subscribed by or issued to you into your name and authorise any representative of the Receiving Agent or of the such Company, as relevant, to execute any document required thereof;
- (x) agree that, having had the opportunity to read the Prospectus, you shall be deemed to have had notice of all information and statements concerning the Companies and the New Shares contained therein;
- (xi) confirm that you are not a US Person within the meaning of Regulation S made under the US Securities Act or a resident of any of the Restricted Territories and that you are not applying for any New Shares with a view to their offer, sale, delivery to or for the benefit of any US Person or a resident of any of the Restricted Territories, and that you have reviewed the restrictions contained in paragraphs (c) and (d) above and warrant compliance therewith;
- (xii) declare that you are an individual aged 18 or over;

- (xiii) agree that all documents in connection with the Offers and any returned monies will be sent by post at your risk;
 - (xiv) agree (if your Subscription is for more than £13,000) to the Receiving Agent carrying out the necessary enquiries to verify your identity to ensure compliance with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017. Verification of the investor's identity may be provided by means of a "Letter of Introduction" from an intermediary 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, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 or a UK or EC financial institution (such as a bank). The Receiving Agent will supply specimen wording on request;
 - (xv) agree that if a Subscription is made direct (not through a financial intermediary), the relevant Company, or a third party acting on behalf of such Company, will carry out an online check of the investor's identity using Veriphy, an online anti-money laundering and identity verification system. Investors may opt out of the electronic identity verification system. If an investor chooses to opt out they must enclose a copy of their passport or driving licence certified by a bank or solicitor stating that it is a "true copy of the original and a true likeness of the client" followed by your name; and a recent (no more than three months old) bank or building society statement or utility bill showing your name and address with the Subscription Form. If a cheque is drawn by a third party, the above will also be required from that third party;
 - (xvi) agree that neither Livingbridge nor the Receiving Agent will treat you as its customer by virtue of your Subscription being accepted nor owe you any duties or responsibilities concerning the price of the New Shares in the relevant Company or the suitability for you of New Shares in the relevant Company or be responsible to you for providing the protections afforded to its customers;
 - (xvii) declare that a loan has not been made to you or any associate which would not have been made, or would not have been made on the same terms, but for you offering to subscribe for, or acquiring, New Shares and that the New 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;
 - (xviii) confirm and warrant that the information provided in the Subscription Form is true and accurate;
 - (xix) warrant that, if you sign the Subscription Form on behalf of somebody else, you have due authority to do so on behalf of that other person, and such person will also be bound accordingly and will be deemed also to have given the confirmations, warranties, undertakings and authority contained herein and undertake to enclose your power of attorney or a copy thereof duly certified by a solicitor or bank with the Subscription Form; and
 - (xx) consent to the information provided on the Subscription Form being provided to the Receiving Agent and the Registrar to process shareholding details and send notifications to you.
- (h) Where a Subscription is made by a Nominee on behalf of a Beneficial Owner, the Nominee:
- (i) warrants that there is in force a valid and binding agreement between the Nominee and the Beneficial Owner, pursuant to which:
 - (a) the Nominee is authorised and entitled to make the Subscription on behalf of the Beneficial Owner; and
 - (b) the beneficial ownership of the Shares issued in respect of that Subscription will be vested in the Beneficial Owner immediately upon the issue of the New Shares;

- (ii) warrants that the Nominee has made the Beneficial Owner aware of these terms and conditions, and that the Beneficial Owner has assented to them;
 - (iii) warrants that if the Subscription is for more than £13,000 the Nominee has carried out the necessary enquiries to verify the identity of the Beneficial Owner to ensure compliance with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017; and
 - (iv) undertakes, at no expense to the relevant Company, to do all such acts and to procure that the Beneficial Owner does all such acts as the relevant Company may from time to time reasonably require to ensure the full compliance by the Beneficial Owner with these terms and conditions, as though the Beneficial Owner were the Subscriber.
- (i) The Companies reserve the right to publish revised Subscription Forms from time to time. Subscribers and their intermediaries should, therefore, check when completing a Subscription Form that no subsequent version has been published or made available by the relevant Company.

Part 9 – Definitions

The following definitions apply throughout this document unless the context otherwise requires:

2014 Finance Act	the Finance Act 2014, as amended
AIC	the Association of Investment Companies
AIC Code	the Code of Corporate Governance published by the AIC from time to time
AIM	the Alternative Investment Market operated by the London Stock Exchange
Alternative Investment Fund Managers Directive	Directive 2011/61/EU of the European Parliament and of the Council on alternative investment fund managers
Applicants	applicants under the Offers
Articles or Articles of Association	the articles of association of BVT and/or BSVT as the context may require, as amended from time to time
Auditors	the auditors of the Companies from time to time, being KPMG LLP as at the date of this document
Australia	the Commonwealth of Australia, its territories and possessions and all areas under its jurisdiction and political sub-divisions thereof
Baronsmead Second Venture Trust or BSVT	Baronsmead Second Venture Trust plc, a company incorporated in England and Wales with registered number 04115341
Baronsmead Venture Trust or BVT	Baronsmead Venture Trust plc, a company incorporated in England and Wales with registered number 03504214
Beneficial Owner	a person in whom the beneficial ownership of the New Shares is vested or will be vested immediately upon their issue
Boards	the boards of directors of the Companies or a duly constituted committee thereof (and each a “ Board ”)
BSVT Admission	the admission of New BSVT Shares to the premium listing segment of the Official List and to trading on the Main Market becoming effective in accordance with the Listing Rules and the admission and disclosure standards of the London Stock Exchange
BSVT Board or BSVT Directors	the directors of BSVT or any duly constituted committee thereof
BSVT Illustrative Offer Price	the illustrative BSVT Offer Price calculated in accordance with the Pricing Formula as set out in this document based on the most recent published NAV per BSVT Share
BSVT Investment Management Agreement	the investment management agreement originally dated 20 December 2006 between BSVT and the Investment Manager, further details of which are set out in paragraph 6.2.1 of Part 7
BSVT Offer	the offer for subscription for New BSVT Shares at the BSVT Offer Price as described in this document

BSVT Offer Agreement	the offer agreement, in relation to the BSVT Offer, between BSVT and the Investment Manager dated 4 October 2017. Further details of which are set out in paragraph 6.2.6 of Part 7
BSVT Offer Price	the subscription price of the New BSVT Shares under the BSVT Offer as calculated in accordance with the Pricing Formula
BSVT Share	an ordinary share of 10 pence in the capital of BSVT
BSVT Shareholder	a registered holder of one or more BSVT Shares
Business Day	a day (excluding Saturdays, Sundays and public holidays in England and Wales) on which banks generally are open for business in London for the transaction of normal business
BVT Admission	the admission of New BVT Shares to the premium listing segment of the Official List and to trading on the Main Market becoming effective in accordance with the Listing Rules and the admission and disclosure standards of the London Stock Exchange
BVT Board or BVT Directors	the directors of BVT or any duly constituted committee thereof
BVT Illustrative Offer Price	the illustrative BVT Offer Price calculated in accordance with the Pricing Formula as set out in this document based on the most recent published NAV per BVT Share
BVT Investment Management Agreement	the investment management agreement originally dated 20 December 2006 between BVT and the Investment Manager, further details of which are set out in paragraph 6.1.1 of Part 7
BVT Offer	the offer for subscription for New BVT Shares at the BVT Offer Price as described in this document
BVT Offer Agreement	the offer agreement, in relation to the BVT Offer, between BVT and the Investment Manager dated 4 October 2017. Further details of which are set out in paragraph 6.1.6 of Part 7
BVT Offer Price	the subscription price of the New BVT Shares under the BVT Offer as calculated in accordance with the Pricing Formula
BVT Share	an ordinary share of 10 pence in the capital of BVT
BVT Shareholder	a registered holder of one or more BVT Shares
Canada	Canada, its provinces and territories and all areas under its jurisdiction and political sub-divisions thereof
Capita	Capita Registrars Limited, a company incorporated in England and Wales with registered number 02605568
certificated or in certificated form	a share or other security which is not in uncertificated form
COB Rules	the FCA Business Standards Conduct of Business Rules applicable to firms with investment business customers

Collective Investment Vehicles	other funds managed by the Investment Manager
Companies	Baronsmead Venture Trust and Baronsmead Second Venture Trust (and each a “ Company ”)
Companies Act	the Companies Act 2006, as amended from time to time
Corporate Governance Code	the UK Corporate Governance Code issued by the Financial Reporting Council, as amended from time to time
CREST	the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended) in respect of which Euroclear is the operator in accordance with which securities may be held in uncertificated form
Disclosure Guidance and Transparency Rules	the disclosure guidance and transparency rules made by the FCA, as amended from time to time
EEA States	the member states of the European Economic Area from time to time
Euroclear	Euroclear UK & Ireland Limited
European Commission	The European Commission of the European Union
Existing Shareholder	a holder of BVT Shares and/or BSVT Shares on 27 September 2017 or a person who was on 27 September 2017 the spouse or civil partner of a person who was the registered holder of BVT Shares and/or BSVT Shares
FCA	the Financial Conduct Authority or any successor entity or entities
FSMA	the Financial Services and Markets Act 2000, as amended from time to time
HMRC	HM Revenue & Customs
Investment Manager or Livingbridge	Livingbridge VC LLP, a limited liability partnership registered in England and Wales with registered number OC320408
Ipes	Ipes (Guernsey) Limited, a company registered in Guernsey with registered number 33475
ISA	an individual savings account maintained in accordance with the Individual Savings Account Regulations 1998, as amended from time to time
Japan	Japan, its cities, prefectures, territories and possessions
JPMorgan Chase Bank	JPMorgan Chase Bank, N.A. a company registered in England and Wales with registered number FC004891
Listing Rules	the listing rules made by the FCA under Part VI of FSMA, as amended from time to time
London Stock Exchange	London Stock Exchange plc
Main Market	the main market for listed securities operated by the London Stock Exchange

Market Abuse Regulation	Regulation (EU) 596/2014 of the European Parliament and of the Council on market abuse, all delegated regulations and implementing regulations made thereunder and any legislation made in the United Kingdom in connection with the entry into force of such regulation
NAV or Net Asset Value	in relation to a Share, its net asset value on the relevant date calculated on the basis of the relevant Company's normal accounting policies and principles
NAV per BSVT Share	the net asset value per BSVT Share from time to time, calculated in accordance with the accounting policies adopted by BSVT from time to time
NAV per BVT Share	the net asset value per BVT Share from time to time, calculated in accordance with the accounting policies adopted by BVT from time to time
New BSVT Shares	the new BSVT Shares to be issued pursuant to the BSVT Offer
New BVT Shares	the new BVT Shares to be issued pursuant to the BVT Offer
New Shares	the new Ordinary Shares to be issued pursuant to the Offers
Nominee	a party who holds, or subscribes for Shares on behalf of, and as trustee of, a Beneficial Owner
Nominee Subscription Form	the subscription form to be used by Nominees subscribing on behalf of Beneficial Owners available on request from the Receiving Agent
Offers	the offers for subscription of New Shares at the relevant Offer Price as described in this document (and each an "Offer")
Offer Price	the subscription price of the New Shares under the relevant Offer as calculated in accordance with the Pricing Formula
Official List	the official list maintained by the UK Listing Authority
Ordinary Share or Share	a BVT Share or a BSVT Share as the context requires
Portfolio	the portfolio of investments held by the relevant Company from time to time
Pricing Formula	the formula to be used to calculate the Offer Price of the New Shares under the relevant Offer as set out in this document
Prospectus Regulation	Prospectus Regulation ((EU) 2017/1129)
Prospectus Rules	the prospectus rules made by the FCA under Part VI of FSMA, as amended from time to time
Qualifying Company	an unquoted (including AIM-traded) company which satisfies the requirements of Part 4 of Chapter 6 of the Tax Act

Qualifying Investment	shares in, or securities of, a Qualifying Company held by a VCT which meet the requirements of Part 4 of Chapter 6 of the Tax Act
Qualifying Investor	an individual aged 18 or over who satisfies the conditions of eligibility for tax relief available to investors in a VCT
Registrar or Receiving Agent	Computershare Investor Services PLC, a company incorporated in England and Wales with registered number 3498808
Regulation S	Regulation S under the US Securities Act
Regulatory Information Service	a regulatory information service approved by the FCA to release regulatory announcements
Republic of South Africa	the Republic of South Africa, its territories and possessions and all areas under its jurisdiction and political sub-divisions thereof
Restricted Jurisdiction	any jurisdiction where local law or regulations may result in a risk of civil, regulatory or criminal exposure or prosecution if information or documentation concerning the Offers (including this document) is sent or made available to a person in that jurisdiction
Risk Finance State Aid	State aid received by a company as defined in Section 280B(4) of the Tax Act
Shareholder	a registered holder of one or more Ordinary Shares
Sponsor	Dickson Minto W.S.
Subscriber	a person whose name appears as such in a Subscription Form for use in connection with the Offers
Subscription Form	the subscription form for use in connection with the Offers as set out at the end of this document, or any amended subscription form
Subscriptions	applications by Subscribers pursuant to the Offers and made by completing the Subscription Form or Nominee Subscription Form and posting (or delivering) these to the Receiving Agent or as otherwise indicated on the Subscription Form or Nominee Subscription Form (and each a “ Subscription ”)
Sterling or £	pounds sterling, being the lawful currency of the United Kingdom
Takeover Code	the City Code on Takeovers and Mergers
Tax Act	the Income Tax Act 2007, as amended from time to time
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland
UK Listing Authority	the UK Listing Authority, a division of the FCA
uncertificated or in uncertificated form	a share or other security title to which is recorded in the register of the share or other security concerned as being held in uncertificated form (i.e. in CREST) and title to which may be transferred by using CREST

United States or US	the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia, and all other areas subject to its jurisdiction
US Investment Company Act	the United States Investment Company Act of 1940, as amended from time to time
US Persons	as defined in Regulations made under the US Securities Act
US Securities Act	the United States Securities Act of 1933, as amended
VCT or Venture Capital Trust	a venture capital trust as detailed in section 259 of the Tax Act
VCT Value	the value of an investment calculated in accordance with section 278 of the Tax Act

Notes on how to complete the Subscription Form

Existing Shareholders will have received separate personalised Subscription Forms. The Subscription Form attached to this document is intended for use by new investors who do not currently hold Shares in either BVT or BSVT. However, if an Existing Shareholder chooses to use the Subscription Form attached to this document they must tick the relevant box(es) in section 1.2 to indicate whether they are an Existing Shareholder of BVT, BSVT or both to ensure that their Subscription is processed quickly.

Sections 1 and 2 of the Subscription Form require you to provide your personal details and your Subscription details. **Existing Shareholders** will have received a separate personalised Subscription Form with their name and address details completed in section 1.1. Section 3 asks you to provide your CREST details if you would like any New Shares allotted to you to be credited to your CREST account. Section 4 allows new investors to provide details in relation to the payment of dividends. Section 5 requires you to sign, state your name and date your Subscription Form. Section 6 asks you to confirm whether or not you have received financial advice in relation to your Subscription and to describe the type of financial intermediary you have used, if any, with respect to your Subscription.

If you have used a financial intermediary, sections 7 and 8 require them to provide their firm's details so that the Receiving Agent can deal with the instructions as to (i) whether any permissible commission is to be paid and (ii) how any commission payable is to be administered.

Section 7 should be completed by your financial intermediary and is to be used where you have been provided with financial advice with respect to your Subscription. Section 7 should also be completed by your financial intermediary where they have not provided financial advice, but financial advice has been given by a different authorised financial intermediary.

Section 8 should be completed by your financial intermediary where they are acting on an "execution only" basis and have not provided you with financial advice with respect to your Subscription.

Sections 7 and 8 should not be completed if you apply directly and have not used a financial intermediary with respect to your Subscription. Commission, where permissible, can be paid only to authorised financial intermediaries who are acting on behalf of "execution only" clients and are not providing a platform service.

Multiple Subscriptions will not be accepted.

Nominee Accounts

If you already hold Shares in either or both of the Companies in a nominee account and you wish to subscribe using a blank subscription form, you will need to attach to your Subscription Form evidence of your beneficial ownership by providing confirmation from your Nominee that you hold Shares in BVT and/or BSVT or a recent statement that clearly shows your holding in BVT and/or BSVT. If your Subscription is successful, New Shares will be allotted in your name and you can choose to transfer those shares to your Nominee account at a later date.

If you wish to subscribe for New Shares as a Nominee please contact the Receiving Agent on 0800 923 1533 for a separate Nominee Subscription Form. If you are using a platform service, the Nominee Subscription Form should be used by your platform service provider.

Please complete all relevant parts of the Subscription Form in accordance with the instructions in these notes.

Section 1 – Personal Details

Name and address, etc.

Insert using block capitals your full name, full address including the post code, daytime telephone number, email address, National Insurance Number and date of birth. Should the Receiving Agent need to contact you about your Subscription they will need your contact details to enable them to do so.

It is very important that you complete this section clearly and accurately, as the Receiving Agent will send a confirmation email or letter to you at the address shown in this section. If your Subscription to

the Offers is successful your name and address as stated in this section will be entered on to the register of members of the relevant Company and printed on the tax and share certificates.

Section 2 – Subscription details

Amount you wish to subscribe

Insert (in figures) the total value of the investment you wish to make pursuant to the Offers. Your Subscription must be for a minimum amount of £3,000 in the relevant Offer and thereafter in multiples of £1,000 per elected Offer. Any Subscriptions that are not in multiples of £1,000 are liable to be scaled down to the nearest £1,000.

You can choose to invest in either or both of the Companies. You must indicate how much you want to invest in either or both of the Companies by entering the amount in the appropriate box on the Subscription Form. In the event of your preferred allocation not being available the Receiving Agent will automatically allocate your Subscription to the other Company's Offer (if possible). If you do not want this to happen please tick the appropriate box in section 2.4.

If the Offers have closed, or are deemed to have closed, by the time your Subscription Form is received then the total amount of your Subscription will be returned to you.

Section 3 – CREST details (if any)

Any New Shares allotted to you will be in a registered form capable of being transferred by means of the CREST system. Subscribers who wish to take advantage of the ability to trade in New Shares in uncertificated form, and who have access to a CREST account, may arrange to have their Shares allotted directly to their CREST account, or subsequently to convert their holdings into dematerialised form in CREST. Investors should be aware that New Shares delivered in certificated form are likely to incur higher dealing costs than those in respect of New Shares held in CREST. The share register of each Company will be kept by the Registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6AR.

Section 4 – Dividend bank mandate details – for new investors only

If you do not currently hold either BVT and/or BSVT Shares, you should complete section 4 if you would like any future dividends paid directly to your bank or building society account, assuming that your Subscription is successful.

Existing Shareholders who choose to use the Subscription Form attached to this document must not complete section 4 as existing dividend payment arrangements cannot be amended using the Subscription Form. If you are an Existing Shareholder and you wish to amend any of the existing instructions in relation to the payment of dividends you should do so separately by contacting the Registrar, Computershare Investors Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6AR, or by going to www.investorcentre.co.uk.

Section 5 – Signature and date

You must sign, state your name and date the Subscription Form in section 5.

By signing and dating the Subscription Form you agree to invest in the relevant Company in accordance with the terms and conditions of Subscription as set out on pages 79 to 83 of this document.

If this section of the form is unsigned the Receiving Agent will not be able to process your Subscription and your Subscription monies will be returned to you.

Section 6 – Type of financial intermediary (if any)

You should complete this section only if you have used a financial intermediary with respect to your Subscription. If you apply directly and have not used a financial intermediary with respect to your Subscription you should not complete this section.

You should tick box 6.1 if you have received financial advice with respect to your Subscription to the Offers. If you tick box 6.1 your financial intermediary should complete section 7 of the Subscription Form.

You should tick box 6.2 if you have not received financial advice with respect to your Subscription to the Offers and have used a financial intermediary on an “execution only” basis (other than platform service providers). If you tick box 6.2 your financial intermediary should complete section 8 of the Subscription Form.

You should tick box 6.3 if you have used a financial intermediary on an “execution only” basis i.e. that financial intermediary has not provided financial advice to you in relation to your Subscription, but you have received such advice from a different financial intermediary. (If you tick box 6.3 the financial intermediary who acted in an “execution only” capacity should complete section 7 of the Subscription Form.) Annual trail commission will not be paid where financial advice has been given by any party.

Payment

Pin a cheque or bankers’ draft to the Subscription Form for the exact amount shown in the box in section 2.3. Your cheque or bankers’ draft must be made payable to “CIS re Baronsmead OFS”.

Your payment must relate solely to the Offers. Cheques may be presented for payment on receipt. Subscriptions under the Offers will be processed upon receipt. A Subscription Form accompanied by a post-dated cheque will not be accepted until such date as the cheque can be presented, subject to the absolute discretion of the relevant Board to accept such Subscription.

Your cheque or bankers’ draft must be drawn in Sterling on an account with a United Kingdom or EU regulated credit institution, and which is in the sole or joint name of the Subscriber and must bear the appropriate sort code.

The right is reserved to reject any Subscription in respect of which the Subscriber’s cheque or banker’s draft has not been cleared on first presentation. Any monies returned will be sent through the post at the risk of the persons entitled thereto by cheque crossed “A/C Payee only” in favour of the Subscriber without interest.

Should you wish to pay for your subscription electronically by transferring the money directly to the subscription account please email the Receiving Agent at BaronsmeadOFS@computershare.co.uk.

Administration of Shareholder Account

Existing Shareholders

Existing Shareholders’ dividend payment/reinvestment details and shareholder communications preferences will not be altered as a result of New Shares being issued to them. Should an existing Shareholder wish to change any of the existing instructions with regard to the administration of the existing Shareholder account(s) they should do so separately by writing to the Registrar, Computershare Investor Services PLC, Corporate Actions 3, Bridgwater Road, Bristol BS99 6AR, or by going to www.investorcentre.co.uk.

New investors

Shortly after the New Shares have been allotted the Registrar, Computershare Investor Services PLC, will write to you to invite you to indicate whether you would like to reinvest your dividends and receive electronic or hard copies of the relevant Company’s reports. You should complete section 4 of the Subscription Form if you want any future dividends paid directly into your bank or building society account. Dividends paid by cheque will be sent to the Shareholder’s registered address using the standard mail delivery at the Shareholder’s own risk. The Registrar will charge administration fees for re-issuing any cheques that are not presented for payment.

Common Reporting Standards

From 1 January 2016 VCTs, along with investment trusts, are required to report the tax residence of their shareholders. Investors who are not already on the register of members of the relevant Company and who hold their Shares in certificated form, will be sent a document along with their share certificate in the relevant Company which those Shareholders should complete and return to the Registrar.

Money Laundering Notice – Important Procedures for Subscriptions for more than £13,000

Investors should be aware of the following requirements in respect of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 for Subscriptions of £13,000, or more.

- A. For those **who have not** previously invested in the relevant Company if the Subscription:
1. is made through an authorised financial intermediary then verification of the Subscriber's identity may be provided by means of a "Letter of Introduction" from a financial intermediary 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, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 or a UK or EC financial institution (such as a bank). The Receiving Agent will supply specimen wording on request; or
 2. is made direct (not through a financial intermediary), the relevant Company, or a third party acting on behalf of the relevant Company, will carry out an online check of your identity using an online anti-money laundering and identity verification system.

If you do not want the online check to be carried out please tick the box in section 5 of the Subscription Form that states that you are opting out of the electronic identity verification system. If you tick this box you must enclose a copy of your passport or driving licence certified by a bank or solicitor stating that it is a "true copy of the original and a true likeness of the client" followed by your name; and a recent (no more than three months old) bank or building society statement or utility bill showing your name and address with the Subscription Form.

- B. For those **who have** previously invested in the Companies your identity may be verified for the purposes of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 by paying subscription monies by a cheque drawn in your name from a United Kingdom or other European Union regulated credit institution. If this is not provided then you will need to go through the above procedure for those who have not previously invested in the Companies.

Failure to provide the necessary evidence of identity may result in your Subscription being treated as invalid or in delay of confirmation.

Sections 7 and 8 – Financial intermediaries' details

Appropriately authorised financial intermediaries who have provided financial advice to their client with respect to their Subscription to the Offers should complete section 7.

Appropriately authorised financial intermediaries who have not provided financial advice and have acted in an "execution only" capacity with respect to their client's Subscription to the Offers but financial advice has been given by a different authorised financial intermediary should complete section 7.

Appropriately authorised financial intermediaries who are entitled to receive commission and who have not provided financial advice and have acted in an "execution only" capacity with respect to their client's Subscription to the Offers should complete section 8.

Financial intermediaries' contact details

Appropriately authorised financial intermediaries should complete section 7.1 (where financial advice has been given) or section 8.1 ("execution only"), giving their contact name and address and their FCA Number. Please note the financial intermediaries' obligation to advise their clients of the risk factors set out on pages 15 to 17 of this document.

Annual trail commission payable to financial intermediaries acting on an “execution only” basis

For financial intermediaries (other than platform service providers) who act on an “execution only” basis i.e. do not provide financial advice to their clients, annual trail commission can be paid provided that the client has not received financial advice in relation to their Subscription.

Where permissible, financial intermediaries will be paid annual trail commission by the Investment Manager of 0.4 per cent. for four years on the aggregate amount invested by their clients under the Offers.

Bank details for annual trail commission payments

Financial intermediaries who are entitled to receive annual trail commission can choose to have their commission paid directly to their bank account. In order to facilitate this, please complete section 8.3 (“execution only”).



Subscription Form for the Offers

If you are in any doubt about the action to take you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant, fund manager or other independent financial intermediary authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.

IMPORTANT – Before completing this form please read the accompanying notes. PLEASE USE BLOCK CAPITALS to complete the form.

Make your cheque or bankers' draft out to "CIS re Baronsmead OFS" and cross it with the words "A/C Payee only". Once completed, return this form by post to Computershare Investor Services PLC, Corporate Actions 3, Bridgwater Road, Bristol BS99 6AR or by hand (during normal business hours) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE so as to arrive by no later than 12 noon on 15 November 2017. If you post your Subscription Form you are recommended to either send your form by special delivery or first class post.

By completing and signing this Subscription Form you accept that you will be subscribing in accordance with the terms and conditions set out on pages 79 to 83 of the Prospectus dated 4 October 2017. The definitions in that document apply to this Subscription Form.

SECTION 1 – PERSONAL DETAILS

1.1 NAME AND ADDRESS

Title & Full Name:

Address:

.....

.....

Post Code:

1.2 OTHER PERSONAL DETAILS

Email Address:

Daytime Telephone Number:

National Insurance Number: Date of Birth:

Baronsmead Shareholder Reference Number(s) (if available):

Please note that you must provide both your National Insurance Number and Date of Birth above.

If you hold shares in Baronsmead Venture Trust or Baronsmead Second Venture Trust in a nominee account you must enclose with this Subscription Form, evidence that you are the beneficial owner of the Shares in that nominee account, such as confirmation from the nominee of a recent shareholder statement.

I am an Existing Shareholder of ☐ Baronsmead Venture Trust plc ☐ Baronsmead Second Venture Trust plc

SECTION 2 – SUBSCRIPTION DETAILS

AMOUNTS TO BE INVESTED IN THE OFFERS:

2.1. I wish to subscribe* for £ of New Shares in Baronsmead Venture Trust plc.

2.2. I wish to subscribe* for £ of New Shares in Baronsmead Second Venture Trust plc.

*Subscriptions must be for a minimum of £3,000 and in multiples of £1,000 thereafter.

2.3 TOTAL amount I wish to subscribe for under the Offers is £ (or such lesser amount for which these Subscription(s) will be accepted).

I confirm that I have attached a cheque for the total amount set out in paragraph 2.3 above.

2.4 In the event of your preferred allocation not being available, the Receiving Agent will automatically allocate your Subscription to the other Company's Offer (if possible).

Please tick here if you do not want this to happen. ☐

The Finance Act 2014 which came into force with effect from 6 April 2014 restricts the availability of income tax relief on a Subscription for shares in a VCT issued after 5 April 2014 where it is "linked" to a sale of shares in the same VCT or if an investor subscribes for shares in a VCT within six months before or after selling any shares in that same VCT. Please see section 1.1.5 of Part 6 on page 52 of the Prospectus.



SECTION 3 – CREST DETAILS (IF ANY)

CREST Member Account ID:		CREST Participant ID:	
Participant Name:			
Contact Name for CREST queries:			
Contact Telephone:			

SECTION 4 – DIVIDEND PAYMENTS FOR NEW INVESTORS

Bank/Building Society Name:
Bank/Building Society Address:
Sort Code:
Account Number

SECTION 5 – SIGNATURE

YOU MUST SIGN, STATE YOUR NAME AND DATE THIS SUBSCRIPTION FORM OTHERWISE IT WILL NOT BE ACCEPTED AND YOUR SUBSCRIPTION(S) WILL BE RETURNED.

By signing this form I HEREBY DECLARE THAT I have read the terms and conditions of Subscription contained on pages 79 to 83 of the prospectus issued by the Companies containing the terms of the Offers dated 4 October 2017 and agree to be bound by them.

I understand that this is a LONG-TERM investment and I have read the RISK FACTORS on pages 15 to 17 of the Prospectus.

I will be the beneficial owner of the New Shares in the relevant Company to be issued pursuant to the Offers.

I hereby confirm that to the best of my knowledge all of the information I have supplied in the Subscription Form is correct.

HM REVENUE & CUSTOMS MAY INSPECT THIS FORM. IT IS A SERIOUS OFFENCE TO MAKE A FALSE DECLARATION.

5.1. Signature:.....

5.2 Name:

5.3 Date:

☐

By ticking this box I am opting out of the electronic identity verification system being used to verify my identity for the purposes of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and have enclosed the appropriate documentation with this form. Please read section entitled "Money Laundering Notice – Important Procedures for Subscriptions for more than £13,000 on page 93 of the prospectus before ticking this box.

SECTION 6 – TYPE OF FINANCIAL INTERMEDIARY (IF ANY)

ONLY COMPLETE THIS SECTION IF YOU HAVE USED A FINANCIAL INTERMEDIARY WITH RESPECT TO THIS SUBSCRIPTION.

Commission, where permissible, can be paid only to authorised financial intermediaries who are acting on behalf of “execution only” clients. Please indicate below, by ticking the appropriate box, whether you have received financial advice in relation to your Subscription and which type of financial intermediary you have used, if any

- 6.1 Financial intermediary – adviser (financial advice has been provided)
(If you tick box 6.1 your financial intermediary should complete section 7 of the Subscription Form) ☐
- 6.2 Financial intermediary – “execution only” (no financial advice has been provided)
(If you tick box 6.2 your financial intermediary should complete section 8 of the Subscription Form) ☐
- 6.3 Financial intermediary – execution only (but financial advice has been given by a different authorised financial intermediary) (If you tick box 6.3 the financial intermediary who acted in an “execution only” capacity should complete section 7 of the Subscription Form. Annual trail commission will not be paid where financial advice has been provided) ☐

SECTION 7 – FINANCIAL INTERMEDIARIES’ DETAILS

FOR SUBSCRIPTIONS WHERE FINANCIAL ADVICE HAS BEEN PROVIDED TO THE SUBSCRIBER.

To be completed by financial intermediaries who have provided financial advice with respect to their clients’ Subscription(s) to the Offer(s). FCA Number must be quoted.

Appropriately authorised financial intermediaries who have not provided financial advice and have acted in an “execution only” capacity with respect to their clients’ Subscription to the Offers but financial advice has been given by a different authorised financial intermediary should also complete section 7.

All financial intermediaries **MUST** advise their clients of the Risk Factors set out on pages 15 to 17 of the prospectus dated 4 October 2017.

Firm Name:

Contact (Adviser/ Administrator) (delete as appropriate):

FCA Number:

Email:

Telephone No:.....

Fax No:

Address:

.....

.....

..... Post Code:

THIS SECTION OF THE SUBSCRIPTION FORM MUST BE SIGNED AND DATED BY THE FINANCIAL INTERMEDIARY

Signature: Date:

By signing this form I HEREBY DECLARE THAT financial advice has been provided to my client and that they have been advised of the Risk Factors on pages 15 to 17 of the prospectus dated 4 October 2017.



SECTION 8 – FINANCIAL INTERMEDIARIES’ DETAILS

FOR SUBSCRIPTIONS WHERE NO FINANCIAL ADVICE HAS BEEN PROVIDED TO THE SUBSCRIBER BY ANY FINANCIAL INTERMEDIARY.

To be completed by financial intermediaries who have not provided financial advice with respect to their clients’ Subscription(s) to the Offer(s) and where advice has not been provided by a different financial intermediary. FCA Number must be quoted.

All financial intermediaries MUST draw their clients’ attention to the Risk Factors set out on pages 15 to 17 of the Prospectus dated 4 October 2017.

8.1 Firm Name:

Contact (Adviser/Administrator) (delete as appropriate):

FCA Number:

Email:

Telephone No:.....

Fax No:

Address:

.....

.....

..... Post Code:.....

8.2 COMMISSION

Annual trail commission of 0.4 per cent. for four years on the aggregate amount invested under the Offer will be paid by the Manager in accordance with the terms and conditions set out in the Prospectus dated 4 October 2017 provided that the client has not received financial advice in relation to their Subscription.

8.3 DIRECT PAYMENT OF COMMISSION TO A BANK ACCOUNT

If you would like your commission to be paid directly into your bank or building society account please tick this box.

☐

Please provide your bank or building society details below. The Companies and Computershare Investor Services PLC cannot accept responsibility if any details provided by you are incorrect.

Account Name:

Account Number (please quote all digits and zeros): Sort Code:

Name of Bank or Building Society:

Branch:

Branch Address:

..... Post Code:.....

Please forward, until further notice, all commission that may from time to time become due as a result of my client’s investment in the relevant Company.

THIS SECTION OF THE SUBSCRIPTION FORM MUST BE SIGNED AND DATED BY THE FINANCIAL INTERMEDIARY

Signature: Date:

By signing this form I HEREBY DECLARE THAT we are not a platform service provider and we have not provided financial advice to our client in relation to their Subscription and that to the best of our knowledge and belief no other financial intermediary has provided such advice.