

Prospectus and Application Form

Offer for subscription
to raise up to £15 million
with an over-allotment facility for a further £10 million

UNICORN
AIM VCT PLC



THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about the action to be taken, you should immediately consult your bank manager, stockbroker, solicitor, accountant or other independent financial adviser authorised pursuant to the FSMA.

This document, comprising a prospectus dated 17 September 2014 issued by Unicorn AIM VCT plc (Company), has been prepared in accordance with the Prospectus Rules made under Part VI of the FSMA and has been approved for publication by the Financial Conduct Authority (FCA) under section 87 of FSMA and the Prospectus Rules. This document has been prepared for the purposes of complying with the prospectus directive, English law and the rules of the UK Listing Authority and the information disclosed may not be the same as that which would be disclosed if this document had been prepared in accordance with the laws of a jurisdiction outside England.

The Company and the Directors, whose names appear on the inside back cover of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (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.

Persons receiving this document should note that, in connection with the Offer, Panmure Gordon (UK) Limited (Panmure Gordon) is acting as sponsor for the Company and Unicorn Asset Management Limited (Unicorn AM) is acting as promoter to the Offer (and, in each case, for no-one else) are both authorised and regulated in the United Kingdom by the FCA and will not (subject to the responsibilities and liabilities imposed by FSMA or the regulatory regime established thereunder) be responsible to any other person for providing the protections afforded to customers of Panmure Gordon and Unicorn AM (respectively) for providing advice in connection with the Offer.

SGH Martineau LLP, which is regulated in the United Kingdom by the Solicitors Regulation Authority, is acting as legal adviser to the Company and no-one else and will not be responsible to any other person for providing advice in connection with any matters referred to herein.

Application has been made to the UK Listing Authority for all of the New Shares to be admitted to the premium segment of the Official List and to the London Stock Exchange for such New Shares to be admitted to trading on its main market for listed securities. It is expected that such admission to the Official List will become effective and that dealings in the New Shares will commence within three business days following allotment. The Company's existing issued Shares are traded on the London Stock Exchange's main market for listed securities.

UNICORN AIM VCT PLC

(Registered in England and Wales with registered number 04266437)

Offer for Subscription to raise up to £15 million with an over-allotment facility for a further £10 million through the issue of New Shares

The attention of prospective investors in the Company who are resident in, or citizens of, territories outside the United Kingdom is drawn to the information under the heading "Overseas Shareholders" in paragraph 5 of Part VIII of this document. The New Shares will not be registered under the United States Securities Act 1933 or the United States Investment Company Act 1990, and no action has been, or will be, taken in any jurisdiction by, or on behalf of the Company, Unicorn AM or LGBR Capital LLP (LGBR Capital), the distributor for the Offer, which would permit a public offer of the New Shares in any jurisdiction other than the United Kingdom, nor has any such action been taken with respect to the possession or distribution of this document other than in the United Kingdom.

Copies of this Prospectus (and any supplementary prospectus published by the Company) are available free of charge from the national storage mechanism (www.morningstar.co.uk/uk/NSM) and from Unicorn AM and LGBR Capital:

Unicorn Asset Management Limited
First Floor Office, Preachers Court
The Charterhouse, Charterhouse Square
London EC1M 6AU
telephone: 020 7253 0889
download: www.unicornam.com
email: info@unicornam.com

LGBR Capital London Limited
8 Angel Court
London
EC2R 7HJ
telephone: 020 3195 7100
download: www.lgbrcapital.com
email: sales@lgbrcapital.com

The procedure for, and the terms and conditions of, application under this Offer are set out at the end of this document together with the Application Form. Completed Application Forms must be posted or delivered by hand (during normal business hours only) to the receiving agent, Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. The Offer opens on 17 September 2014 and will close on 30 June 2015 (or as soon as the Offer is fully subscribed or otherwise at the Board's discretion).

YOUR ATTENTION IS DRAWN TO THE RISK FACTORS ON PAGES 10 AND 11.

Contents

SUMMARY	3
RISK FACTORS	10
OFFER TIMETABLE, STATISTICS & COSTS	12
LETTER FROM THE CHAIRMAN	13
PART I INVESTMENT OPPORTUNITY	15
PART II THE OFFER	18
PART III THE BOARD AND THE INVESTMENT MANAGER	21
PART IV INVESTMENT OBJECTIVE AND POLICY	23
PART V MANAGEMENT AND ADMINISTRATION	24
PART VI LARGEST INVESTMENTS	26
PART VII TAXATION	28
PART VIII ADDITIONAL INFORMATION	32
PART IX DEFINITIONS	53
PART X APPLICATION FOR NEW SHARES	55
APPLICATION FORM	63
CORPORATE INFORMATION	69

Summary

Summaries are made up of disclosure requirements known as 'Elements'. These Elements are numbered in Sections A to E.

This summary contains all of the Elements required to be included in a summary for the type of shares being issued pursuant to the prospectus issued by the Company (as defined below) (Prospectus) containing an offer for subscription (Offer) of ordinary shares in the Company (New Shares) and the Company being a closed-ended investment fund. Some of the Elements are not required to be addressed and, as a result, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in this summary, it is possible that no relevant information can be given regarding that Element. In these instances, a short description of the Element is included, together with an appropriate 'Not applicable' statement.

A		Introduction and Warnings
A1	Warning	<p>This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities of the Company should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in this Prospectus is brought before a Court, the plaintiff investor might, under the national legislation of member states of the European Union, have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled this summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.</p>
A2	Use of Prospectus by financial intermediaries for subsequent resale or final placement	<p>The Company and the Directors consent to the use of the Prospectus, and accept responsibility for the content of the Prospectus, with respect to subsequent resale or final placement of securities by financial intermediaries, from the date of the Prospectus until the close of the Offer. The Offer is expected to close on or before 30 June 2015, unless previously extended by the Directors. There are no conditions attaching to this consent.</p> <p>Financial intermediaries must give investors information on the terms and conditions of the Offer at the time they introduce the Offer to investors.</p>

B		Issuer
B1	Legal and commercial name	Unicorn AIM VCT plc (Company)
B2	Domicile / Legal form / Legislation / Country of incorporation	<p>The Company is a public limited liability company which is registered in England and Wales with registered number 04266437.</p> <p>The principal legislation under which the Company operates is the Companies Act 2006 (and regulations made thereunder).</p>
B5	Group description	Not applicable. The Company is not part of a group.
B6	Material Shareholders / Differing voting rights / Control	The Company has no material shareholders with different voting rights. Shareholders in the Company (Shareholders) have the same voting rights in respect of the existing share capital of that Company. As at 16 September 2014 (this being the latest practicable date prior to publication of this document), the Company is not aware of any person who, directly or indirectly, has or will have an interest in the capital of the Company or voting rights which is notifiable under UK law (under which, pursuant to Companies Act 2006 and the Listing Rules and Disclosure and Transparency Rules of the FCA, a holding of 3% or more in a Company will be notified to the Company).

B7	Selected financial information and statement of any significant changes	<p>Certain selected historical information of the Company is set out below:</p> <table> <thead> <tr> <th></th><th>Year ended 30 September 2011 (audited) (£'000)</th><th>Year ended 30 September 2012 (audited) (£'000)</th><th>Year ended 30 September 2013 (audited) (£'000)</th><th>Six month period ended 31 March 2013 (unaudited) (£'000)</th><th>Six month period ended 31 March 2014 (unaudited) (£'000)</th></tr> </thead> <tbody> <tr> <td>Investment income</td><td>£1,103</td><td>£1,137</td><td>£1,174</td><td>£467</td><td>£508</td></tr> <tr> <td>Net revenue on ordinary activities before taxation</td><td>£288</td><td>£387</td><td>£440</td><td>£101</td><td>£101</td></tr> <tr> <td>Revenue earnings per Share</td><td>0.48p</td><td>0.66p</td><td>0.77p</td><td>0.18p</td><td>0.17p</td></tr> <tr> <td>Dividends paid per Share</td><td>4p</td><td>5p</td><td>5p</td><td>5p</td><td>6p</td></tr> <tr> <td>Total assets</td><td>£61,169</td><td>£59,241</td><td>£73,992</td><td>£62,062</td><td>£86,574</td></tr> <tr> <td>NAV per Share</td><td>103.34p</td><td>102.34p</td><td>129.78p</td><td>108.53p</td><td>142.80p</td></tr> </tbody> </table> <p>The Company's net asset value per Share has increased from 103.34p as at 30 September 2011 to 142.80p as at 31 March 2014 and dividends of 20p in aggregate have been paid per Share between 1 October 2010 and 31 March 2014. The unaudited net asset value per Share as at 31 August 2014 was 147.60p.</p> <p>There has been no significant change in the financial condition and operating results of the Company since 31 March 2014, the date to which the last unaudited half-yearly financial information on the Company has been published, to the date of this document.</p>		Year ended 30 September 2011 (audited) (£'000)	Year ended 30 September 2012 (audited) (£'000)	Year ended 30 September 2013 (audited) (£'000)	Six month period ended 31 March 2013 (unaudited) (£'000)	Six month period ended 31 March 2014 (unaudited) (£'000)	Investment income	£1,103	£1,137	£1,174	£467	£508	Net revenue on ordinary activities before taxation	£288	£387	£440	£101	£101	Revenue earnings per Share	0.48p	0.66p	0.77p	0.18p	0.17p	Dividends paid per Share	4p	5p	5p	5p	6p	Total assets	£61,169	£59,241	£73,992	£62,062	£86,574	NAV per Share	103.34p	102.34p	129.78p	108.53p	142.80p
	Year ended 30 September 2011 (audited) (£'000)	Year ended 30 September 2012 (audited) (£'000)	Year ended 30 September 2013 (audited) (£'000)	Six month period ended 31 March 2013 (unaudited) (£'000)	Six month period ended 31 March 2014 (unaudited) (£'000)																																							
Investment income	£1,103	£1,137	£1,174	£467	£508																																							
Net revenue on ordinary activities before taxation	£288	£387	£440	£101	£101																																							
Revenue earnings per Share	0.48p	0.66p	0.77p	0.18p	0.17p																																							
Dividends paid per Share	4p	5p	5p	5p	6p																																							
Total assets	£61,169	£59,241	£73,992	£62,062	£86,574																																							
NAV per Share	103.34p	102.34p	129.78p	108.53p	142.80p																																							
B8	Key pro forma financial information	Not applicable. There is no pro forma financial information in the Prospectus.																																										
B9	Profit forecast	Not applicable. There are no profit forecasts in the Prospectus.																																										
B10	Qualifications in the audit report	Not applicable. There were no qualifications in the audit reports for the Company in the years ended 30 September 2011, 2012 and 2013.																																										
B11	Insufficient working capital	Not applicable. The Company is of the opinion that its working capital is sufficient for its present requirements, that is for at least the twelve month period from the date of this document.																																										
B34	Investment objective and policy, including investment restrictions	<p>Investment objective</p> <p>The Company's objective is to provide Shareholders with an attractive return from a diversified portfolio of investments, predominantly in the shares of AIM quoted companies, by maintaining a steady flow of dividend distributions to Shareholders from the income and capital gains generated by the portfolio. It is also the objective that the Company should continue to qualify as a venture capital trust, so that Shareholders benefit from the taxation advantages that this brings. To achieve this at least 70% of the Company's total assets by VCT value are to be invested in qualifying investments of which 30% by VCT value (70% for funds raised after 6 April 2011) must be in ordinary shares which carry no preferential rights (save as may be permitted under VCT rules).</p> <p>Investment policy</p> <p>In order to achieve the Company's investment objective, the board of directors of the Company (Board) has agreed an investment policy which requires Unicorn Asset Management Limited (as the investment manager) to identify and invest in a diversified portfolio, predominantly of VCT qualifying companies quoted on AIM that display a majority of the following characteristics:</p> <ul style="list-style-type: none"> • experienced and well-motivated management; • products and services supplying growing markets; • sound operational and financial controls; and 																																										

		<ul style="list-style-type: none"> good cash generation to finance ongoing development allied with a progressive dividend policy. <p>Asset allocation and risk diversification policies, including maximum exposures, are to an extent governed by prevailing VCT legislation. Specific conditions for HM Revenue & Customs (HMRC) approval of VCTs include the requirement that no single holding may represent more than 15% (by VCT value) of the Company's total investments (by VCT value), at the date of investment.</p> <p><i>VCT regulation</i></p> <p>The investment policy is designed to ensure that the Company continues to qualify and is approved as a VCT by HMRC.</p> <p>Amongst other conditions, the Company may not invest more than 15% (by VCT value), at the time of the investment, in a single company and throughout the period must have at least 70% by VCT value of its investments in shares or securities in VCT qualifying holdings, of which a minimum overall of 30% by VCT value (70% for funds raised after 6 April 2011) must be in ordinary shares which carry no preferential rights (save as may be permitted under VCT rules). In addition, the Company must have at least 10% by VCT value of its investment in each VCT qualifying company in ordinary shares which carry no preferential rights (save as may be permitted under VCT rules).</p> <p>The £1 million limit on the amount of investment a VCT may make into a particular company within a tax year has been abolished, except where that company trades in partnership or has a joint venture. A new rule requires that an investee company should not receive more than £5 million from State Aid sources, including VCTs, within any twelve month rolling period.</p> <p><i>Asset mix</i></p> <p>Where capital is available for investment while awaiting suitable VCT qualifying opportunities, or in excess of the 70% VCT qualification threshold, it may be invested in collective investment funds or in non-qualifying shares and securities in smaller listed UK companies. Cash and liquid resources are held in low risk bank accounts and money-market funds.</p> <p><i>Borrowing</i></p> <p>To date the Company has operated without recourse to borrowing. The Board may however consider the possibility of introducing modest levels of gearing up to a maximum of 10% of the adjusted capital and reserves, should circumstances suggest that such action is in the interests of Shareholders.</p>
B35	Borrowing limits	The articles of association of the Company restrict borrowings to 10% of the adjusted capital and reserves (as defined therein). The Company, however, has never borrowed and the Board currently has no plans to undertake any borrowing.
B36	Regulatory status	The Company is subject to the provisions of the Companies Act 2006 and UK law generally, its Shares are listed on the premium segment of the Official List and, as a qualifying VCT, the Company is subject to regulation by HMRC in order to retain such a status.
B37	Typical investor	A typical investor in the Company will be a UK taxpayer who is aged 18 or over 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). The investor should be comfortable with the risks associated with an investment in a VCT and be willing to retain the investment for at least five years (in order to retain their upfront income tax relief).
B38	Investments of 20% or more in a single company	Not applicable. The Company does not have any investments which represent more than 20% of its gross assets in a single company or group.
B39	Investments of 40% or more in a single company	Not applicable. The Company does not have any investments which represent more than 40% of its gross assets in a single company or group.

B40	Service providers	<p>Unicorn Asset Management Limited (Unicorn AM) acts as the investment manager to the Company and is entitled to an annual management fee of an amount equal to 2% of the net asset value of the Company (together with any applicable VAT) calculated and charged quarterly, save for investments made by the Company in other Unicorn AM managed funds, in which case no additional management fee will be payable in respect of such investments.</p> <p>Unicorn AM is also entitled to receive performance incentive fees of 20% of dividends made to Shareholders over and above the Target Return in any accounting period. The Target Return for these purposes is 6p per Share (or, if the relevant accounting period is less than or greater than 12 months, an amount equal to a pro rata reduction or increase to that amount for that accounting period). Any cumulative shortfalls below the 6p per annum dividend hurdle after the financial period ended on 30 September 2010 has to be made up in later years before any incentive fee is payable in the relevant year. Such payment will be subject to maintaining NAV at 125p per Share. Although the arrangement allows for the performance incentive calculation to be adjusted in such manner as the auditors confirm in writing where the Company issues further Shares, it has been agreed that no adjustment will be made as a result of the Offer which would result in a reduction to the requirement to maintain NAV at no less than 125p per Share.</p> <p>ISCA Administration Services Limited was recently appointed to provide administration services and is the appointed company secretary to the Company and is entitled to an annual fee of £120,000 plus VAT.</p>												
B41	Regulatory status of Unicorn AM	Unicorn AM is registered in England and Wales as a private limited liability company under number 03919499. Unicorn AM is authorised and regulated by the Financial Conduct Authority, with registered number 192164.												
B42	Calculation of net asset value	The Company's net asset value is calculated on a monthly basis, which is published on the Company's website (www.unicornaimvct.co.uk). The Company also publishes, on a monthly basis, its net asset value on an appropriate regulatory information service. If for any reason valuations are suspended, relevant shareholders will be notified in a similar manner.												
B43	Umbrella collective investment scheme	Not applicable. The Company is not part of an umbrella collective investment scheme.												
B44	Absence of financial statements	Not applicable. The Company has commenced operations and published financial statements.												
B45	Investment portfolio	<p>The Company predominantly invests in a diverse portfolio of AIM quoted companies. A summary of the Company's portfolio is set out below:</p> <table> <thead> <tr> <th>Unaudited net assets* (£m)</th> <th>NAV per Share* (p)</th> <th>Dividends paid** (p)</th> <th>Total Return (p)</th> <th>Number of investments*</th> <th>Carry value of investments* (£m)</th> </tr> </thead> <tbody> <tr> <td>94.83</td> <td>147.60</td> <td>20</td> <td>167.60</td> <td>68</td> <td>93.03</td> </tr> </tbody> </table> <p>* as at 31 August 2014 (unaudited). ** since 9 March 2010, the date on which the Company merged with Unicorn AIM VCT II plc</p>	Unaudited net assets* (£m)	NAV per Share* (p)	Dividends paid** (p)	Total Return (p)	Number of investments*	Carry value of investments* (£m)	94.83	147.60	20	167.60	68	93.03
Unaudited net assets* (£m)	NAV per Share* (p)	Dividends paid** (p)	Total Return (p)	Number of investments*	Carry value of investments* (£m)									
94.83	147.60	20	167.60	68	93.03									
B46	Most recent NAV per Share	As at 31 August 2014, the unaudited NAV per Share was 147.60p.												

C		Securities
C1	Description and class of securities	The securities being offered pursuant to the Offer are ordinary shares of 1p each in the capital of the Company (ISIN: GB00B1RTFN43) (Share).
C2	Currency	The Company's share capital comprises ordinary shares of 1 penny (GBP) each.
C3	Shares in issue	64,168,112 Shares are in issue at the date of this document (all fully paid up). The maximum number of New Shares to be issued pursuant to the Offer is 22.5 million.
C4	Description of the rights attaching to the securities	The New Shares in the Company will rank equally in all respects with each other and the existing share capital of the Company from the date of issue of such New Shares.

C5	Restrictions on transfer	The New Shares will be listed on the premium segment of the Official List and as, a result, will be freely transferable.
C6	Admission	Application has been made to the UK Listing Authority for the New Shares to be listed on the premium segment of the Official List and will be made to the London Stock Exchange for such shares to be admitted to trading on its main market for listed securities. It is anticipated that dealings in the New Shares will commence within three business days following allotment.
C7	Dividend policy	The Board has a policy of maintaining a steady flow of dividend distributions to Shareholders and intends to continue with this policy. However, the ability of the Company to pay dividends in the future cannot be guaranteed and no forecast or projection is to be implied or inferred.

D		Risks
D2	Key information on the risks specific to the Company	<p>Company</p> <ul style="list-style-type: none"> While it is the intention of the Board that the Company will continue to be managed so as to qualify as a VCT, there can be no guarantee that the Company's status will be maintained. A failure to meet the qualifying requirements could result in the loss of tax reliefs previously obtained. The tax rules, or their interpretation, in relation to an investment in the Company and/or the rates of tax may change during the life of the Company and may apply retrospectively which could affect tax reliefs obtained by Shareholders and the VCT status of the Company. Any change in governmental, economic, fiscal, monetary or political policy, in particular current government spending reviews and cuts, could materially affect, directly or indirectly, the operation of the Company and/or the performance of the Company and the portfolio of companies in which it invests and the value of and returns from Shares and/or its ability to maintain VCT status. Investment in AIM-traded, ISDX-traded companies and unquoted companies, by its nature, involves a higher degree of risk than investment in companies listed on the Official List. The fact that a share is traded on AIM or ISDX markets does not guarantee its liquidity and there may be difficulties in valuing and disposing of such securities. There can be no guarantee that the Company's investment objectives will be achieved or that investment opportunities will be available.
D3	Key information on the risks specific to the securities	<p>Securities</p> <ul style="list-style-type: none"> The value of Shares, and the income from them, can fluctuate and investors may not get back the amount they invested. There is no certainty that the market price of the Shares will fully reflect the underlying NAV. In addition, there is no guarantee that dividends will be paid or that any dividend objective stated will be met. Although the existing Shares issued by the Company have been (and it is anticipated that the New Shares in the Company to be issued pursuant to the Offer will be) admitted to the Official List of the UKLA and to trading on the London Stock Exchange's main market for listed securities, there may not be a liquid market and investors may find it difficult to realise their investments. Investment in the Company should be seen as a long term investment. If qualifying investors dispose of their New Shares within five years of issue, they will be subject to clawback by HMRC of any income tax reliefs originally claimed.

E		Offer
E1	Offer net proceeds	<p>The total expenses payable by the Company in connection with the Offer (including VAT where applicable) will be an amount equal to 2.5% of the Application Amounts in respect of applications accepted under the Offer (less any amount equal to the Early Bird discounts and any fees waived by Unicorn AM in respect of particular applications), plus execution only initial commission and annual trail commission. The total expenses will, therefore, be a maximum of £1,375,000 (assuming that the fundraising amount has been increased by the over-allotment facility and that it is fully subscribed at £25 million and assuming that the maximum amount of initial commission of 3% is payable to execution only intermediaries in respect of all investors, but ignoring any Early Bird discounts and annual trail commission). The maximum net proceeds will, on the same basis, amount to at least £23,625,000.</p>
E2a	Reasons for the Offer and use of proceeds	<p>Unicorn AM is continuing to see attractive investment opportunities in companies seeking finance in a broad spectrum of sectors with good growth and income prospects. In order to take advantage of these opportunities, the Board is seeking to raise further funds through the Offer.</p> <p>The additional funds raised under the Offer will be invested as follows:</p> <ul style="list-style-type: none"> • To make new and follow-on investments in accordance with its investment policy. • To fund the payment of dividends and market purchases of Shares (subject to having unrestricted (for VCT legislation purposes) distributable reserves). • To meet annual running costs.
E3	Terms and conditions of the Offer	<p>The number of New Shares allotted under the Offer by the Company will be determined by applying the following allotment formula:</p> $\text{Number of New Shares} = \frac{A - B - C}{\text{NAV}}$ <p>Where:</p> <p>A is the Application Amount (this being the amount remitted to the Company with the investor's application, including any amount requested to be facilitated, as accepted under the Offer)</p> <p>B is 2.5% of the Application Amount, less any amount of the fee payable to Unicorn AM that this amount represents equal to any applicable Early Bird discount or as may otherwise be waived by Unicorn AM at its discretion:</p> <p>C is either:</p> <ul style="list-style-type: none"> (i) in respect of advised investors, the amount of any initial adviser charge agreed to be facilitated (up to the maximum amount of 3% of the Application Amount); or (ii) in respect of execution only investors, the amount of any initial commission agreed to be paid to the execution only intermediary (up to a maximum amount of 3% of the Application Amount (i.e. 3% of A)) less any amount of initial commission agreed to be waived <p>NAV is the most recently published NAV per Share at the time of allotment, adjusted for dividends subsequently declared</p> <p>The Early Bird discount is 0.5% for new investors and 1% for existing shareholders.</p> <p>The offer price per New Share will be determined by dividing the amount of the investor's application accepted to be used to subscribe for New Shares (ie the Application Amount, less any amount of initial adviser charge agreed to be facilitated in respect of an advised investor) by the number of New Shares to be issued resulting from the allotment formula.</p> <p>Advised investors who receive advice from their financial intermediaries can request for all or part of any initial adviser charge to be facilitated by the Company's receiving agent (subject to a maximum amount equal to 3% of the Application Amount). If facilitated, this agreed amount will be deducted from the monies received from the relevant investor.</p> <p>Unicorn AM on behalf of the Company may agree to pay an initial commission to execution only intermediaries (subject to an amount equal to a maximum of 3% of the Application Amount). Execution only intermediaries will also normally be paid annual trail commission of an amount equal 0.375% of the net asset base of the New Share (subject to a maximum cumulative payment of 2.25% of the offer price of the New Share in question.) Initial and annual trail commissions will only be paid to the extent, permitted under legislation and regulation. Unicorn AM may, with the consent of the Board, agree to pay trail commission on a different basis, providing it does not exceed the maximum cumulative payment of 2.25% of the offer price of the New Share in question.</p>

E4	Description of any interest that is material to the issue	Not applicable. There are no interests that are material to the issue of New Shares.
E5	Name of persons selling securities	Not applicable. No entity is selling securities in the Company.
E6	Amount and percentage of dilution	If 22.5 million New Shares are allotted by the Company pursuant to the Offer (this being the maximum number of New Shares that may be allotted pursuant to the Offer), the existing 64,168,112 Shares would represent 74.04% of the enlarged issued share capital.
E7	Expenses charged to the investor.	The maximum costs of the Offer to an investor (save for annual trail commission, which the Company will be responsible for) will be 2.5% of the Application Amount plus (i) in respect of execution only investors, any initial commission payable to execution only intermediaries (this being a maximum of 3% of the Application Amount) or (ii) in respect of advised investors, any amount of initial adviser charges, which is payable by the investor.

Risk Factors

Existing and prospective investors should consider carefully the following risk factors in addition to the other information presented in this document and the Prospectus as a whole. If any of the risks described below materialise, it could have a material effect on the Company's business, financial condition or results of operations. The risks and uncertainties described below are not the only ones the Company, the Board or investors in the Shares will face. Additional risks not currently known to the Company or the Board, or that the Company or the Board currently believes are not material, may also adversely affect the Company's business, financial condition and results of operations. The value of the Shares could decline due to any of these risk factors described below, and investors could lose part or all of their investment. Investors should consult an independent financial adviser authorised under FSMA. The attention of prospective investors is drawn to the following risks.

General Risks

The value of an investment in the Company, and the income derived from it, may go down as well as up and an investor may not get back the amount they invested. In addition, there is no certainty that the market price of the Shares will fully reflect their underlying NAV nor that any dividends will be paid. Without the Company undertaking share buybacks, trading in the shares is unlikely to be active, so the bid price of the shares (the price which sellers are likely to be offered in the market) is likely to reflect the price at which the Company may decide to buy shares back for cancellation. Shareholders should not rely upon any share buy-back policy to provide any certainty of being able to sell their Shares at prices that reflect the underlying NAV.

Although the existing Shares have been (and it is anticipated that the New Shares to be issued pursuant to the Offer will be) admitted to the Official List of the UK Listing Authority and are (or will be) traded on the London Stock Exchange's main market for listed securities, it is likely that there will not be a liquid market in the New Shares (which may be due to up front tax relief not being available for VCT shares bought in the market and VCT shares generally trading at a discount to net asset value) and Shareholders may have difficulty in selling their Shares as a result. Shareholders may only be able to realise their investment at a wide discount to net asset value per share or may not be able to sell at all. An investment in the Company should, therefore, be considered as long-term.

The past performance of the Company or other funds managed or advised by Unicorn AM is not a guide to the future performance of the Company. The value of Shares in the Company largely depends on the performance of the Company's underlying assets. The value of the investment and the dividend stream can rise and fall. Shareholders may get back less than the amount originally invested, even taking into account the available tax reliefs.

There can be no guarantee that the Company's investment objectives will be achieved or that investment opportunities will be available.

Investment and Market Risks

Investment in AIM-traded, ISDX market-traded and unquoted companies by its nature involves a higher degree of risk than investment in companies listed on the Official List. In particular, the viability and financial performance of small companies often depends on a narrow product range, small markets, limited financial resources, a small number of staff and counterparties, and may be more susceptible to political, exchange rate, taxation and regulatory changes. In addition, the market for securities in smaller companies may be less regulated and is usually less liquid than that for securities in larger companies, bringing with it potential difficulties in acquiring, valuing and disposing of such securities. Full information for determining their value or the risks to which they are exposed may also not be available. Investment returns will, therefore, be uncertain and are likely to involve a higher degree of risk than investment in a company listed on the Official List.

The Company's investments may be difficult to realise. The fact that a share is traded on AIM or ISDX markets does not guarantee its liquidity. The value of the Company's portfolios and opportunities for realisation will also depend on stock market conditions. There may also be constraints imposed on the realisations of investments by the need to maintain the VCT status of the Company, which may restrict the Company's ability to obtain maximum value from its investments. In addition, although the Company may receive conventional venture capital rights in connection with some investments, as a minority investor it may not be in a position fully to protect its interests.

The availability of new shares in AIM or ISDX markets is subject to market forces and there can be no certainty that there will be sufficient new share issues to enable the Company to achieve the intended level of investment in Qualifying Investments.

Changes in legislation concerning VCTs, in particular in relation to qualifying holdings and qualifying trades, may limit the number of qualifying investment opportunities and/or reduce the level of returns which might otherwise have been achievable.

Any change in governmental, economic, fiscal, monetary or political policy, in particular current government spending reviews and cuts, could materially affect, directly or indirectly, the operation of the Company and/or the performance of the Company and the portfolio of companies in which it invests and the value of and returns from Shares and/or its ability to maintain VCT status.

Tax and Legislative Related Risks

The information in this document is based on existing legislation, including taxation legislation. The tax reliefs described are those currently available. The tax rules or their interpretation in relation to an investment in the Company and/or rates of tax may change during the life of the Company and can be retrospective. The value of tax reliefs depends on the personal circumstances of holders of Shares in the Company, who should consult their own tax advisers before making any investment.

The Company intends to manage its affairs in respect of each accounting period so as to obtain and thereafter maintain approval as a VCT. However, there can be no guarantee that the Company will be able to maintain VCT status. Where the Company fails to maintain approval as a VCT before Qualifying Investors have held their New Shares for five years, the income tax relief obtained on the amount subscribed in the Company will have to be repaid by such investors. Dividends paid in an accounting period where VCT status is lost will become taxable and a Qualifying Investor will generally be liable to income tax on the aggregate amount of the dividend.

Where approval as a VCT is not maintained, the Company will also lose its exemption from corporation tax on capital gains. If at any time VCT status is lost, dealings in the Shares of the Company will normally be suspended until such time as the Company has published proposals either to continue as a VCT or to be wound up.

The sale of New Shares within five years of subscription will result in some or all of the 30% income tax relief claimed upon investment becoming repayable. On this basis, investing in New Shares should be considered a long-term investment. Further the disposal of existing Shares within six months either side of the acquisition of New Shares will result in the amount of the investment in New Shares to which VCT tax reliefs are available being reduced by an amount equal to the proceeds received on the disposal.

Gearing and interest rate related risks

Prospective investors should be aware that, although the Company currently has no borrowing facilities in place, it may have from time to time a certain level of gearing (as permitted by the borrowing powers in the Articles) and, whilst the use of borrowings would enhance the net asset value of the Shares where the value of the Company's underlying assets is rising, it will have the opposite effect where the underlying asset value is falling.

The use of borrowings also creates the risk that the borrower will be unable to service the interest payments or comply with the other requirements of the loan rendering it repayable and the risk that borrowings will not be able to be refinanced upon expiry or that the terms of such refinancing may not be as favourable as the existing terms of borrowing.

Increases in interest rates and levels of amortisation imposed by a lender may also have an adverse effect on the Company's ability to pay dividends to its Shareholders.

The Company has registered itself as a small alternative investment manager with the FCA and is subject to the Alternative Investment Fund Managers Regulations 2013 (SI 2013/1773) and is subject to a reduced level of requirements under those Regulations. If the Company becomes considered leveraged for the purposes of the Regulations, it would become subject to the full requirements under the Regulations, which would have material cost implications for the Company.

Manager

The performance of the Company depends on the investment performance of the Manager which in turn is dependent upon the performance and continued availability of certain key personnel. In the event that any one or more of these persons were unavailable either temporarily or permanently, the investment performance of the Company may be adversely affected resulting in capital loss, reduction in dividends and/or reduction in liquidity for Shareholders.

Offer Timetable, Statistics & Costs

Indicative Offer Timetable

Offer opens	17 September 2014
Deadline for Applications to be eligible for the Early Bird	28 November 2014
Closing date (for 2014/2015 tax year)	12.00 noon on 1 April 2015
Offer closes (for 2015/2016 tax year) (unless otherwise extended by the Board)	12.00 noon on 30 June 2015
Allotments	monthly
Effective date for the listing of New Shares and commencement of dealings	three Business Days following allotment
Share certificates and tax certificates to be dispatched	within ten Business Days of allotment

The Board reserves the right to extend the closing date of the Offer to no later than 16 September 2015. The Offer will close earlier than the date stated above if it is fully subscribed or otherwise at the Board's discretion. Allotment of New Shares may be made more frequently than monthly or delayed at the discretion of the Board.

Offer Statistics

Investor's minimum investment	£2,000
Maximum amount (before costs) to be raised the Company (excluding the over-allotment facility)	£15,000,000
Maximum amount (before costs) to be raised the Company (including the over-allotment facility) ¹	£25,000,000
Maximum number of New Shares to be issued	22,500,000

The Board reserves the right to increase the Offer by the over-allotment facility at its discretion, in consultation with Unicorn AM (such increase to be advised by way of a Regulatory Information Service announcement).

Offer Price, Costs and Commissions

Details on how the number of New Shares and the Offer Price will be calculated, together with details relating to intermediary commission, facilitation of initial adviser charges, are set out in Part II of this document.

Early Bird

Applications which are received and accepted by 28 November 2014 will be eligible to receive a discount as follows:

- 1% for Existing Shareholders.
- 0.5% for New Investors

The Board reserves the right to (in consultation with Unicorn AM) extend the deadline by which applications must be received and accepted to be eligible for the Early Bird. The Board also reserves the right (in consultation with Unicorn AM) to apply the Early Bird discount level for Existing Shareholders to Existing Beneficial Shareholders, subject to receipt of satisfactory confirmation from the registered Shareholder that such individual is the beneficial holder of the Shares held by it.

If you have any questions relating to this document, and the completion and return of the Application Form, please telephone Capita Asset Services between 9.00am and 5.30pm (UK time) Monday to Friday on 0871 664 0324 from within the UK or +44 20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0324 number cost 10 pence per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of an investment, nor give any financial, legal or tax advice.

Letter from the Chairman

Unicorn AIM VCT plc
2 Barnfield Crescent
Exeter
EX1 1QT

(Registered number 04266437)

17 September 2014

Dear Investor

Following the success of the fundraising launched by the Company last year, we and Unicorn AM believe that there is further appetite for investment in the Company and good opportunities for investment, I am pleased to invite Shareholders and new investors to subscribe for New Shares in the Company pursuant to this Offer.

Introduction

Unicorn AIM VCT plc was launched in November 2001 and is a well established VCT. With net assets of £94.83 million (as at 31 August 2014), the Company is the largest AIM-focused VCT in the market. Unlike a new VCT, the Company already has a diverse portfolio of investments in 68 companies with the potential to deliver capital growth and tax-free dividends.

The Company has performed well over the last three years despite the challenging economic conditions, with resilience and, in many cases, significant growth in revenues and earnings being shown by the portfolio companies. The manager, Unicorn AM, has adopted a risk averse, longer term approach to the management of the portfolio seeking to preserve capital. This prudent approach has proved successful, with net asset growth being maintained and the Company continuing to pay annual dividends.

With economic conditions improving, the Company has made a number of new investments in promising companies with the objective of further diversifying the portfolio and generating both growth and income. Unicorn AM is continuing to see attractive investment opportunities in companies seeking finance in a broad spectrum of sectors with good growth and income prospects. In order to take advantage of these opportunities, the Board is seeking to raise further funds through the Offer.

The Opportunity

The Board believes that the Offer is an attractive investment opportunity for both existing Shareholders and new investors for the following reasons:

- **Timing** - the Board believes that there are a number of new investment opportunities in businesses which have maintained a prudent and conservative approach during the market fluctuations of recent years and which now find themselves in a strong financial position from which they are well placed to grow.
- **Established portfolio** - the Offer provides the opportunity for investors to access an existing portfolio, which has been performing well and is already producing consistent returns earlier than might be achieved through an investment in a new fund.
- **Tax-free returns** - the Company has an established track record of making regular dividend payments to Shareholders, having paid dividends of 5p, 5p and 6p per Share in the last three financial years. These dividends are tax free to Qualifying Investors.

The Manager

The Company's manager, Unicorn AM, was established in 2000 and is an independently owned and managed company. Unicorn AM specialises in investing in UK small and mid-cap companies, AIM and fledgling markets and has a successful track record in this area of the market.

Unicorn AM operates a team based approach to investment management and its experienced, committed and well-resourced investment team has approximately 100 years' of combined experience. Unicorn AM is focused on being the 'best not the biggest' and its funds aim to deliver long term outperformance. Unlike many investment firms, Unicorn AM is majority owned by its directors and managers, providing further incentive to help ensure that the funds deliver consistently strong performance.

As at 31 August 2014, Unicorn AM had approximately £950 million (the Company being valued at bid-price while Unicorn AM's other funds are valued at mid-price; adjusted for any VCT cross-holdings) under management in a range of funds designed to satisfy a variety of investor requirements. Its funds include an OEIC with 5 sub-funds, an investment trust and the Company.

The Offer

The Company proposes to raise up to £15 million through the issue of New Shares under the Offer but, if there proves to be investor demand in excess of this figure, the Board (in consultation with Unicorn AM) may decide to utilise the over-allotment facility and increase the size of the Offer by a further £10 million.

Details on how the number of New Shares and the Offer Price will be calculated, together with details relating to intermediary commission, facilitation of initial adviser charges, are set out in Part II of this document. The Company is also offering an early bird discount of 1% for Existing Shareholders and 0.5% for New Investors, details of which are also set out in Part II of this document.

This year, we are using an Allotment Formula through which the number of New Shares to be issued to an Applicant will be calculated, which takes into account the costs incurred by investors, whether execution only intermediary commission or initial adviser charges apply or whether an investor is applying direct. The Allotment Formula continues to be based on the most recently published NAV per Share at the time of allotment. The Company publishes monthly unaudited NAVs and may publish NAVs more frequently for the purposes of the Offer.

The Offer opens on 17 September 2014 and closes on 30 June 2015 (unless fully subscribed before this date or otherwise at the Board's discretion), and allows investors to subscribe for both the 2014/2015 and 2015/2016 tax years.

The closing date (unless fully subscribed earlier or the Offer being closed otherwise at the discretion of the Board) for applications for the 2014/2015 tax year is 12.00 noon on 1 April 2015 and for the 2015/2016 tax year is 12.00 noon on 30 June 2015.

Tax Benefits

The Company provides Qualifying Investors with access to the attractive tax benefits associated with an investment in a VCT.

Qualifying Investors will receive up to 30% income tax relief on amounts subscribed (subject to (i) a maximum investment in VCTs of £200,000 in a tax year, (ii) an investor's tax liability being reduced to nil and (iii) provided the New Shares are held for at least five years).

Distributions for Qualifying Investors will also be tax-free and capital gains exempt (subject to the annual investment limits).

Potential investors should note that the disposal of existing Shares within six months either side of the acquisition of New Shares will result in the amount of the investment in New Shares to which VCT tax reliefs are available being reduced by an amount equal to the proceeds received on the disposal.

Next Steps

If you wish to invest, please read the full Prospectus and then complete the Application Form at the end of this document.

If you have any questions regarding the Offer you should contact your financial adviser or call Unicorn AM on 020 7253 0889 or LGBR Capital (the distributor for the Offer) on 020 3195 7100. Please note that neither Unicorn AM nor LGBR Capital are able to provide you with investment, financial or tax advice. Your attention is also drawn to the Risk Factors on pages 10 and 11 of this document.

We look forward to welcoming you as a Shareholder.

Peter Dicks
Chairman

Part I – Investment Opportunity

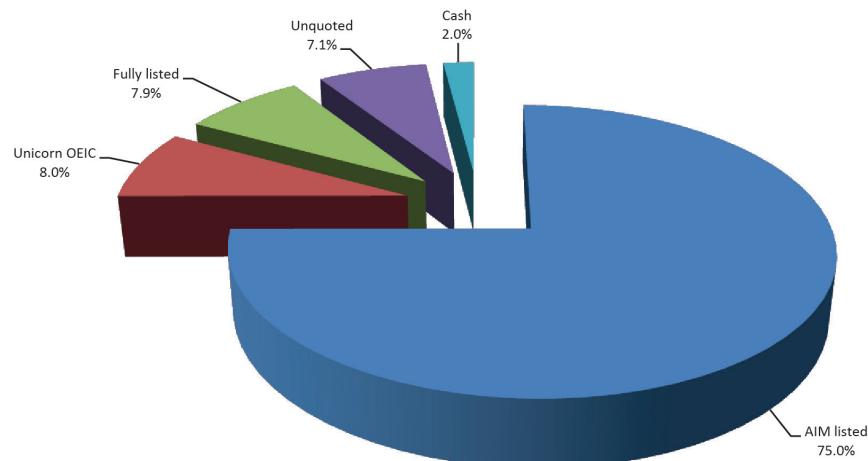
Attractive Investment Opportunity

The Company is an established VCT which meets the qualification requirements set out by HMRC. Unlike a new VCT, the Company already has a strong track record of delivering both capital growth and regular tax-free dividend income from an established portfolio of investments.

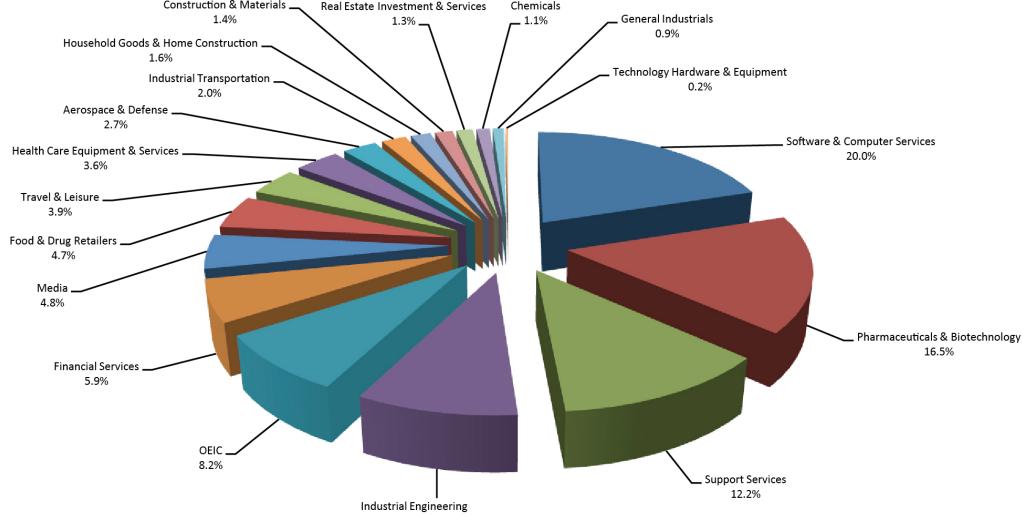
The Company's policy of investing in businesses which have a demonstrable record of profitability and positive cash generation has been adhered to since the launch of Unicorn AM's first VCT in 2001.

The Company's assets are invested in a diversified portfolio of investments both by sector and by number of investments held. The portfolio allocation, based on valuations as at 31 August 2014, is shown below.

Allocation of investments by asset class



Allocation of investments by market sector



As the existing portfolio is, by VCT Value (which is calculated on a different basis to the accounting value), comfortably above the threshold required to retain VCT qualifying status (over 78% as at 31 August 2014) the investment management team will maintain a highly selective approach to new investment opportunities. With an established and diversified portfolio and a flexible structure, the Company now displays many of the characteristics of a smaller companies investment trust.

The Board believes that:

- The Company offers access to a mature and diversified portfolio of investee companies, which it believes have the potential to develop growth from the current point in the economic cycle.
- The Company (including Unicorn AIM VCT II plc, which merged with the Company in 2010) has paid out £33.1 million in aggregate to shareholders in tax free dividends since launch.
- The investee companies in the Company's portfolio have, on a simple average basis, an average market capitalisation of £76 million, an average turnover of £59 million per annum and an average pre-tax profit of £2.9 million per annum, with over 60% of the companies having paid a dividend in the last 12 months.
- AIM continues to be an attractive source of financing for innovative, high-quality and growing companies. Many business owners seek a listing on AIM because it is a well regulated market with a diversified investor base that can help foster growth and assist in realising the potential of their business.
- Unicorn AM's experienced investment team continues to see a steady flow of VCT qualifying opportunities in the AIM market from companies which may need capital in the next year or so, not least because banks continue to limit their lending exposure to smaller companies.
- New offers by VCTs continue to offer attractive tax incentives for private investors when compared to other types of tax efficient investment.

Performance

In March 2010 the Company merged with Unicorn AIM VCT II plc to create what is now the largest AIM-focused VCT in the market.

The performance of the Company following the merger has been strong, with the unaudited total return (NAV plus dividends paid) to Shareholders having increased since the merger by 82.61% from 9 March 2010 to 31 August 2014. This figure compares favourably with total returns (unaudited total return is calculated at the percentage change in value from 9 March 2010 to 31 August 2014 including the effect of net dividends reinvested in the index) delivered during the same period by the FTSE All-Share Index and the FTSE AIM All-Share Index of 48.72% and 17.48% respectively.

In order to demonstrate the longer term performance of the various original share classes in both the Company and Unicorn AIM VCT II plc, the table overleaf shows the total return (NAV plus dividends paid) as at 31 August 2014 for a shareholder that invested £10,000 at £1 per share at the date of the launch of a particular fundraising, excluding the impact of any initial income tax relief received. All of the original share class issues have out-performed the AIM market.

Unicorn AIM VCT plc funds

Share class and year of fundraising	No. of shares held post merger	Unaudited NAV at 31 August 2014 (£)	Dividends paid pre-merger (£)	Dividends paid post-merger (£)	NAV + dividend total return (£)
Ordinary shares (raised in 2014, issued at average price of 147.41p)	6,784	10,013	n/a	n/a	10,013
Ordinary shares (raised in 2013, issued at average price of 114.53p)	8,731	12,887	n/a	524	13,411
Ordinary shares (raised in 2012, issued at average price of 100.43p)	9,957	14,697	n/a	1,095	15,792
Ordinary shares (formerly S3 shares raised in 2006/2007)	10,000	14,760	100	2,000	16,860
Former Funds:					
Original ordinary shares (raised in 2001)	6,078	8,971	4,550	1,216	14,737
Original ordinary shares 2007/2008 top-up (13,890 shares issued for £10,000 investment at 72p per share)	8,442	12,460	903	1,688	15,051
Series 2 shares (raised in 2004)	7,750	11,439	2,125	1,550	15,114
Series 2 shares 2007/2008 top-up (10,870 shares issued for £10,000 investment at 92p per share)	8,424	12,434	489	1,685	14,608

Former Unicorn AIM VCT II plc funds

Share class and year of fundraising	No. of shares held post merger	Unaudited NAV at 31 August 2014 (£)	Dividends paid pre-merger (£)	Dividends paid post-merger (£)	NAV total return (£)
Ordinary shares (raised in 2005)	8,283	12,226	1,300	1,657	15,183
Ordinary shares 2007/2008 top-up (10,205 shares issued for £10,000 investment at 98p per share)	8,452	12,475	1,225	1,690	15,390
C shares (raised in 2006)	7,267	10,726	245	1,453	12,424
C shares 2007/2008 top-up (11,235 shares issued for £10,000 investment at 89p per share)	8,165	12,052	169	1,633	13,854

Initial income tax relief of up to 20% was available for Shareholders that invested in the 2001/2002 to the 2003/2004 tax years, up to, 40% for Shareholders that invested in the 2004/2005 and the 2005/2006 tax years and up to 30% for Shareholders that invested in tax years since the 2006/2007 tax year. Additional capital gains tax deferral relief was also available for Shareholders that invested between the 2001/2002 and the 2003/2004 tax years.

Part II – The Offer

Terms of the Offer

The Company is seeking to raise up to £15 million (with an over-allotment facility of up to £10 million) through the issue of up to 22.5 million New Shares pursuant to the Offer. If the Board decides (in consultation with Unicorn AM) to increase the Offer by the over-allotment facility, this will be advised by way of a Regulatory Information Service announcement.

There is no minimum subscription level for the Offer to proceed and the Offer is not underwritten.

The minimum investment by an investor under the Offer is £2,000 (net of any amount of initial adviser charge to be facilitated) and multiples of £500 thereafter (though investors are reminded that VCT upfront income tax relief is only available in respect of investments of up to £200,000 in VCTs in any one tax year).

New Shares will rank pari passu with the existing Shares in issue in respect of dividends with record dates after the date of issue of the relevant New Shares.

Applications under the Offer will normally be accepted on a first come, first served basis (provided cheques are not post-dated), subject always to the discretion of the Board. Subscribers are encouraged to submit their Application Form early in order to be confident that their application will be successful.

The full terms and conditions of the Offer can be found at the end of this document.

Closing Date and Receipt of Applications

The Offer opens on 17 September 2014 and will close (unless fully subscribed or otherwise at the discretion of the Board) on 30 June 2015 (unless extended by the Board to no later than 16 September 2015).

Subject to Offer not being closed earlier, applications for the 2014/2015 and 2015/2016 tax year should be received by:

- 12 noon, on 1 April 2015 (in the case of applications for the 2014/2015 tax year); and
- 12 noon, on 30 June 2015 (in the case of applications for the 2015/2016 tax year), unless otherwise extended by the Board.

The Allotment Formula

The number of New Shares to be allotted to a successful Applicant will be determined by the following Allotment Formula:

$$\text{Number of New Shares} = \frac{A - B - C}{\text{NAV}}$$

Where:

- A is the Application Amount (this being the amount remitted to the Company with the investor's application, including any amount requested to be facilitated, as accepted under the Offer)
- B is 2.5% of the Application Amount (ie 2.5% of A), less any amount of the fee payable to Unicorn AM that this amount represents equal to any applicable Early Bird discount or as may otherwise be waived by Unicorn AM at its discretion:
- C is either:
 - (i) in respect of advised investors, the amount of any initial adviser charge agreed to be facilitated (up to the maximum amount of 3% of the Application Amount (ie 3% of A)); or
 - (ii) in respect of execution only investors, the amount of any initial commission agreed to be paid to the execution only intermediary (up to a maximum amount of 3% of the Application Amount (i.e. 3% of A)) less any amount of initial commission agreed to be waived

NAV is the most recently published NAV per Share at the time of allotment, adjusted for dividends subsequently declared

The number of New Shares to be allotted by the Company will be rounded down to the nearest whole number and fractions of New Shares will not be allotted.

The Allotment Formula, which is based on the latest published NAV and takes account of the costs of the Offer, avoids a diminution in the net asset value of the existing Shares (ignoring the dilution caused by any trail commission paid by the Company, which is considered to be small when compared to the Company's total funds). Potential investors should note that the NAV per Share may rise or fall during the Offer period.

Offer Price

The Offer Price is determined by dividing the Investment Amount (this being the amount of the investor's application accepted to be used to subscribe for New Shares (ie the Application Amount, less any amount of any initial adviser charge agreed to be facilitated in respect of an advised investor)) by the number of New Shares to be issued.

The Company will announce the number of New Shares issued and the range of Offer Prices by way of a Regulatory Information Service announcement following each allotment.

Early Bird

Investors whose applications are received and accepted by 28 November 2014 will be eligible to receive a discount in respect of their application as follows:

- 0.5% in respect of New Investors
- 1% in respect of Existing Shareholders.

This will be applied through the Allotment Formula and will increase the number of New Shares to be allotted to them. The Board reserves the right to (in consultation with Unicorn AM) to extend the deadline by which applications must be received and accepted to be eligible for the Early Bird. The Board further reserves the right (in consultation with Unicorn AM) to apply the Early Bird discount level to Existing Beneficial Shareholders, subject to satisfactory confirmation from the registered Shareholder that such individual is the beneficial holder of the Shares held by it.

VCT Tax Reliefs

Qualifying Investors will be able to benefit from the tax reliefs applicable in respect of subscriptions for VCT Shares in respect of the Investment Amount (ie the Application Amount, less any amount of any initial adviser charge agreed to be facilitated in respect of an advised investor). This includes up to 30% income tax relief on the Investment Amount, which would not be available if Shares were purchased in the secondary market.

Offer Costs

Unicorn AM, as promoter of the Offer will be paid a fee equal to 2.5% of the Application Amounts in respect of applications accepted under the Offer, plus an amount equal to any execution only initial intermediary commissions. In consideration, Unicorn AM has agreed to meet all Offer costs payable by the Company (other than annual trail commission), including any initial execution only intermediary commissions and fees payable in respect of LGBR Capital. Annual trail commission will be payable by the Company. Any amount of initial adviser charge agreed to be facilitated is paid by the investor from the monies received with the investor's application and is not paid by the Company.

Unicorn AM has agreed to reduce the part of its fee represented by 2.5% of the Application Amounts in respect of applications accepted under the Offer as referred to above (this being (B) in the Allotment Formula) in respect of an amount equal to any Early Bird discount applicable in relation to an application and further may agree to further waive any part of this element of its fee in respect of any specific or group of investors for the benefit of such investors. The benefit of any Early Bird discount or waiver will be applied by reducing (B) in the Allotment Formula by an equivalent amount, which will reduce the costs applied for those investors, thereby increasing the number of New Shares to be allotted to such investors. Unicorn AM has further agreed that, to the extent that the actual costs of the Offer are less than the amount of the promotion fee payable to it, Unicorn AM will rebate the excess amount to the Company.

Assuming that the Offer is fully subscribed, but disregarding the over-allotment facility, the Offer costs payable by the Company will be a maximum of £825,000 (ignoring any Early Bird discounts, excluding annual trail commission and assuming that the maximum amount of initial commission of 3% is payable to execution only intermediaries in respect of all investors) and the net proceeds, on the same basis, will amount to at least £14,175,000. Assuming the Offer is fully subscribed, including the over-allotment facility, the Offer costs will be a maximum of £1,375,000 (ignoring any Early Bird discounts, excluding annual trail commission and assuming that the maximum amount of initial commission of 3% is payable to execution only intermediaries in respect of all investors) and the net proceeds, on the same basis, will amount to at least £23,625,000.

Adviser Charges

Investors who receive advice from their financial advisers can request for an initial adviser charge (in whole or part) to be facilitated by the Company's receiving agent (subject to a maximum facilitation amount equal to 3% of the Application Amount).

If facilitated, this agreed amount will be deducted from the monies received from the relevant investor and the net amount invested. The Allotment Formula continues to take the facilitated amount into account in determining the number of New Shares to be allotted. Any additional initial adviser charges in excess of the amount agreed to be facilitated, as well as any annual adviser charges, will need to be met by advised investors separately.

It should be noted that the maximum amount of initial charges which may be facilitated as outlined above should not be considered as a recommendation as to the appropriate levels of an initial adviser charge. This is for the investor and the financial adviser to agree depending on the advice and service being provided.

'Execution Only' Intermediary Commissions

Unicorn AM may (on behalf of the Company) agree with intermediaries providing 'execution-only' services that, in respect of any application accepted from a client for whom the execution only intermediary acts, to pay an initial commission (subject to a maximum of 3% of the amount subscribed for New Shares by their clients). Intermediaries may waive all or part of the initial commission due for the benefit of their client (such amount will be taken into account in determining the number of New Shares to be allotted under the Allotment Formula).

In addition, provided that the 'execution-only' intermediaries' clients continue to hold their New Shares, such intermediaries will normally be paid an annual trail commission of 0.375% of the net asset base value for each such New Share by the Company. For this purpose, 'net asset base value' means the net assets attributable to such New Share as determined from the audited annual accounts of the Company as at the end of the preceding financial year. No payment of trail commission will (save as referred to below) be made to the extent that the cumulative trail commission would exceed 2.25% of the Offer Price of the New Share in question. Unicorn AM may, with the consent of the Board, agree to pay trail commission on a different basis, providing it does not exceed the maximum cumulative payment of 2.25% of the offer price of the New Share in question.

Commissions will only be paid if, and to the extent, they are permitted under legislation and regulations. Annual trail commission will be paid shortly after the later of the annual general meeting of the Company and, where applicable, the date of payment of the final dividend in each year.

Should an execution only investor subsequently decide to seek financial advice from their 'execution-only' intermediary in respect of their holding in the Company, any annual trail commission in respect of an investment under the Offer should cease and one of the Company, Unicorn AM or ISCA Administration Services should be notified accordingly.

Commission Arrangements on Existing Shareholdings

Should an Existing Shareholder decide to seek financial advice from their existing intermediary in respect of participating in the Offer, any trail commission which is currently being paid to that Shareholder's intermediary pursuant to an existing holding in the Company may need to cease and one of the Company, Unicorn AM or ISCA Administration Services should be notified accordingly.

Example of the Allotment Formula

Below is an example of how the Allotment Formula works for a direct investor, an advised investor where the amount to be facilitated is 3% of the Application Amount and for an execution only investor where an initial commission of 3% of the Application Amount has been agreed (in one case payable to the intermediary, but in the other waived by the intermediary), in each case where the amount remitted to the Company with the investor's application is £10,000, the investor is an Existing Shareholder eligible for the Early Bird discount of 1% and based on an NAV per Share of 147.6p (as at 31 August 2014, this being the most recently published NAV per Share prior to the publication of this document).

	Application Amount (A) (£)	Offer Costs (B) (2.5% less 1% Early Bird discount) (£)	Adviser & Intermediary Charges (C)		NAV per Share (£)	Number of New Shares No.
			Facilitation Amount (£)	Commission Amount (£)		
Advised investor	10,000	(150)	(300)	-	1,476	6,470
Execution only investor (initial commission payable)	10,000	(150)	-	(300)	1,476	6,470
Execution only investor (initial commission waived)	10,000	(150)	-	-	1,476	6,673
Direct investor	10,000	(150)	-	-	1,476	6,673

Use of Funds

The net proceeds of the Offer will be pooled with the existing cash resources of the Company and utilised as follows:

- To make new and follow-on investments in accordance with its investment policy.
- To fund payment of dividends and market purchases of Shares (subject to having unrestricted (for VCT legislation purposes) distributable reserves).
- To meet annual running costs.

Part III – The Board and the Investment Manager

The Board

The Board comprises four non-executive directors, all of whom are independent of the Manager: Peter Dicks (Chairman), James Grossman, Jeremy Hamer and Jocelin Harris.

The Board sets the Company's policies and objectives and ensures that its obligations to the Shareholders are met. The Company has appointed Unicorn AM as its investment manager and ISCA Administration Services as Company Secretary and administrator, subject to the overall control and direction of the Board. As a result, the Board has overall responsibility for the Company's affairs, including approving valuations (prepared by Unicorn AM) and NAVs (calculated by ISCA Administration Services). The Board has significant relevant experience of similar investment funds, regulatory organisations, corporate governance of listed companies, the private equity industry and investing in small companies.

The Directors are:

Peter Dicks (Chairman) (72)

Peter Dicks was a founder director, in 1973, of Abingworth plc, a successful venture capital company. Mr Dicks is currently a director of a number of quoted and unquoted companies including Graphite Enterprise Trust plc, Daniel Stewart Securities plc, Mears Group plc, Interactive Investor plc and Private Equity Investor plc. In addition, Mr Dicks is a director of Foresight VCT plc, Foresight 2 VCT plc, Foresight 3 VCT plc and Foresight 4 VCT plc.

James Grossman (75)

James Grossman is an international business lawyer and arbitrator with over 35 years' experience in mergers and acquisitions and venture capital transactions. Mr Grossman is also a member of the arbitration panels of the International Centre for Dispute Resolution and the American Arbitration Association and the Domain Name Dispute Panel of the World Intellectual Property Organisation in Geneva. Mr Grossman serves on the advisory board of Thalassa Holdings Limited, an oil related technology company, whose shares are traded on AIM.

Jeremy Hamer (62)

Jeremy Hamer is a chartered accountant who spent 16 years in industry before spending five years as a VCT investment manager. Currently, Mr Hamer is the Chairman of SnackTime plc and also has a portfolio of executive and non-executive director roles particularly with AIM listed companies, such as Avingtrans plc, Access Intelligence plc and SQS Software Quality Systems AG. Mr Hamer is also a qualified executive coach.

Jocelin Harris (68)

Jocelin Harris is a qualified solicitor and is chief executive of Durrington Corporation Limited, which provides management and financial support services to small and developing businesses and where Mr Harris has worked since 1986. Before this Mr Harris was a director of a private bank in the City. Mr Harris is currently the Chairman of Keycom plc and Foresight 2 VCT plc, and also a non-executive chairman or director of a number of private companies in the United Kingdom and the United States.

The Investment Manager

Unicorn AM is an independently owned and managed investment management company formed in February 2000. Unicorn AM, was incorporated and registered in England and Wales on 4 February 2000 as a private limited liability company with registered number 03919499. Unicorn AM's registered office and principal place of business is at First Floor Office, Preacher's Court, The Charterhouse, Charterhouse Square, London EC1M 6AU (telephone 020 7253 0889). Unicorn AM is authorised and regulated by the FCA to provide investment management services with registered number 192164. The principal legislation under which Unicorn AM operates is the CA 2006 (and regulations made thereunder).

Unicorn AM operates a team based approach to investment management and its experienced, committed and well-resourced investment team has approximately 100 years' of combined experience. Unicorn AM is focused on being the 'best not the biggest' and its funds aim to deliver long term outperformance. Unlike many investment firms, Unicorn AM is majority owned by its directors and managers, providing further incentive for the funds to deliver consistently strong performance.

The team follows a traditional and conservative approach to fund management, focusing on bottom-up stock selection based on fundamental research. They aim to deliver superior long term performance by adhering to a disciplined investment process and to reduce risk by focusing investment resource on those businesses which are led by experienced management teams, which have an established history of profitability and cash generation and which are capable of delivering sustained growth.

As at 31 August 2014, Unicorn AM funds under management are allocated across three fund classes:

- Open Ended Investment Companies (£794 million - valued at mid-price*);
- Offshore Income Fund (£61 million - valued at mid-price); and
- An AIM VCT (£95 million - valued at bid-price).

* adjusted for investments made by the Company in Unicorn AM managed OEICs.

The Company remains an integral part of Unicorn AM's business, with a significant number of VCT qualifying investments managed for the Company, on behalf of the Shareholders.

Senior Management Team

Chris Hutchinson, Director & Senior Investment Manager

Chris is senior investment manager at Unicorn AM and has been lead manager of the Company since joining Unicorn AM in 2005. Chris is also lead manager of Unicorn Outstanding British Companies Fund and a senior member of Unicorn AM's Investment Committee. Chris has approximately 18 years' experience managing portfolios of UK smaller companies.

Prior to joining Unicorn AM, Chris was a Fund Manager at Montanaro Investment Managers for over eight years where he specialised in UK smaller companies.

Paul Harwood, Non-Executive Director and Chairman of Investment Committee

Paul is chairman of Unicorn AM's Investment Committee and has over 40 years' investment experience.

Before joining Unicorn AM, Paul held positions at Phillips & Drew, Richards Longstaff and Mercury Asset Management/Merrill Lynch, where he was a Director, Joint Head of the European Equity Investment Team and latterly the Head of the UK Smaller Companies Team.

Fraser Mackersie, Fund Manager

Fraser is co-manager of Unicorn UK Income Fund and lead manager of Unicorn UK Growth Fund. He has provided support and assistance to the lead manager of the Company since joining Unicorn AM in 2008.

Fraser qualified as a Chartered Certified Accountant (ACCA) in October 2006 having graduated with a BSc (Hons) in Economics and Management from the University of St. Andrews in 2003. He then spent two years with F&C Asset Management plc before joining Unicorn AM.

Simon Moon, Fund Manager

Simon is co-manager of Unicorn UK Income Fund and lead manager of Unicorn UK Smaller Companies Fund. He has provided support and assistance to the lead manager of the Company since joining Unicorn AM in 2008.

Having completed the NHS graduate training scheme, Simon joined JM Finn & Co (Stockbrokers), where he spent a year working as a Researcher. Simon is a member of The Chartered Institute for Securities & Investment (CISI) and The Chartered Institute of Management Accountants (CIMA).

Alex Game, Junior Fund Manager

Alex was appointed as a junior fund manager in March 2014 and provides research and fund management support to the lead manager of the Company. Alex joined Unicorn AM after working for two years as a Client Advisor at Stanhope Capital. Alex graduated with a BSc (Hons) in Physics from Durham University in 2010.

Max Ormiston, Junior Fund Manager

Max was appointed as a junior fund manager in March 2014 and provides research and fund management support to the lead manager of the Company. Max joined Unicorn AM after spending four years with Brewin Dolphin, where he worked as an Investment Manager. Max graduated with a BSc (Hons) in Business Management from Newcastle University in 2009.

Administrator and Company Secretary

ISCA Administration Services provides administration services and is the appointed Company Secretary, having taken over from Mobeus Equity Partners LLP on 1 September 2014.

Part IV – Investment Objective and Policy

Investment Objective

The Company's objective is to provide Shareholders with an attractive return from a diversified portfolio of investments, predominantly in the shares of AIM quoted companies, by maintaining a steady flow of dividend distributions to Shareholders from the income and capital gains generated by the portfolio.

It is also the objective that the Company should continue to qualify as a venture capital trust, so that Shareholders benefit from the taxation advantages that this brings. To achieve this at least (70% of the Company's total assets by VCT Value are to be invested in qualifying investments of which 30% by VCT Value 70% for funds raised after 6 April 2011) must be in ordinary shares which carry no preferential rights (save as may be permitted under VCT rules).

Investment Policy

In order to achieve the Company's investment objective, the Board has agreed an investment policy which requires the Manager to identify and invest in a diversified portfolio, predominantly of VCT qualifying companies quoted on AIM that display a majority of the following characteristics:

- experienced and well-motivated management;
- products and services supplying growing markets;
- sound operational and financial controls; and
- good cash generation to finance ongoing development allied with a progressive dividend policy.

Asset allocation and risk diversification policies, including maximum exposures, are to an extent governed by prevailing VCT legislation. Specific conditions for HMRC approval of VCTs include the requirement that no single holding may represent more than 15% (by VCT Value) of the Company's total investments (by VCT Value), at the date of investment.

VCT regulation

The investment policy is designed to ensure that the Company continues to qualify and is approved as a VCT by HMRC.

Amongst other conditions, the Company may not invest more than 15% by VCT Value at the time of its investment in a single company and throughout the period must have at least 70% by VCT Value of its investments in shares or securities in VCT qualifying holdings, of which a minimum overall of 30% by VCT Value (70% for funds raised after 6 April 2011) must be in ordinary shares which carry no preferential rights (save as may be permitted under VCT rules). In addition, the Company must have at least 10% by VCT Value of its investment in each VCT qualifying company in ordinary shares which carry no preferential rights (save as may be permitted under VCT rules).

The £1 million limit on the amount of investment a VCT may make into a particular company within a tax year has been abolished, except where that company trades in partnership or has a joint venture. A new rule requires that an investee company should not receive more than £5 million from State Aid sources, including VCTs, within any twelve month rolling period.

Asset mix

Where capital is available for investment while awaiting suitable VCT qualifying opportunities, or in excess of the 70% VCT qualification threshold, it may be invested in collective investment funds or in non-qualifying shares and securities in smaller listed UK companies. Cash and liquid resources are held in low risk bank accounts and money-market funds.

Borrowing

To date the Company has operated without recourse to borrowing. The Board may however consider the possibility of introducing modest levels of gearing up to a maximum of 10% of the adjusted capital and reserves, should circumstances suggest that such action is in the interests of Shareholders.

Part V – Management and Administration

Fees and Expenses

Unicorn AM receives an annual management fee of an amount equal to 2% of the net asset value of the Company (together with any applicable VAT) calculated and charged quarterly, save for investments made by the Company in other Unicorn AM managed funds, in which case no additional management fee will be payable in respect of such investments.

A maximum of 75% of the Company's management expenses is currently charged against capital, with the balance to be met from income.

Unicorn AM is also entitled to receive performance incentive fees of 20% of dividends made to Shareholders over and above the Target Return in any accounting period. The Target Return for these purposes is 6p per Share (or, if the relevant accounting period is less than or greater than 12 months, an amount equal to a pro rata reduction or increase to that amount for that accounting period). Any cumulative shortfalls below the 6p per annum dividend hurdle after the financial period ended on 30 September 2010 has to be made up in later years before any incentive fee is payable in the relevant year. Such payment will be subject to maintaining NAV at 125p per Share. Although the arrangement allows for the performance incentive calculation to be adjusted in such manner as the auditors confirm in writing where the Company issues further Shares, it has been agreed that no adjustment will be made as a result of the Offer which would result in a reduction to the requirement to maintain NAV at no less than 125p per Share.

As at 31 August 2014, the unaudited NAV per Share was 147.60p and the dividend shortfall to be made up was 4p (to 30 September 2014). Unicorn AM has not received a performance incentive fee since the above arrangements were put in place.

ISCA Administration Services provides administration services and is the appointed Company Secretary, and is entitled to an annual fee of £120,000 plus VAT.

Annual Expenses Cap

The annual expenses of the Company are approximately 2.3% of the net assets of the Company but are, in any event, capped at an amount equal to 3.6% of net assets. Any excess over this amount will be borne by Unicorn AM. Annual expenses include expenses incurred by the Company in the ordinary course of its business (including management and administration fees, Directors' remuneration, fees payable to the registrar, stockbroker, auditor, solicitors and the VCT status adviser). Annual expenses include costs incurred in the ordinary course of business, but do not include performance incentive fees (in the event of any becoming payable) and trail commission.

VCT Status Monitoring

PricewaterhouseCoopers LLP is the Company's VCT status adviser. It carries out reviews of the Company's investment portfolio to ensure compliance and, when requested to do so by the Board or Unicorn AM, reviews prospective investments to ensure that they are qualifying investments.

Custody Arrangements

Bank of New York Mellon (being incorporated and registered in the United States, but whose UK establishment has its registered office at One Canada Square, London E14 5AL with registered number FC005522, its telephone number being 020 7570 1784 and being authorised and regulated by the FCA) acts as custodian of the Company's quoted assets and, in that capacity, is responsible for ensuring safe custody and dealing and settlement arrangements. The Company is responsible for the safekeeping of certificates in relation to the investments in unquoted companies.

Dividend Policy

The Board has a policy of maintaining a steady flow of dividend distributions to Shareholders and intends to continue with this policy. The Company has paid dividends (tax free to Qualifying Shareholders) of 5p, 5p and 6p per Share in each of the past three financial years.

The ability to pay dividends and the amount of such dividends depends on the performance of the Company's investments, available reserves and cash, as well as the need to retain funds for further investment and ongoing expenses.

Share Buy-Backs

The Board believes that it is in the best interests of the Company and its Shareholders to make market purchases of its Shares, given the limited secondary market for VCT shares generally, and to seek both to enhance NAV and to help reduce to a degree any prevailing discount to NAV in the current market price that might otherwise prevail. The Board agrees the discount to NAV at which Shares will be bought back and keeps this under regular review.

The Board intends to continue with the above buy-back policy. Any such future repurchases will be made in accordance with guidelines established by the Board from time to time and will be subject to the Company having the appropriate authorities from Shareholders and sufficient funds available for this purpose.

Share buy-backs will also be subject to the Listing Rules and any applicable law at the relevant time. Shares bought back in the market will ordinarily be cancelled.

Duration of the Company

The Articles provide for a resolution to be proposed for the continuation of the Company as a VCT at the annual general meeting falling after the fifth anniversary of the last issue of Shares and thereafter at five-yearly intervals.

Valuation Policy

All unquoted investment valuations are subject to approval by the Directors on the recommendation of Unicorn AM in accordance with IPEVC Valuation Guidelines under which investments are valued at fair value, as defined in those guidelines. Any AIM or other quoted investment will be valued at the closing bid price of its shares, in accordance with generally accepted accounting practice. The net asset value of the Shares is calculated monthly and published on an appropriate regulatory information service, as well as being published on the Company's website (www.unicornaimvct.co.uk). If for any reason valuations are suspended, relevant shareholders will be notified in a similar manner.

Investor Communications

The Board believes that it is very important to communicate with its Shareholders and supports open communication with Shareholders. In addition to the announcement and publication of the annual report and accounts and the half-yearly results for the Company as detailed below, the Company also publishes interim management statements as required by the Disclosure and Transparency Rules and quarterly investment manager updates.

Reporting Dates

Year end	30 September
Announcement and publication of annual report and accounts to Shareholders	December
Announcement and publication of half-yearly results	May

Part VI – Largest Investments

Set out below are the largest investments held by the Company (all of which are based in the UK) with a value of greater than 5% of its gross assets and an aggregate value greater than 50% of the Company's gross assets, as at the date of this document.

The current cost is the original investment cost made by both the Company and Unicorn AIM VCT II plc, less capital repayments to 31 August 2014.

AIM Investments

Abcam plc Cost (£'000) 597 Valuation (£'000) 7,514 Valuation basis Bid price % of portfolio 7.9% Market sector: Pharmaceuticals and biotechnology Location: Cambridge, England	Pressure Technologies plc Cost (£'000) 702 Valuation (£'000) 3,037 Valuation basis Bid price % of portfolio 3.2% Market sector: Industrial engineering Location: Sheffield, England
Tracsis plc Cost (£'000) 794 Valuation (£'000) 6,696 Valuation basis Bid price % of portfolio 7.0% Market sector: Software and computer services Location: Derby, England	Cohort plc Cost (£'000) 1,691 Valuation (£'000) 2,556 Valuation basis Bid price % of portfolio 2.7% Market sector: Aerospace and defence Location: Reading, England
Anpario plc Cost (£'000) 1,450 Valuation (£'000) 5,357 Valuation basis Bid price % of portfolio 5.6% Market sector: Pharmaceuticals and biotechnology Location: Nottinghamshire, England	Avingtrans plc Cost (£'000) 997 Valuation (£'000) 2,159 Valuation basis Bid price % of portfolio 2.3% Market sector: Industrial engineering Location: Nottingham, England
Mattioli Woods plc Cost (£'000) 1,333 Valuation (£'000) 4,384 Valuation basis Bid price % of portfolio 4.6% Market sector: Financial services Location: Leicester, England	Idox plc Cost (£'000) 375 Valuation (£'000) 2,163 Valuation basis Bid price % of portfolio 2.3% Market sector: Computer services Location: Berkshire, England
Crawshaw Group plc Cost (£'000) 2,000 Valuation (£'000) 4,220 Valuation basis Bid price % of portfolio 4.4% Market sector: Food and drug retailers Location: South Yorkshire, England	WYG plc Cost (£'000) 2,153 Valuation (£'000) 2,120 Valuation basis Bid price % of portfolio 2.2% Market sector: Support services Location: Leeds, England
Mears Group plc Cost (£'000) 2,372 Valuation (£'000) 3,220 Valuation basis Bid price % of portfolio 3.4% Market sector: Support services Location: Birmingham, England	

Cash and Liquidity Funds

Unicorn UK Smaller Companies Fund		Unicorn Free Spirit	
Cost (£'000)	1,243	Cost (£'000)	911
Valuation (£'000)	3,014	Valuation (£'000)	2,022
Valuation basis	Bid price	Valuation basis	Bid price
% of portfolio	3.2%	% of portfolio	2.1%
Unicorn Mastertrust Fund		Cash	
Cost (£'000)	1,258	Cost (£'000)	N/A
Valuation (£'000)	2,558	Valuation (£'000)	1,718
Valuation basis	Bid price	Valuation basis	N/A
% of portfolio	2.7%	% of portfolio	1.8%

Note:

Investment and portfolio information in this Part VI has been extracted from the Company's unaudited management accounts as at 31 August 2014.

As at the date of this document, there has been no material change in the valuations of investments set out in this Part VI since 31 August 2014.

Part VII – Taxation

TAX POSITION OF INVESTORS

1. Tax Reliefs

The following is only a summary of the law concerning the tax position of individual investors in VCTs and does not constitute legal or tax advice. Potential investors are recommended to consult a professional adviser as to the taxation consequences of an investment in a VCT.

The tax reliefs set out below are those currently available to individuals aged 18 or over who subscribe for New Shares under the Offer and will be dependent on personal circumstance. Whilst there is no specific limit on the amount of an individual's acquisition of shares in a VCT, tax reliefs will only be given to the extent that the total of an individual's subscriptions or other acquisitions of shares in VCTs in any tax year do not exceed £200,000 (including shares purchased in the secondary market). 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

(i) 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% 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.

(ii) Dividend relief

A Qualifying Investor, who acquires shares in VCTs in any tax year costing up to a maximum of £200,000, will not be liable to income tax on dividends paid on those shares and there is no withholding tax thereon.

(iii) 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(ii) above) but not relief from income tax on the investment (as described in paragraph 1.1(i) above).

(iv) Withdrawal of relief

Relief from income tax on a subscription for VCT 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 own VCT shares in respect of which it has been given or if the VCT loses its approval within this period, as detailed below.

1.2 Capital Gains Tax

(i) Relief from capital gains tax on the disposal of VCT shares

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.

(ii) 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(i) above).

1.3 Acquisition and Disposals of Shares in the Same VCT

The disposal of existing shares in a VCT within six months either side of the acquisition of new shares in the same VCT (or otherwise where the acquisition and purchase is linked) will result in the amount of the investment in the new shares in the VCT to which VCT tax reliefs are available being reduced by an amount equal to the proceeds received on the disposal.

1.4 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 the 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:

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

The combined effect of the initial income tax relief, tax free dividends and tax-free capital growth can substantially improve the net returns of an investment in a VCT.

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 Investors may use to claim income tax relief, either by obtaining from HMRC an adjustment to their tax coding under the PAYE system or by waiting until the end of the tax year and using their tax return to claim relief.

4. Investors not Resident in the UK

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

TAX POSITION OF THE COMPANY

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 admitted to trading on a European Union and European Economic Area regulated market;
- (c) derive its income wholly or mainly from shares or securities;
- (d) have at least 70% by VCT Value of its investments in shares in Qualifying Investments, 30% of which must be eligible shares (70% for funds raised after 5 April 2011);
- (e) have at least 10% by VCT Value of each Qualifying Investment in eligible shares;
- (f) not have more than 15% by VCT Value of its investments, at the time of investment, 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% of its income derived from shares and securities in any accounting period;
- (h) not invest in a single company or group in excess of the annual limit; and
- (i) not, in respect of any share capital created on or after 6 April 2014, and any reserves created from the cancellation thereof, make any payment out of such share capital and reserves to shareholders within three years from the end of the accounting period in which that share capital was created.

The term 'eligible shares' means ordinary shares which do not carry any rights to be redeemed or preferential rights to assets on a winding up or dividends (other than certain non-cumulative fixed preferential rights).

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 Chapters 3 and 4 of Part 6 of ITA 2007.

The conditions are detailed, but include that the company must be a Qualifying Company, have gross assets not exceeding £15 million immediately before and £16 million immediately after the investment, apply the money raised for the purposes of a qualifying trade within certain time periods, not be controlled by another company, have fewer than 250 full-time (equivalent) employees and at the time of investment not obtain more than £5 million of investment from state aided risk capital measures in any rolling 12 month period. In certain circumstances, an investment in a company by a VCT can be split into a part which is a qualifying holding and a part which is a non-qualifying holding.

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.

VCT funds raised after 5 April 2012 cannot be used by a qualifying company to fund the purchase of existing shares in another company.

3. Qualifying Companies

A Qualifying Company must be unquoted (for VCT purposes companies whose shares are traded on the ISDX and AIM markets are considered to be unquoted) and must carry on a qualifying trade. For this purpose certain activities are excluded (such as dealing in land or shares or providing financial services). The qualifying trade must either be carried on by, or be intended to be carried on by, the Qualifying Company or by a qualifying subsidiary at the time of the issue of shares or securities to the VCT (and at all times thereafter).

The company must have a permanent establishment in the UK, but the company need not be UK resident. A company intending to carry on a qualifying trade must begin to trade within two years of the issue of shares or securities to the VCT and continue it thereafter.

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

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.

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.

However, to aid the launch of a VCT, HMRC may give provisional approval if satisfied that conditions (b), (c), (f) and (g) in paragraph 1 above will be met throughout the current or subsequent accounting period and condition (d) in paragraph 1 above will be met in relation to an accounting period commencing no later than three years after the date of provisional approval.

The Company has obtained approval as a VCT from HMRC.

5. Withdrawal of Approval

Approval of a VCT (full or provisional) 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.

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.

Withdrawal of provisional approval has effect as if provisional approval had never been given (including the requirement to pay corporation tax on prior gains).

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

Part VIII – Additional Information

1. The Company

- 1.1 The Company was incorporated and registered in England and Wales under CA 1985 as a public company with limited liability on 7 August 2001, with registered number 04266437. The principal legislation under which the Company operates (and under which its shares are created) is CA 2006 and regulations made thereunder. The name of the Company is Unicorn AIM VCT plc.
- 1.2 On 27 September 2001, the Registrar of Companies issued the Company with a trading certificate under section 117 of CA 1985 (now section 761 of CA 2006) entitling it to commence business.
- 1.3 The Company's registered office is at 2 Barnfield Crescent, Exeter EX1 1QT (telephone 01392 487 056). The Company is domiciled in England and does not have, nor has it had since incorporation, any subsidiaries or employees.
- 1.4 The Company revoked its status as an investment company under section 266 of CA 1985 (now section 833 of CA 2006) on 17 August 2004.
- 1.5 The International Securities Identification Number of the Shares is GB00B1RTFN43.
- 1.6 The Company is a VCT under section 274 ITA 2007 and it is intended that the business of the Company be carried on so as to continue to comply with that section.
- 1.7 The Company is not authorised by the FCA or an equivalent European Economic Area regulator. However the Company is an alternative investment fund for the purposes of the EU Alternative Investment Fund Managers Directive (Directive 2011/61/EU), has registered itself as a small alternative investment fund manager with the FCA and is subject to the Alternative Investment Fund Managers Regulations 2013 (SI 2013/1773). The Company is subject to the requirements of VCTs and, as an entity listed on the main market of the London Stock Exchange, the rules and regulations issued by the UKLA from time to time. The Company is not otherwise regulated.

2. Share Capital

- 2.1 As at 16 September 2014 (being the latest practicable date prior to the publication of this document), the Company's share capital comprised 64,168,112 Shares (all of which were fully paid and none of which were held in treasury).
- 2.2 The issued share capital history of the Company since 30 September 2010 is as follows:
 - 2.2.1 During the year ended 30 September 2011, the Company issued 3,005,330 Shares and bought back 4,307,888 Shares. As at 30 September 2011, the issued share capital of the Company comprised 58,492,674 Shares, none of which were held in treasury.
 - 2.2.2 During the year ended 30 September 2012, the Company issued 4,090,027 Shares and bought back 4,936,195 Shares. As 30 September 2012, the issued share capital of the Company comprised 57,646,506 Shares, none of which were held in treasury.
 - 2.2.3 During the year ended 30 September 2013, the Company issued 8,404,444 Shares and bought back 9,283,259 Shares. As at 30 September 2013, the issued share capital of the Company comprised 56,767,691 Shares, none of which were held in treasury.
 - 2.2.4 During the six month period ended 31 March 2014, the Company issued 4,724,054 Shares and bought back 1,059,308 Shares. As at 31 March 2014, the issued share capital of the Company comprised 60,432,437 Shares, none of which were held in treasury.
 - 2.2.5 Since 31 March 2014 to 16 September 2014 (being the latest practicable date prior to the publication of this document), the Company has issued 4,701,096 Shares and bought back 965,421 Shares.
- 2.3 The following authorities were granted pursuant to resolutions of the Company passed at the annual general meeting of the Company held on 10 January 2014:
 - 2.3.1 in substitution for any existing authorities, the Directors were generally and unconditionally authorised pursuant to section 551 of the CA 2006 to exercise all the powers of the Company to allot Shares and to grant rights to subscribe for, or convert any security into, Shares up to an aggregate nominal amount of £284,265, provided that this authority shall expire (unless renewed, varied or revoked by the Company in a general meeting) on the date falling 15 months after the passing of this resolution, or if earlier, at the conclusion of the annual general meeting of the Company to be held in 2015 but so that the authority shall allow the Company to make before the expiry of this authority, offers or agreements which would or might require Shares to be allotted or rights to be granted after such expiry and the Directors shall be entitled to allot Shares or grant rights pursuant to any such offers or agreements as if the authority conferred by this resolution had not expired;

2.3.2 in substitution for any existing authorities, the Directors were empowered in accordance with sections 570 and 573 of the CA 2006 to allot or make offers or agreements to allot equity securities (as defined in section 560 of the CA 2006) for cash, pursuant to the authority conferred upon them by the resolution detailed at paragraph 2.3.1 above, or by way of a sale of treasury shares, as if section 561(1) of the CA 2006 did not apply to any such sale or allotment, provided that the power provided by this resolution shall be limited to:

- (i) the allotment and issue of equity securities up to an aggregate nominal value representing £227,412 in connection with offer(s) for subscription; and
- (ii) the allotment, otherwise than pursuant to sub-paragraph (i) above, of equity securities with an aggregate value of up to, but not exceeding, 10 per cent. of the issued share capital of the Company from time to time

in each case where the proceeds may be used, in whole or in part, to purchase the Company's Shares in the market provided that this authority shall expire (unless renewed, varied or revoked by the Company in a general meeting) on the date falling 15 months after the passing of this resolution, or if earlier, at conclusion of the annual general meeting to be held in 2015, except that the Company may, before expiry of this authority, make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the authority conferred had not expired; and

2.3.3 in substitution for any existing authorities, the Company was authorised pursuant to section 701 of the CA 2006 to make one or more market purchases (within the meaning of section 693(4) of the CA 2006) of its own Shares on such terms and in such manner as the directors of the Company may determine (either for cancellation or for the retention as treasury shares for future re-issue or transfer) provided that:

- (i) the aggregate number of Shares which may be purchased shall not exceed 8,522,280 or, if lower, such number of Shares (rounded down to the nearest whole Share) as shall equal 14.99% of the Shares in issue at the date of the resolution;
- (ii) the minimum price which may be paid per Share is 1p (the nominal value thereof);
- (iii) the maximum price which may be paid per Share is an amount equal to the higher of (a) an amount equal to five per cent. above the average of the middle market quotation per Share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Share is to be purchased; and (b) the price stipulated by Article 5(1) of the Buy-Back and Stabilisation Regulation (EC 2273/2003);
- (iv) the authority conferred by the resolution shall (unless renewed, varied or revoked by the Company in a general meeting) expire on the date falling 15 months after the passing of the resolution, or if earlier, at the conclusion of the annual general meeting of the Company to be held in 2015; and
- (v) the Company may make a contract or contracts to purchase its own Shares under the authority conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of its own Shares in pursuance of any such contract.

- 2.4 The Company currently has authority to issue up to 22,720,312 Shares which the Board believes should be sufficient for the purposes of the Offer. The authorities referred to at paragraph 2.3 will expire at the end of the annual general meeting in 2015 when replacement authorities will be sought.
- 2.5 There are no other shares or loan capital in the Company under option or agreed conditionally or unconditionally to be put under option nor does the Company hold shares in treasury.
- 2.6 The Company will be subject to the continuing obligations of the Listing Rules with regard to the issue of securities for cash and the provisions of section 561 of the CA 2006 (which confers on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash) will apply to the balance of the share capital of the Company which is not (or will not be) subject to the disapplications referred to in paragraph 2.3 above.
- 2.7 Assuming 22.5 million New Shares are allotted by the Company (this being the maximum number of New Shares that may be allotted pursuant to the Offer), the issued share capital of the Company will be 86,668,112 Shares (none of which are expected to be held in treasury).

3. Memorandum and Articles of Association

In this paragraph 3, reference to "Directors" means the directors of the Company from time to time, reference to the "Board" means the board of directors of the Company from time to time and reference to "Group" means the Company and its subsidiaries from time to time, and "Group Company" means any company in the Group.

3.1 Memorandum

The Memorandum, which, by virtue of section 28 of the CA 2006, is now treated as being part of the Articles, provides that the Company's principal object and purpose is to carry on the business of a VCT.

3.2 Articles

The following is a summary of the current Articles.

1. Liability of members

The liability of the members of the Company is limited to the amount, if any, unpaid on the shares held by them.

2. General Meetings

2.1 Calling of general meetings

Subject to the provisions of the Companies Acts general meetings, including annual general meetings, shall be held at such time and place as the Board may determine.

2.2 Notice of general meetings

General meetings shall be convened by such minimum period of notice as may be required by the Companies Acts.

2.3 Contents of notice

Every notice convening a general meeting shall specify:

- (a) whether the meeting is convened as an annual general meeting;
- (b) the place, the day and the time of the meeting;
- (c) in the case of special business the general nature of that business;
- (d) if the meeting is convened to consider a special resolution the text of the resolution and the intention to propose the resolution as such; and
- (e) with reasonable prominence that a member entitled to attend and vote is entitled to appoint one or (provided each proxy is appointed to exercise the rights attached to a different share or shares held by the member) more proxies to attend and vote instead of him and that a proxy need not also be a member.

The notice shall be given to the members (other than any who under the provisions of the Articles or of any restrictions imposed on any shares are not entitled to receive notice from the Company), to the Directors and to the Auditors and if more than one for the time being, to each of them.

2.4 Omission to send notice

The accidental omission to send a notice of meeting or, in cases where it is intended that it be sent out with the notice, any document relating to a meeting including an instrument of proxy, to, or the non-receipt of either by, any person entitled to receive the same shall not invalidate the proceedings at that meeting.

3. Proceedings at general meetings

3.1 Quorum

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business but the absence of a quorum shall not preclude the choice or appointment of a chairman which shall not be treated as part of the business of the Meeting. Two persons entitled to attend and to vote on the business to be transacted, each being a member present in person or a proxy for a member or a duly authorised representative of a corporation which is a member, shall be a quorum.

3.2 If quorum not present

If within 15 minutes (or such longer interval as the Chairman in his absolute discretion thinks fit) from the time appointed for the holding of a general meeting a quorum is not present, or if during a meeting such a quorum ceases to be present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case, the meeting shall stand adjourned to such day and at such time and place as the Chairman (or, in default, the Board) may determine, being not less than ten clear days thereafter. If at such adjourned meeting a quorum is not present within 15 minutes from the time appointed for holding the meeting one member present in person or by proxy or (being a corporation) by a duly authorised representative shall be a quorum. If no such quorum is present or if during the adjourned meeting a quorum ceases to be present, the adjourned meeting shall be dissolved.

4. Voting

4.1 Method of voting

At any general meeting a resolution put to a vote of the meeting shall be decided on a show of hands unless (before or immediately after the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded. Subject to the provisions of the Companies Acts, a poll may be demanded by:

- (a) the Chairman of the meeting; or
- (b) by at least five members present in person or by proxy having the right to vote at the meeting; or
- (c) a member or members present in person or by proxy representing not less than one tenth of the voting rights of all the members having the right to vote at the meeting; or
- (d) a member or members present in person or by proxy holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one tenth of the total sum paid up on all the shares conferring that right, and a demand for a poll by a person as proxy for a member shall be as valid as if the demand were made by the member himself.

The Chairman may also demand a poll before a resolution is put to the vote on a show of hands.

4.2 Chairman's declaration conclusive on show of hands

Unless a poll is duly demanded and the demand is not withdrawn a declaration by the Chairman of the meeting that a resolution has on a show of hands been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive, and an entry to that effect in the book containing the minutes of proceedings of the Company shall be conclusive evidence thereof, without proof of the number or proportion of the votes recorded in favour of or against such resolution.

5. Votes of members

Subject to any rights or restrictions attached to any shares:

- (a) on a show of hands every member who is present in person has one vote; every proxy present who has been duly appointed by one or more members entitled to vote on the resolution has one vote and every corporate representative present who has been duly authorised by a corporation has the same voting rights as the corporation would be entitled to;
- (b) on a poll every member present in person or by duly appointed proxy or corporate representative has one vote for every share of which he is the holder or in respect of which his appointment as proxy or corporate representative has been made.

6. Sanction to variation

Subject to the provisions of the Companies Acts, if at any time the share capital of the Company is divided into shares of different classes any of the rights for the time being attached to any share or class of shares in the Company (and notwithstanding that the Company may be or be about to be wound up) may (unless otherwise provided by the terms of issue of the shares of that class) 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 consent in writing of the holders of not less than three quarters in nominal value of the issued shares of the class or with the sanction of a special resolution passed at a separate general meeting of the holders of shares of the class duly convened and held as provided in the Articles (but not otherwise).

7. Class meetings

All the provisions in the Articles as to general meetings shall mutatis mutandis apply (with any necessary modifications) to every meeting of the holders of any class of shares save that:

- (a) the quorum at every such meeting shall be not less than two persons present in person or by proxy holding at least one-third of the nominal amount paid up on the issued shares of the class;
- (b) every holder of shares of the class present in person or by proxy may demand a poll;
- (c) each such holder shall on a poll be entitled to one vote for every share of the class held by him; and
- (d) if at any adjourned meeting of such holders, such quorum as aforesaid is not present, not less than one person holding shares of the class (whatever the number) who is present in person or by proxy shall be a quorum.

8. Transfer of shares

8.1 Form of transfer

Except as may be provided in the Articles, each member may transfer all or any of his shares by instrument of transfer in writing in any usual form or in any form approved by the Board. Such instrument shall be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register in respect of it.

8.2 Right to refuse registration

The Board may in its absolute discretion and without giving any reason refuse to register any share transfer unless:

- (a) it is in respect of a share which is fully paid up;
- (b) it is in respect of a share on which the Company has no lien;
- (c) it is in respect of only one class of shares;
- (d) it is in favour of a single transferee or not more than four joint transferees;
- (e) it is duly stamped (if so required); and
- (f) it is delivered for registration to the Office, or such other place as the Board may from time to time determine, accompanied (except in the case of a transfer by a recognised person where a certificate has not been issued) by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to prove the title of the transferor and the due execution by him of the transfer or if the transfer is executed by some other person on his behalf, the authority of that person to do so, provided that such discretion may not be exercised in such a way as to prevent dealings in such shares from taking place on an open and proper basis.

9. Dividends and other payments

9.1 Declaration of dividends

Subject to the provisions of the Companies Acts and of the Articles, the Company may by ordinary resolution declare that out of profits available for distribution, dividends be paid to members according to their respective rights and interests in the profits of the Company available for distribution. However, no dividend shall exceed the amount recommended by the Board.

9.2 Entitlement to dividends

Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up (otherwise than in advance of calls) on the shares on which the dividend is paid. Subject as aforesaid, all dividends shall be apportioned and paid pro rata according to the amounts paid up or credited as paid up on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividend as from a particular date or be entitled to dividends declared after a particular date it shall rank for or be entitled to dividends accordingly.

All dividends and interest shall be paid (subject to any lien of the Company) to those members whose names shall be on the register at the date at which such dividend shall be declared or at the date at which such interest shall be payable respectively, or at such other date as the Company by ordinary resolution or the Board may determine, notwithstanding any subsequent transfer or transmission of shares.

The Board may pay the dividends or interest payable on shares in respect of which any person is by transmission entitled to be registered as holder to such person upon production of such certificate and evidence as would be required if such person desired to be registered as a member in respect of such shares.

10. Borrowing powers

10.1 Save as provided below, the Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present or future) and uncalled capital of the Company and, subject to the provisions of the Companies Acts, to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

10.2 The Board shall restrict the borrowings of the Company and exercise all voting and other rights and powers of control exercisable by the Company in respect of its subsidiaries so as to procure (as regards its subsidiaries in so far as it can procure by such exercise) that the aggregate principal amount at any one time outstanding in respect of moneys borrowed by the Group (exclusive of moneys borrowed by one Group Company from another and after deducting cash deposited) shall not at any time without the previous sanction of an ordinary resolution of the Company exceed an amount equal to 10% of the Adjusted Capital and Reserves provided that prior to the publication of an audited balance sheet of the Company such aggregate principal amount

shall be limited to 10% of the amount paid up or credited as being paid up (whether in respect of nominal value or premium) of the allotted and issued share capital of the Company.

10.3 For these purposes:

- (a) the Adjusted Capital and Reserves means a sum equal to the aggregate from time to time of:
 - (i) the amount paid up (or credited as paid up) on the allotted or issued share capital of the Company; and
 - (ii) the amount standing to the credit of the capital and revenue reserves of the Group, whether or not distributable (including without limitation any share premium account, capital redemption reserve fund, and credit or debit balance on any other distributable reserve) after adding thereto or deducting therefrom any balance standing to the credit or debit of the profit and loss account,
 - all as shown in the latest audited balance sheet of the Group (prepared on the historical cost basis, modified to the extent as may be stated in the accounting policies used for the preparation of such balance sheet) but after:
 - (iii) making such adjustments as may be appropriate to reflect:
 - (A) any variation in the amount of the paid up share capital, the share premium account or the capital redemption reserve or any such reserves since the date of the relevant balance sheet and so that for the purpose of making such adjustments:
 - (aa) if any issue or proposed allotment of shares by the Company for cash has been underwritten, then such shares shall be deemed to have been allotted and the amount (including the premium) of the subscription monies payable in respect of them (not being monies payable later than 6 months after the date of allotment) shall be deemed to have been paid up to the extent so underwritten on the date when the issue of such shares was underwritten (or, if such underwriting was conditional, the date on which it became unconditional);
 - (bb) subject as aforesaid, share capital (including any premium) shall be deemed to have been paid up as soon as it has been unconditionally agreed to be subscribed or taken up (within 6 months of such agreement) by any person;
 - (B) any variation since the date of the relevant balance sheet of the companies comprising the Group;
 - (C) where the calculation is required for the purposes of or in connection with a transaction under or in connection with which any company is to become or cease to be a subsidiary undertaking, such adjustments as would be appropriate if such transactions had been carried into effect;
 - (iv) excluding (so far as not already excluded):
 - (A) amounts attributable to the proportion of the issued equity share capital of any subsidiary which is not attributable directly or indirectly to the Company;
 - (B) any sum set aside for taxation (including deferred taxation);
 - (v) deducting:
 - (A) sums equivalent to the book values of goodwill and other intangible assets shown in the relevant balance sheet; and
 - (B) the amount of any distribution declared, recommended or made by any Group Company to a person other than a Group Company out of profits accrued up to and including the date of (and not provided for in) the relevant balance sheet.
- (b) cash deposited means an amount equal to the aggregate of the amounts beneficially owned by Group Companies which are deposited for the time being with any bank or other person (not being a Group Company) and which are repayable to any Group Company on demand or within three months of such demand subject, in the case of amounts deposited by a partly-owned subsidiary, to the exclusion of a proportion thereof equal to the proportion of its issued equity share capital which is not attributable, directly or indirectly, to the Company;

- (c) moneys borrowed include not only moneys borrowed but also the following except in so far as otherwise taken into account:
 - (i) the nominal amount of any issued and paid up share capital and the principal amount of any debenture or borrowings of any person together with any fixed or minimum premium payable on redemption, the beneficial interest in which or right to repayment to which is not for the time being owned by a Group Company but the payment or repayment of which is the subject of a guarantee or indemnity by a Group Company or is secured on the assets of a Group Company;
 - (ii) the principal amount raised by any Group Company by acceptances or under any acceptance credit opened on its behalf by any bank or acceptance house (not being a Group Company) other than acceptances and acceptance credits relating to the purchase of goods or services in the ordinary course of trading and outstanding for 6 months or less;
 - (iii) the principal amount of any debenture (whether secured or unsecured) of any Group Company beneficially owned otherwise than by a Group Company;
 - (iv) the principal amount of any preference share capital of any subsidiary beneficially owned otherwise than by a Group Company;
 - (v) any fixed or minimum premium payable on final repayment of any borrowing or deemed borrowing (but any premium payable on final repayment of an amount not to be taken into account as moneys borrowed shall not be taken into account); and
 - (vi) any fixed amount in respect of a hire-purchase agreement or of a finance lease payable in either case by a Group Company which would be shown at the material time as an obligation in a balance sheet prepared in accordance with the accounting principles used in the preparation of the relevant balance sheet (and for the purpose of this sub-paragraph (vi) finance lease means a contract between a lessor and a Group Company as lessee or sublessee where substantially all the risks and rewards of the ownership of the asset leased or subleased are to be borne by that company and purchase hire-agreement means a contract of hire-purchase between a hire-purchase lender and a Group Company as hirer);

but do not include:

- (vii) moneys borrowed by any Group Company for the purpose of repaying within 6 months of being first borrowed the whole or any part of any moneys borrowed and then outstanding (including any premium payable on final repayment) of that or any other Group Company pending their application for such purpose within that period;
- (viii) moneys borrowed by any Group Company for the purpose of financing any contract in respect of which any payment of the price receivable under the contract by that or any other Group Company is guaranteed or insured by the Export Credits Guarantee Department or by any other institution fulfilling a similar function up to an amount equal to but not exceeding that part of the price receivable under the contract which is so guaranteed or insured;
- (ix) an amount equal to the moneys borrowed of any company outstanding immediately after it becomes a Group Company provided that it became a Group Company during the 6 months preceding the calculation;
- (x) an amount equal to the amount secured on an asset immediately after it was acquired by a Group Company provided that it was acquired during the six months preceding the calculation;
- (xi) notwithstanding paragraphs (i) to (vi) above, the proportion of moneys borrowed by a Group Company (and not owing to another Group Company) which is equal to the proportion of its issued equity share capital not attributable directly or indirectly to the Company;
- (xii) amounts borrowed or raised which are for the time being deposited with HMRC or any other body designated by any relevant legislation or order in connection with import deposits or any similar government scheme to the extent that a member of the Group retains an interest in them;

and in paragraphs (vii) to (xii) above references to amounts of moneys borrowed include references to amounts which, but for the exclusion under those paragraphs, would fall to be included;

- (d) there shall be credited against the amount of any moneys borrowed any cash deposited;
- (e) for the avoidance of doubt it is hereby expressly provided that for the purposes of the limit set out above, the following sums shall be deemed not to be moneys borrowed of the Group:

- (i) any and all sums retained by any member of the Group (or their agent or nominee) under the terms of any contract or other arrangement relating to the construction of capital projects where the retention is made for the purposes of securing satisfactory completion and entry into service of the project for so long as and to the extent that any member of the Group is entitled to retain such sums under the relevant contract or arrangement;
- (ii) sums advanced or paid to any member of the Group (or their agent or nominee) by customers of any member of the Group as prepayments or progress payments or payments on account or by way of deposit or security in respect of any products or services or under any sales contracts or settlements systems; and
- (iii) sums which otherwise would fall to be treated as borrowed moneys of any member of the Group which were treated with the concurrence of the auditors and in accordance with any current Statement of Standard Accounting Practice or other accountancy principle or practice generally accepted for the time being in the United Kingdom in the latest audited balance sheet of the relevant member of the Group on which such consolidation was based as otherwise than borrowed moneys of that member of the Group;
- (f) relevant balance sheet means the latest published audited consolidated balance sheet of the Group, but where the Company has no subsidiaries it means the balance sheet and profit and loss account of the Company and, where the Company has subsidiaries but there are no consolidated accounts of the Group, it means the respective balance sheets and profit and loss accounts of the companies comprising the Group; and
- (g) subsidiary has the meaning given to it in the Companies Acts except that it shall also include a subsidiary undertaking (within the meaning of the Companies Acts) (except a subsidiary undertaking which is excluded from consolidation by virtue of the provisions of the Companies Acts), and Group and Group Company and references to any company which becomes a Group Company or to companies comprising the Group shall in such case be construed so as to include subsidiary undertakings except a subsidiary undertaking which is excluded from consolidation as aforesaid and equity share capital shall be construed in relation to a subsidiary undertaking without a share capital in the same manner as shares are defined in relation to an undertaking without a share capital under the Companies Acts.

11. Directors' interests

11.1 Conflicts of interest requiring Board authorisation

The Board may, provided the quorum and voting requirements set out below are satisfied, authorise any matter that would otherwise involve a Director breaching his duty under the Companies Act 2006 to avoid conflicts of interest:

- (a) any Director (including the Director concerned) may propose that the Director concerned be authorised in relation to any matter the subject of such a conflict. Such proposal and any authority given by the Board shall be effected in the same way that any other matter may be proposed to and resolved upon by the Board under the provisions of the Articles, except that the Director concerned and any other Director with a similar interest;
- (b) shall not count towards the quorum at the meeting at which the conflict is considered;
- (c) may, if the other members of the Board so decide, be excluded from any Board meeting while the conflict is under consideration; and
- (d) shall not vote on any resolution authorising the conflict except that, if he does vote, the resolution will still be valid if it would have been agreed to if his vote had not been counted.

11.1.2 Where the Board gives authority in relation to such a conflict:

- 11.1.2.1 the Board may (whether at the time of giving the authority or at any time or times subsequently) impose such terms upon the Director concerned and any other Director with a similar interest as it may determine, including, without limitation, the exclusion of that Director and any other Director with a similar interest from the receipt of information, or participation in discussion (whether at meetings of the Board or otherwise) related to the conflict;
- 11.1.2.2 the Director concerned and any other Director with a similar interest will be obliged to conduct himself in accordance with any terms imposed by the Board from time to time in relation to the conflict;
- 11.1.2.3 any authority given by the Board in relation to a conflict may also provide that where the Director concerned and any other Director with a similar interest obtains information that is confidential to a third party, the Director will not be obliged to disclose that information to the Company, or to use the information in relation to the Company's affairs, where to do so would amount to a breach of that confidence;
- 11.1.2.4 the terms of the authority shall be recorded in writing (but the authority shall be effective whether or not the terms are so recorded); and

11.1.2.5 the Board may withdraw such authority at any time.

11.1.3 A Director is entitled to accept a benefit from a third party, even if the benefit was conferred by reason of his being a Director, if the receipt of the benefit is disclosed to and approved by the Board within a reasonable time of its receipt or the value or nature of the benefit or series of benefits taken as a whole is such that it cannot reasonably be regarded (including by reference to any scale or categorisation of benefits that the Board may from time to time prescribe for the purpose) as likely to give rise to a conflict of interest.

11.2 Director may have interests

Subject to the provisions of the Companies Acts and the paragraph 11.1 above and further provided that the Articles are complied with, a Director, notwithstanding his office:

- (a) may be a party to or otherwise be interested in any transaction or arrangement 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 itself 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 Remuneration Committee may arrange either in addition to or in lieu of any remuneration provided for by any other Article;
- (c) may be a member of or a director or other officer, or employed by, or a party to any transaction or arrangement with or otherwise interested in, any body corporate promoted by or promoting 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, by reason of his office, be liable to account to the Company for any dividend, profit, remuneration, superannuation payment or other benefit which he derives from any such office, employment, contract, arrangement, transaction or proposal or from any interest in any such body corporate; and no such contract, arrangement, transaction or proposal shall be avoided on the grounds of any such interest or benefit.

12. Untraced members

12.1 The Company shall be entitled to sell at the best price reasonably obtainable any share of a member or any share to which a person is entitled by transmission if and provided that:

- (a) during the period of 12 years prior to the date of the publication of the advertisements referred to in paragraph (b) (or if published on different dates, the earlier or earliest of them) no cheque, order or warrant in respect of such share sent by the Company through the post in a pre-paid envelope addressed to the member or to the person entitled by transmission to the share at his address on the Register or other last known address given by the member or person to which cheques, orders or warrants in respect of such share are to be sent has been cashed and the Company has received no communications in respect of such share from such member or person provided that during such period of 12 years at least three cash dividends (whether interim or final) in respect of the shares in question have become payable and no such dividend during that period has been claimed by the person entitled to it;
- (b) on or after expiry of the said period of 12 years the Company has given notice of its intention to sell such share by advertisements in both a national daily newspaper published in the United Kingdom and in a newspaper circulating in the area in which the last known address of such member or person appeared;
- (c) the said advertisements, if not published on the same day, shall have been published within 30 days of each other;
- (d) during the further period of three months following the date of publication of the said advertisements (or, if published on different dates the later or latest of them) and prior to the exercise of the power of sale the Company has not received any communication in respect of such share from the member or person entitled by transmission; and
- (e) the Company has given notice to the London Stock Exchange of its intention to make such sale and shall have obtained the approval of the Quotations Department to the proposed form of the said advertisement, if shares of the class concerned are listed or dealt in on that exchange.

12.2 To give effect to any sale of shares, the Board may authorise some person to transfer the shares in question and may enter the name of the transferee in respect of the transferred shares in the Register notwithstanding the absence of any share certificate being lodged in respect of it and may issue a new certificate to the transferee. An instrument of transfer executed by that person shall be as effective as if it had been executed by the holder of, or the person entitled by transmission to, the shares. The purchaser shall not be bound to see to the application of the purchase moneys nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

12.3 If during the period of 12 years referred to in paragraph 12.1 or during any period ending on the date when all the requirements of paragraphs (a) to (d) of paragraph 12.1 have been satisfied, any additional shares have been issued in respect of those held at the beginning of such period or of any previously so issued during such period and all the requirements of paragraphs (b) to (d) of paragraph 12.1 have been satisfied in regard to such additional shares the Company shall also be entitled to sell the additional shares.

13. Capitalisation of reserves

The Board may with the authority of an ordinary resolution of the Company:

- (a) subject as provided for in the Articles, resolve to capitalise any profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of any reserve or fund of the Company which is available for distribution or standing to the credit of share premium account or capital redemption reserve or other undistributable reserve;
- (b) appropriate the sum resolved to be capitalised on the date specified in the resolution to the holders of ordinary shares in proportion to the nominal amount of the shares (whether or not fully paid) held by them respectively which would entitle them to participate in a distribution of that sum if the shares were fully paid and the sum were then distributable and were distributed by way of dividend and apply such sum on their behalf either in or towards paying up the amount, if any, for the time being unpaid on any share held by them respectively or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to that sum and allot the shares or debentures credited as fully paid to those holders of ordinary shares or as they may direct in those proportions or partly in one way and partly in the other provided that:
 - (i) the share premium account, the capital redemption reserve, any other undistributable reserve and any profits which are not available for distribution may, for these purposes, only be applied in paying up unissued shares to be allotted to holders of ordinary shares credited as fully paid; and
 - (ii) in a case where any sum is applied in paying amounts for the time being unpaid on any shares of the Company or in paying up in full debentures of the Company, the amount of the net assets of the Company at that time is not less than the aggregate of the called up share capital of the Company and its undistributable reserves as shown in the latest audited accounts of the Company or such other accounts as may be relevant and would not be reduced below that aggregate by the payment of it; and
 - (iii) where the amount capitalised is applied in paying up in full new shares, the Company will also be entitled to participate in the relevant distribution in relation to any shares held by it as treasury shares and the proportionate entitlement of the members to the distribution will be calculated accordingly;
- (c) resolve that any shares so allotted to any member in respect of a holding by him of any partly paid shares shall, so long as such shares remain partly paid, rank for dividends only to the extent that such partly paid shares rank for dividends;
- (d) make such provision by the issue of fractional certificates (or by ignoring fractions or by accruing the benefit of it to the Company rather than to then holders of ordinary shares concerned) or by payment in cash or otherwise as it thinks fit in the case of shares or debentures becoming distributable in fractions;
- (e) authorise any person to enter on behalf of all the holders of ordinary shares concerned into an agreement with the Company providing for either:
 - (i) the allotment to them respectively, credited as fully paid up, of any shares or debentures to which they may be entitled on such capitalisation; or
 - (ii) the payment up by the Company on behalf of such holders by the application to it of their respective proportions of the reserves or profits resolved to be capitalised of the amounts or any part of the amounts remaining unpaid on their existing shares,(any agreement made under such authority being effective and binding on all such holders); and
- (f) generally do all acts and things required to give effect to such resolution.

14. 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 shall be prohibited. 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, payment off of or other dealing with any capital asset in excess of the book value thereof and all other monies which are considered by the Board to be in the nature of accretion to capital shall be credited to the capital reserve. Subject to

the Companies Acts, 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 payment off of or other dealing with any investments or other capital assets and, subject to the Companies Acts, any expenses, loss or liability (or provision therefor) 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 for which sums standing to any revenue reserve are applicable except and provided that notwithstanding any other provision of the Articles during a Relevant Period no part of the capital reserve or any other money in the nature of accretion to capital shall be transferred to the revenue reserves of the Company or be regarded or treated as profits of the Company available for distribution 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 or be applied in paying dividends on any shares in the Company.

15. Winding up

15.1 Division of assets

The Board shall have power in the name and on behalf of the Company to present a petition to the court for the Company to be wound up.

If the Company is wound up, the surplus assets remaining after payment of all creditors are to be divided among the members in proportion to the capital which at the commencement of the winding up is paid up on the shares held by them respectively and, if such surplus assets are insufficient to repay the whole of the paid up capital, they are to be distributed so that as nearly as may be the losses are borne by the members in proportion to the capital paid up at the commencement of the winding up on the shares held by them respectively. The above is subject to the rights attached to any shares which may be issued on special terms or conditions.

If the Company is wound up the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by law, divide among the members in specie the whole or any part of the assets of the Company and may for that purpose value any assets and determine how the division shall be carried out as between the members or different classes of members. Any such division may be otherwise than in accordance with the existing rights of the members but if any division is resolved otherwise than in accordance with such rights the members shall have the same right of dissent and consequential rights as if such resolution were a special resolution passed pursuant to section 110, Insolvency Act 1986. The liquidator may with the like sanction vest the whole or any part of the whole of the assets in trustees on such trusts for the benefit of the members as he with the like sanction shall determine but no member shall be compelled to accept any assets on which there is a liability.

15.2 Duration of the Company

In order for the future of the Company to be considered by the members, the Board shall at the annual general meeting of the Company falling after the fifth anniversary of the last allotment of shares in the Company and thereafter at five yearly intervals, invite the members to consider and debate the future of the Company (including, without limitation, whether the Company should be wound up, sold or unitised) and as soon as practicable following that meeting shall convene a general meeting to propose such resolution as the members attending the annual general meeting may by ordinary resolution require.

16. Uncertificated Shares

The Board may make such arrangements as it sees fit, subject to the CA 2006, to deal with the Transfer, allotment and holding of shares in uncertificated form and related issues.

17. Indemnity and Insurance

The Company shall indemnify the directors to the extent permitted by law and may take out and maintain insurance for the benefit of the directors.

4. Directors' and other interests in the company

4.1 As at 16 September 2014 (this being the latest practicable date prior to publication of this document), the Company is not aware of any person who has, or will have immediately following the issue of the New Shares pursuant to the Offer, directly or indirectly, an interest in the Company's capital or voting rights which is notifiable under UK law (under which, pursuant to CA 2006 and the Listing Rules and the Disclosure & Transparency Rules of the FCA, a holding of 3% or more must be notified to the Company).

4.2 As at 16 September 2014 (this being the latest practicable date prior to publication of this document), the interests of the Directors:

Director	Shares	% of Share Capital
Peter Dicks	103,690	0.16
James H Grossman	5,000	0.01
Jeremy Hamer	28,254	0.04
Jocelin Harris	50,000	0.08

4.3 As at 16 September 2014 (this being the latest practicable date prior to publication of this document) save as disclosed above, no Director, his family or any person connected to the Director within the meaning of section 252 of CA 2006 has any interest in the share or loan capital of the Company.

4.4 None of the Directors has a service agreement with the Company, nor are any such contracts proposed. The Directors were all appointed under letters of appointment dated 19 November 2010. Jeremy Hamer also provides consultancy services pursuant to a consultancy agreement of the same date. All appointments may be terminated on three months' notice. No arrangements have been entered into by the Company, entitling the Directors to compensation for loss of office. James Grossman is entitled to annual fees of £20,000, whilst Jocelin Harris (as the senior independent director) and Jeremy Hamer (as chairman of the audit committee) are each entitled to £22,500 and Peter Dicks (as chairman) is entitled to £25,000. Fees paid to the Directors (including in respect of Malcolm Diamond, a former director who stepped down on 7 February 2013) in respect of the year ended 30 September 2013 were £85,288 as set out below:

Director	Fees Paid in the Year Ended 30 September 2013 (£)
Peter Dicks	22,500
James H Grossman	17,500
Jeremy Hamer	20,000
Jocelin Harris	20,000
Malcolm Diamond	5,288

4.5 Directors' fees for the current year ending 30 September 2014 are estimated to be £90,000. No amounts have been put aside to provide pensions, retirement or similar benefits to any Directors.

4.6 The Directors are shareholders in the following companies in which the Company has invested:

Director	Investee Company
Peter Dicks	Keycom plc Interactive Investor plc Mears Group plc
James H Grossman	Anpario plc
Jeremy Hamer	Access Intelligence plc Avingtrans plc SnackTime plc
Jocelin Harris*	Interactive Investor plc Keycom plc Mears Group plc

*In September 2013, Jocelin Harris was appointed as the executor and trustee of an estate which comprises a majority holding in Keycom plc

4.7 Save as set out in paragraph 4.6 above, there are no potential conflicts of interest between the duties of any Director and their private interests and/or other duties.

4.8 Other than as is disclosed in paragraphs 4.4 and 4.6 above, no Director is or has been interested in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company and which was effected by the Company in the years ended 30 September 2011, 2012 and 2013 or in the current financial year or which was effected in an earlier financial year and remains in any respect outstanding or unperformed.

4.9 No loan or guarantee has been granted or provided by the Company to or for the benefit of any of the Directors.

4.10 The Company has taken out directors' and officers' liability insurance for the benefit of its Directors, which is renewable on an annual basis.

4.11 The Directors are currently or have been within the last five years, a member of the administrative, management or supervisory bodies or partners of the companies and partnerships mentioned below:

Director	Current	Past 5 Years
Peter Dicks	Daniel Stewart Securities plc Foresight Solar Fund Limited Foresight VCT plc Foresight 2 VCT plc Foresight 3 VCT plc Foresight 4 VCT plc Graphite Enterprise Trust plc Interactive Investor plc Mears Group plc Mercia Fund 1 General Partner Limited Private Equity Investor plc SVM UK Emerging Fund plc Unicorn AIM VCT plc	Boostcareer Limited (dissolved)* Committed Capital VCT plc (dissolved)* Enterprise Capital Trust plc (dissolved) Foresight Clearwater VCT plc (dissolved) Foresight 5 VCT plc (dissolved) GFT Dealing Limited (dissolved)* London Trust Productions Limited Miton Income Opportunities Trust plc (in liquidation) PCT Finance Limited (dissolved)* Polar Capital Technology Trust plc Second London American Trust plc (dissolved) Sportingbet plc Standard Microsystems Corporation
James H Grossman	Thalassa Holdings Limited (British Virgin Islands) Unicorn AIM VCT plc	Canoel International Energy Limited (Canada) Champion Communications Services Inc (USA) Fresh T Limited
Jeremy Hamer	Access Intelligence plc Avingtrans plc Drinkmaster Limited Drinkmaster Holdings Limited Fin Dec Limited Simply Drinks Limited Snack in the Box Limited Snacktime plc Snacktime UK Limited SOS Software Quality Systems AG Unicorn AIM plc Vendia UK Limited V.M.I (Blackburn) Limited Westminster Coaching LLP	Breathe on UK Glisten plc (now Glisten Limited) Integer (VBD) Limited (dissolved)* The Internet Marketing Guild Limited (dissolved)* Internet Marketing Limited RB Sport & Leisure Holdings plc Unicorn AIM VCT II plc (dissolved) Zero 9ine Limited (dissolved)*
Jocelin Harris	Brandbank Limited Durrington Corporation Limited Eeonyx Corporation (USA) Foresight 2 VCT plc Halkin Secretaries Limited Keycom plc Lightfoot Solutions Group Limited Lightfoot Solutions UK Limited Millennium Mats Limited The Millennium Mat Company LLC (USA) Mintec Limited Nishana Investments Limited (BVI) Obillex Limited Obillex UK Limited Roil Foods Limited Roilvest Limited Serres Limited The St Peter's College Foundation Tudor Roof Tile Co. Limited Unicorn AIM VCT plc Unipower Solutions Europe Limited (in liquidation)	Queen Mary, University of London Foundation Speed to Market Limited (dissolved)* Teviotdale Windows & Doors Limited (dissolved) The Webb Partnership Limited

4.12 None of the Directors has had any convictions in relation to fraudulent offences during the previous five years.

4.13 Save those companies which have an asterix next to their name in the table above, which are all companies that have been voluntarily been struck off from the Register of Companies and save as disclosed in this paragraph, there were no bankruptcies, receiverships or liquidations of any companies or partnership where any of the Directors were acting as (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:

4.13.1 Peter Dicks was a director of Enterprise Capital Trust plc and Second London American Trust plc which were placed in members' voluntary liquidation prior to being dissolved, respectively, on 8 March 2012 and 26 July 2013. Mr Dicks was also a director of Foresight 5 VCT plc and Foresight Clearwater VCT plc which are both former VCTs and which were placed in members' voluntary liquidation pursuant to schemes of reconstruction under section 110 of the Insolvency Act 1986 prior to both companies being dissolved on 19 September 2013.

4.13.2 Jocelin Harris was a director of Teviotdale Windows & Doors Limited until September 2009. This company was subsequently placed in liquidation in October 2010. No liquidator's report was produced. The court order for early dissolution dated 9 July 2013 states that the assets of the company were insufficient to cover the expenses of the winding up. Pursuant to such court order for early dissolution the company was dissolved on 27 December 2013. Mr Harris is also a director of Unipower Solutions Europe Limited which entered into administration on 2 June 2011. The administration ended on 1 December 2012 with preferential creditors submitting claims amounting to £36,028 and non-preferential creditors submitting claims for £49,667. The administrator has reported that a distribution to unsecured creditors was pending on the outcome of ongoing legal action against the company's debtors. This company is now in the process of being struck off from the Register of Companies.

4.13.3 Jeremy Hamer was a non-executive director of Inter Link Foods plc until his resignation in 2007 and the company was subsequently struck off and dissolved in August 2011. As at 15 July 2010, the date to which the final administrator's report was filed with the Registrar of Companies, the company had outstanding secured creditors amounting to £14.6 million and there were no further funds available for a further distribution to unsecured creditors. Mr Hamer was a director of West Country Fine Foods Limited until resigning in July 2008; this company entered into an administration on 26 February 2009. This administration ended on 22 February 2010 and the company entered into voluntary creditors' liquidation on the same day. The Liquidator's statement of receipts and payments dated 21 August 2011 states that after deducting amounts charged to secured creditors (including the holders of floating charges), the company had assets of £127,970.28. The Liquidator's statement also stated that the estimated liability of the company to preferential creditors was £85,897.83 and to unsecured creditors was £2,051,451.12. The company was dissolved on 20 December 2011. In addition, Mr Hamer was a director of Unicorn AIM VCT II plc which was voluntarily placed into members' liquidation in March 2010 pursuant to a merger under section 110 of the Insolvency Act 1986. It was dissolved on 25 August 2011.

4.14 There have been no official public incriminations and/or sanctions of any Director by statutory or regulatory authorities (including designated professional bodies) and no Director 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. Overseas Shareholders

5.1 The issue of New Shares to persons resident in or citizens of jurisdictions outside the UK may be affected by the laws of the relevant jurisdiction. Such Company shareholders should inform themselves about and observe any legal requirements, in particular:

5.1.1 none of the New Shares have been or will be registered under the United States Securities Act 1933, as amended, or qualify under applicable United States state statute and the relevant clearances have not been, and will not be, obtained from the securities commission of any province of Canada, Australia or Japan;

5.1.2 the Company is not registered under the United States Investment Company Act of 1940, as amended and investors are not entitled to the benefits of that Act; and

5.1.3 no offer is being made, directly, in or into or by the use of emails, or by means of instrumentality (including, without limitation, facsimile, transmission, telex or telephone) or interstate or foreign commerce, or of any facility in a national securities exchange, of the United States, Canada, or Japan. It is the responsibility of investors with registered addresses outside the UK to satisfy themselves as to the observance of the laws of the relevant jurisdiction in connection with the issue of New Shares including the obtaining of any government or exchange control or other consents which may be required, the compliance with any other necessary formalities which need to be observed and the payment of any issue, transfer or other taxes or duties due in such jurisdiction.

6. Material Contracts

Save as disclosed in this paragraph, the Company has not entered, other than in the ordinary course of business, into any contract which is or may be material to the Company within the two years immediately preceding the publication of this document or into any contract containing provisions under which the Company has any obligation or entitlement which is material to the Company as at the date of this document:

6.1 A management agreement dated 1 October 2001 (as supplemented by agreements/deeds dated 20 January 2004, 19 February 2007, 9 March 2010 and 12 April 2010) between the Company (1) and Unicorn AM (2) pursuant to which Unicorn AM provides certain management services to the Company for an annual management fee of an amount equal to 2% of the net asset value of the Company (together with any applicable VAT) calculated and charged quarterly, save for investments made by the Company in other Unicorn AM managed funds, in which case no additional management fee will be payable in respect of such investments.

Under this agreement, the Manager has agreed to meet the normal annual expenses of the Company (excluding performance incentive fees and trail commission) in excess of an amount equal to 3.6% of the net assets of the Company as at the end of each financial year.

The Manager may retain any director's fees which it receives in connection with an investment made by the Company subject to prior written approval of the Board. The Manager is required to account to the Company for all syndication, arrangement and transaction fees, commissions, refunds of commissions and interest received by the Manager in connection with the management of the investments of the Company.

The agreement is terminable by either party on 12 months' notice to expire on or after 12 April 2012, subject to earlier termination by either party in the event of, inter alia, a party having a receiver, administrator or liquidator appointed or committing a material breach of the agreement or by the Company if it fails to become, or ceases to be, a VCT for tax purposes or where Unicorn AM ceases to be authorised by the Financial Conduct Authority or if there is a change in control of Unicorn AM. The agreement contains provisions indemnifying Unicorn AM against any liability not due to its default, gross negligence, fraud or breach of the Financial Services and Markets Act 2000.

6.2 A performance incentive agreement dated 12 April 2010 (as amended by a deed of variation dated 12 April 2010 and as supplemented by a side letter dated 14 December 2010) between the Company (1) and Unicorn AM (2) pursuant to which Unicorn AM is also entitled to receive performance incentive fees of 20% of dividends made to Shareholders over and above the Target Return in any accounting period. The Target Return for these purposes is 6p per Share (or, if the relevant accounting period is less than or greater than 12 months, an amount equal to a pro rata reduction or increase to that amount for that accounting period). Any cumulative shortfalls below the 6p per annum dividend hurdle after the financial period ended on 30 September 2010 has to be made up in later years before any incentive fee is payable in the relevant year. Such payment will be subject to maintaining NAV at 125p per Share.

Although the arrangement allows for the performance incentive calculation to be adjusted in such manner as the auditors confirm in writing where the Company issues further Shares, it has been agreed that no adjustment will be made which would result in a reduction in the requirement to maintain NAV at no less than 125p per Share.

Unicorn AM has not received a performance incentive fee since the above arrangements were put in place.

The agreement will terminate automatically if the Company enters into liquidation or if a receiver or manager is appointed or if a resolution is passed that the Company is voluntarily wound up in accordance with the Articles.

6.3 A letter dated 16 September 2014 from Unicorn AM to the Company pursuant to which Unicorn AM has agreed to act as the promoter of the Offer and to underwrite all of the costs and expenses of the Offer (save for permissible annual trail commission and any facilitated initial adviser charges) in consideration for a promotion fee of 2.5% of the Application Amounts in respect of the applications accepted under the Offer, less an amount equal to any Early Bird discounts and plus an amount equal to any execution only intermediary commissions. Unicorn AM has further agreed that, to the extent that the actual costs of the Offer are less than the amount of the promotion fee payable to it, Unicorn AM will rebate this amount to the Company.

6.4 A letter dated 16 September 2014 from Unicorn AM to LGBR Capital pursuant to which Unicorn AM has appointed LGBR Capital to provide distribution services in respect of the Offer. The fees payable to LGBR Capital are payable by Unicorn AM.

6.5 A letter dated 6 August 2014 from Panmure Gordon pursuant to which Panmure Gordon has been appointed as sponsor to the Offer. The Company has agreed to indemnify Panmure Gordon for any loss suffered in respect of its role as sponsor to the Offer. The Company's liability under this indemnity is unlimited. This engagement may be terminated at any time.

7. Related Party Transactions

Unicorn AM, under the arrangements set out at paragraph 6.1, was paid £1,105,000, £995,000, £1,060,000 in the years ended 30 September 2011, 2012 and 2013 and £1,527,000 in the current financial year ending 30 September 2014 respectively. Unicorn AM also received fees of £188,000 in respect of share offer promotion services it provided to the Company in the year ended 30 September 2011 (nil for the years ended 30 September 2012 and 2013 and in the year to date). These fees were paid in order to enable Unicorn AM to meet the costs related to the promotion of former offers for subscription and any surplus was returned to the Company. Save for the payments to Unicorn AM set out above in paragraphs 6.1 to 6.3 and the Directors' remuneration on the basis set out in paragraph 4.4 above, there were no related party transactions or fees paid during the years ended 30 September 2011, 2012 and 2013 or to date in the current financial year.

8. Corporate Governance, Board Committees and Risk Management

8.1 Corporate Governance

The Board adopts the Association of Investment Companies Code of Corporate Governance ("AIC Code"). The AIC Code addresses all principles set out in section 1 of the Combined Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company. The Financial Reporting Council (FRC) has confirmed that in complying with the AIC Code the Company will meet its obligations in relation to the Combined Code and paragraph 9.8.6 of the Listing Rules. The Board believes that reporting against the principles of the AIC Code will provide more relevant information to shareholders.

As at the date of this document, the Company has complied with the recommendations of the AIC Code and the relevant provisions of section 1 of the Combined Code except where noted below. There are certain areas of the Combined Code that the AIC does not consider relevant to investment companies and with which the Company does not specifically comply, for which the AIC Code provides dispensation. These areas are as follows:

- The role of the chief executive
- Executive directors' remuneration
- The need for an internal audit function

As an externally managed investment company, the Company does not employ a chief executive nor any executive directors. The systems and procedures of Unicorn AM and ISCA Administration Services, the provision of VCT monitoring services by PricewaterhouseCoopers LLP, as well as the size of the Company's operations, gives the Board confidence that an internal audit function is not appropriate.

At least four formal Board meetings are scheduled every year and other meetings are held as necessary. Matters specifically reserved for decision by the Board have been defined. These include compliance with the requirements of CA 2006, the UK Listing Authority and the London Stock Exchange; changes relating to the Company's capital structure or its status as a plc; Board and committee appointments and terms of reference of committees; material contracts of the Company and contracts of the Company not in the ordinary course of business. The Board as a whole now considers management engagement, nomination and remuneration matters rather than delegating these to committees, as a majority of the Directors are considered independent of Unicorn AM. Management engagement matters include an annual review of the Company's service providers, with a particular emphasis on reviewing Unicorn AM in terms of investment performance, quality of information provided to the Board and remuneration. The Board as a whole considers Board and committee appointments and the remuneration of individual directors.

The primary focus at each quarterly Board meeting is governance, overall strategy and a review of investment performance, including but not limited to investor relations, peer group information and issues affecting the investment industry as a whole. The Board, with Unicorn AM and the Company's broker, monitors the level of the share price discount and, if considered appropriate, takes action to reduce it. A procedure has been adopted for individual Directors, in the furtherance of their duties, to take independent professional advice at the expense of the Company. The Directors have access to the advice and services of the Company Secretary, which is responsible to the Board for ensuring board procedures are followed. Both the appointment and removal of the Company Secretary are matters for the Board as a whole. Where Directors have concerns which cannot be resolved about the running of the Company or a proposed action, they are asked to ensure that their concerns are recorded in the Board minutes. On resignation, a Director who has any such concerns should provide a written statement to the Chairman, for circulation to the Board. The Board has satisfied itself that the Audit Committee has sufficient resources to undertake its duties.

All Directors are subject to election by Shareholders at the first annual general meeting following their appointment. Each Director retires by rotation at an annual general meeting if they have held office as a director at the two immediately preceding annual general meetings and did not retire at either of those meetings in accordance with the Articles.

In terms of overall length of tenure, the AIC Code does not explicitly make recommendations. Some market practitioners feel that considerable length of service (which has generally been defined as a limit of nine years) may lead to the compromise of a director's independence. The Board does not believe that a director should be appointed for a finite period. Peter Dicks has now served the Company for over ten years and the Board considers that he remains independent of the Manager as he continues to offer independent, professional judgement and constructive challenge of the Manager. In accordance with the AIC Code, however, Peter Dicks will offer himself for re-election annually.

The Board has considered whether each Director is independent in character and judgement and whether there are any relationships or circumstances which are likely to affect, or could appear to affect, the Director's judgement and has concluded that, all of the Directors are independent of Unicorn AM. Peter Dicks is the chairman and a shareholder in Interactive Investor plc and is also a non-executive director and shareholder in Mears Group plc, both of which are the Company's investee companies. Peter Dicks is also a shareholder in one other investee company, Keycom plc. Jocelin Harris is the chairman of Keycom plc, one of the Company's investee companies. He has a personal holding in Keycom plc representing less than 1% of the issued share capital and, in September 2013, Jocelin Harris was also appointed as the executor and trustee of an estate which comprises a majority holding in Keycom plc. Jocelin Harris is a shareholder in Interactive Investor plc and also has a beneficial interest in Mears Group plc, both of which are the Company's investee companies. James Grossman has a very small shareholding in Anpario plc (which is an investee company), holding less than 0.02%

of the issued share capital of that company. Jeremy Hamer is the chairman of, and a shareholder in, SnackTime plc, holding less than 0.5% of the issued share capital of this investee company. Jeremy Hamer is a director and shareholder of Access Intelligence plc and Avingtrans plc holding 2.6% and 0.4% of their respective issued share capitals, each of which are investee companies.

The Directors, who were each independent of each conflict, considered the circumstances and agreed that all of the Directors remain independent of the Investment Manager, as these relationships are not of a material size to their assets and other business activities nor to those of the Company. There are no other contracts or investments in which the Directors have declared an interest.

The above conflicts, along with other potential conflicts, have been reviewed by the Board in accordance with the procedures under the Articles and applicable rules and regulations (including each Director's duty to promote the success of the Company). The articles allow the Directors not to disclose information relating to the conflict where to do so would amount to a breach of confidence. The Board places great emphasis on the requirement for the Directors to disclose their interests in investments (and potential investments) and has instigated a procedure whereby a Director declaring such an interest does not participate in any decisions relating to such investments. The Directors inform the Board of changes to their other appointments as necessary. The Board reviews the authorisations relating to conflicts annually. Authorisation will be reviewed should there be a material change in an authorised conflict. Future conflicts of interest will be considered by the Board under the above procedures and will be reported upon accordingly.

The Board aims to include a balance of skills, experience and length of service that the Directors believe to be appropriate to the management of the Company. The Board offers an induction procedure to all new directors and all directors may choose relevant training as and when required. The Chairman fully meets the independence criteria as set out in the AIC Code. The Board operates a formal system of performance evaluation of the Board and the Chairman. The senior independent director evaluates all responses and provides feedback to the Board. The independent directors monitor the continuing independence of the Chairman and inform him of their discussions.

8.2 Board Committees

As noted above the Board as a whole considers matters relating to management engagement, nomination and remuneration.

The Audit Committee comprises all of the Directors and Jeremy Hamer acts as Chairman. The Board is satisfied that Jeremy Hamer has recent and relevant financial experience. The Committee meets at least twice a year to review the internal financial and nonfinancial controls, accounting policies and contents of the half-yearly and annual reports to Shareholders. It has primary responsibility for making recommendations on the appointment and removal of the external auditors. The Committee reviews the independence of the auditors and the effectiveness of the audit process annually. Should the Committee be dissatisfied with the standard of service received from the incumbent auditor, a tender process would be undertaken. The Company's external auditors are invited to attend meetings as appropriate.

8.3 Risk Management

The Board has overall responsibility for the Company's affairs including the determination of its investment policy. Risk is spread by investing in a number of different businesses across different industry sectors. The investment manager is responsible for managing sector and stock specific risk and the Board does not impose formal limits in respect of such exposures. However, in order to maintain compliance with HMRC rules and to ensure that an appropriate spread of investment risk is achieved, the Board receives and reviews comprehensive reports from the investment manager and the administrator on a quarterly basis for the purposes of board meetings, as well as additional monthly reports in between. When the investment manager proposes to make an investment in an unquoted company, the prior approval of the Board is required. ISCA Administration Services provides company secretarial and accountancy services to the Company.

9 Taxation

- 9.1 The following paragraphs, which are intended as a general guide only and are based on current legislation and HMRC practice, summarise advice received by the Board as to the position of the Company's Shareholders who hold Shares other than for trading purposes. Any persons who are in any doubt as to their taxation position or may be subject to taxation in any jurisdiction other than the United Kingdom should consult their professional advisers.
- 9.2 Stamp duty and stamp duty reserve tax – the Company has been advised that no stamp duty or stamp duty reserve tax will be payable on the issue of the Shares. The Company has also been advised that the transfer of Shares will, subject to any applicable exemptions, be liable to ad valorem stamp duty at the rate of 0.5% of the consideration paid. An unconditional agreement to transfer such shares if not completed by a duly stamped stock transfer will be subject to stamp duty reserve tax generally at the rate of 50p per £100 (or part thereof) of the consideration paid.
- 9.3 Taxation of dividends – under current law, no tax will be withheld by the Company when it pays a dividend.
- 9.4 Close company – the Board believes that the Company is not, and expects that following completion of the Offer it will not be, a close company within the meaning of ITA 2007. If the Company was a close company in any accounting period, approval as a VCT for the Company would be withdrawn.

10. Financial Information

Audited financial information on the Company is published in the annual reports for the years ended 30 September 2011, 2012 and 2013, which were audited by BDO LLP of 55 Baker Street, London W1U 7EU (which acquired PKF (UK) LLP) and were reported on without qualification and contained no statements under Chapter 3 of Part 16 of CA 2006.

The annual reports referred to above were prepared in accordance with UK generally accepted accounting practice (GAAP), the fair value rules of the Companies Acts and the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies'.

Unaudited financial information is published in the half-yearly report for the six month period ended 31 March 2014.

The annual reports and the half-yearly report referred to above contain a description of the Company's financial condition, changes in financial condition and results of operation for each relevant financial year and are being incorporated by reference (which contain the information as detailed below) and can be accessed at the following website:

www.unicornaimvct.co.uk

and are available for inspection at the National Storage Mechanism, which can be accessed at:

www.morningstar.co.uk/uk/NSM

Where these documents make reference to other documents, such other documents are not incorporated into and do not form part of this Prospectus. The two tables below comprise a cross-referenced list of information incorporated by reference. The parts of these documents which are not being incorporated by reference are either not relevant for an investor or are covered elsewhere in the Prospectus.

The annual report includes the following information:

Description	2011 Annual Report	2012 Annual Report	2013 Annual Report	2014 Half-Yearly Report
Balance Sheet	Page 37	Page 37	Page 43	Page 12
Income Statement (or equivalent)	Page 36	Page 36	Page 42	Pages 10-11
Statement showing all changes in equity (or equivalent note)	Page 38	Page 38	Page 44	Page 13
Cash Flow Statement	Page 38	Page 38	Page 44	Page 14
Accounting Policies and Notes	Pages 39-54	Pages 39-54	Pages 45-60	Pages 15-18
Auditor's Report	Page 35	Page 35	Page 40	N/A

This information has been prepared in a form consistent with that which will be adopted in the Company's next published annual financial statements having regard to accounting standards and policies and legislation applicable to those financial statements.

The annual report also includes operating/financial reviews as follows:

Description	2011 Annual Report	2012 Annual Report	2013 Annual Report	2014 Interim Report
Objective	inside front cover	inside front cover	inside front cover	Page 1
Performance Summary	Pages 2-4	Pages 1-3	Page 1	Page 2
Results and Dividend	Page 25	Pages 23	Page 1	Pages 3-5
Investment Policy	Page 1	Page 7	Page 10	Page 6
Outlook	Page 5-6	Page 6	Page 2	Page 5
Manager's Review	Pages 7-13	Pages 8-13	Pages 11-15	N/A
Portfolio Summary	Pages 14-21	Pages 14-19	Pages 16-23	Pages 7-8
Business Review	Page 24	Page 22	Page 3	N/A
Valuation Policy	Page 39	Page 39	Page 45	Page 15

As at 31 March 2014, the date to which the most recent unaudited half-yearly financial information on the Company has been drawn up, the Company had net assets of £86.3 million (142.80p per Share). The unaudited net assets of the Company as at 31 August 2014 (taken from the unaudited management accounts to 31 August 2014) were £94.83 million (147.60p per Share).

11. General

Working Capital Statement

11.1 The Company is of the opinion that its working capital is sufficient for its present requirements, that is for at least the twelve month period from the date of this document.

Capitalisation and Indebtedness Statement

11.2 As at 16 September 2014 (the latest practicable date prior to publication of this document), the Company has no indebtedness, whether guaranteed, unguaranteed, secured, unsecured, direct and/or contingent and there is no current intention of incurring any such indebtedness for at least the twelve month period from the date of this document.

11.3 The capitalisation of the Company as at 31 August 2014, is set out below.

Shareholders' Equity	£'000
Called-up share capital	642
Capital redemption reserve	23
Share premium account	13,372
Revaluation reserve	36,008
Special distributable reserve	34,613
Profit and loss	10,168
 Total	 94,826

There has been no material change in the capitalisation of the Company between 31 August 2014, the date of the Company's latest unaudited management accounts and 16 September 2014, the latest practicable date before the date of publication of this document.

Other

11.4 There are no governmental, legal or arbitration proceedings (including any such proceedings which are or were pending or threatened of which the Company is aware) during the 12 months immediately preceding the date of this document, in each case which may have, or have had in the recent past, a significant effect on the Company's financial position or profitability.

11.5 There has been no significant change in the financial or trading position of the Company since 31 March 2014, the date to which the last unaudited half-yearly financial information on the Company has been published, to the date of this document.

11.6 Save as set out below, there are no material potential conflicts of interest which any of the service providers to the Company may have as between their duty to the Company and the duties owed to third parties and their other interests.

11.6.1 Unicorn AM is the investment manager both to the Company and a number of other funds, including open ended investment companies in which the Company invests. Unicorn AM received from these other funds fees in respect of the Company's investment in the funds of £124,000, £98,000 and £115,000 in the years ended 30 September 2011, 2012 and 2013 and approximately £72,500 in the current year to date respectively, for the management services provided to them and calculated on the value of the Company's holding in each OEIC on a daily basis. To ensure that Unicorn AM does not receive a double payment of management fees in respect of these other funds, the Company and Unicorn AM have put in place arrangements whereby the Company does not pay Unicorn AM (under the management arrangements with the Company set out in paragraph 6.1 above) management fees in relation to the Company's investments in these other funds.

11.7 Save as set out in the final two risk factors under the heading 'Investment and Market Risks' on page 10 of this document, as at the date of this document, there have been no significant factors, whether governmental, economic, fiscal, monetary or political, including unusual or infrequent events or new developments nor any known trends, uncertainties, demands, commitments or events that are reasonably likely to have an affect on the Company's prospects or which have materially affected the Company's income from operations so far as the Company and the Directors are aware.

11.8 Panmure Gordon has given and not withdrawn its written consent to the issue of this document and the inclusion of its names and the references to it in this document in the form and context in which it appears.

11.9 The total expenses payable by the Company in connection with the Offer (including VAT where applicable) will be an amount equal to 2.5% of the Application Amounts in respect of applications accepted under the Offer (less any amount equal to the Early Bird discounts and any fees waived by Unicorn AM in respect of particular applications), plus execution only initial commission and annual trail commission. The total expenses will, therefore, be a maximum of £1,375,000 (assuming that the fundraising amount has been increased by the over-allotment facility and that it is fully subscribed at £25 million and assuming that the maximum amount of initial commission of 3% is payable to execution only intermediaries in respect of all investors, but ignoring any Early Bird discounts and annual trail commission). The maximum net proceeds will, on the same basis, amount to at least £23,625,000.

11.10 Shareholders will be informed, by means of the half-yearly and/or annual report or through a Regulatory Information Service announcement if the investment restrictions which apply to the Company as a VCT detailed in this document are breached. In the event of any suspension of listing valuations are held at the suspended price and the view is taken with consideration to best market practice and information from advisers.

11.11 The Company's capital resources are restricted insofar as they may be used only in putting into effect the investment policies of the Company as set out in this document. There are no firm commitments in respect of the Company's principal future investments.

11.12 All Shareholders have the same voting rights in respect of the share capital of the Company. The Company is not aware of any person who, directly or indirectly, exercises or could exercise control over the Company, nor of any arrangements, the operation of which, may be at a subsequent date result in a change of control of the Company. The Company does not have any material shareholders with different voting rights.

11.13 BDO LLP (formerly PKF (UK) LLP) (a member of the Institute of Chartered Accountants in England and Wales), have been auditors of the Company since launch.

11.14 The Company has no employees or subsidiaries.

11.15 A typical investor in the Company will be a UK taxpayer who is aged 18 or over 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). The investor should be comfortable with the risks associated with an investment in a VCT and be willing to retain the investment for at least five years (in order to retain their upfront income tax relief).

11.16 Application has been made for the admission of the New Shares to be issued pursuant to the Offer to be listed on the premium segment of the Official List and application will be made for the New Shares to be admitted to trading on the London Stock Exchange's market for listed securities. A Regulatory Information Service announcement will be made following issues of New Shares pursuant to the Offer confirming the number of Shares issued and the relevant Offer Price. The New Shares will be issued in registered form and no temporary documents of title will be issued. The Company is registered with CREST, a paperless settlement system, and those Shareholders who wish to hold their Shares in electronic form may do so.

11.17 The Company is subject to the investment restrictions relating to a venture capital trust in ITA 2007, as more particularly detailed in Part VIII of this document, and in the Listing Rules which specify that (i) the Company 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 as set out in page 23 of this document; (ii) the Company must not conduct any trading activity which is significant in the context of its group as a whole; and (iii) the Company may not invest more than 10%, in aggregate, of the value of total assets at the time an investment is made in other listed closed-ended investment funds. Any material change to the investment policy of the Company will require the approval of Shareholders pursuant to the Listing Rules. The Company intends to direct its affairs in respect of each of its accounting periods so as to qualify as a venture capital trust and accordingly:

11.17.1 the Company's income is intended to be derived wholly or mainly from shares or other securities, as this phrase is interpreted by HMRC;

11.17.2 the Company will not control the companies in which it invests in such a way as to render them subsidiary undertakings;

11.17.3 none of the investments at the time of acquisition will represent more than 15% (by VCT Value) of the Company's total investments (by VCT Value); and

11.17.4 not more than 20% of the Company's gross assets will at any time be invested in the securities of property companies.

11.18 The Company and its Shareholders are subject to the provisions of the Takeover Code and the Companies Acts, which require shares to be acquired/transferred in certain circumstances.

11.19 The issued share capital of the Company as at the date of this document is 64,168,112. If 22,500,000 New Shares are allotted by the Company pursuant to the Offer (this being the maximum number of New Shares that may be allotted pursuant to the Offer), the existing 64,168,112 Shares would represent 74.04% of the enlarged issued share capital.

11.20 All third party information in this Prospectus has been identified as such by reference to its source and in each instance has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published by the relevant party, no facts have been omitted which would render such reproduced information inaccurate or misleading.

11.21 The Company and the Directors consent to the use of the Prospectus, and accept responsibility for the content of the Prospectus, with respect to subsequent resale or final placement of securities by financial intermediaries, from the date of the Prospectus until the closing date of the Offer which is expected to take place on 30 June 2015 (subject to extension by the Board). There are no conditions attaching to this consent. Financial intermediaries may use the Prospectus in the UK.

11.22 **Financial intermediaries must give investors information on the terms and conditions of the offer being made by the financial intermediaries at the time they introduce such offer to investors. Any financial intermediary using the Prospectus must state on its website that it is using the Prospectus in accordance with the consent in paragraph 11.21 above.**

12. Documents Available for Inspection

Copies of the following documents will be available for inspection during normal business hours on any day (Saturdays, Sundays and public holidays excepted) from the date of this document until the offer closes at the offices of SGH Martineau LLP, No 1 America Square, Crosswall, London EC3N 2SG and also at the registered office of the Company:

- 12.1 the memorandum and articles of association of the Company;
- 12.2 the audited report and accounts of the Company for the financial years ended 30 September 2011, 2012 and 2013;
- 12.3 the unaudited half yearly accounts of the Company for the period ended 31 March 2014;
- 12.4 the material contracts referred to in paragraph 6 above;
- 12.5 the consent referred to in paragraph 11.8 above; and
- 12.6 this document.

17 September 2014

Part IX – Definitions

"Admission"	admission of the New Shares allotted under the Offer to the premium tier of the Official List and to trading on the London Stock Exchange becoming effective
"advised investor"	an investor who received advice from a financial adviser in respect of an investment under the Offer
"AIM"	the Alternative Investment Market of the London Stock Exchange
"Allotment Formula"	the formula, pursuant to which the number of New Shares to be allotted to an applicant under the Offer, as further detailed in Part II of this document
"Application Amount"	the amount remitted to the Company with the investor's application, including any amount requested to be facilitated, as accepted under the Offer
"Application Form"	an application form for use in respect of the Offer as set out in this document or otherwise made available by the Company
"Articles"	the articles of association of the Company
"Board"	the board of Directors of the Company
"Business Day"	means any day on which banks are generally open for business in London, other than a Saturday
"CA 2006"	the Companies Act 2006 (as amended)
"Capita Asset Services"	a trading name of Capita Registrars Limited
"Companies Acts"	CA 2006 and the Companies Act 1985 and regulations made thereunder (as amended) (as applicable)
"Company"	Unicorn AIM VCT plc
"Company Secretary"	the company secretary of the Company from time to time
"CREST"	the computerised settlement system to facilitate the transfer of title to securities in uncertified form operated by Euroclear UK & Ireland Limited
"Directors"	the directors of the Company (and each a "Director")
"Disclosure and Transparency Rules"	the Disclosure and Transparency Rules of the UKLA
"Early Bird"	an early bird discount in respect of applications received and accepted before 28 November 2014 (unless such date is extended by the Board, in consultation with Unicorn AM) of 0.5% for New Investors and 1% for Existing Shareholders (and, at the discretion of the Company, Existing Beneficial Shareholders)
"EEA States"	the member states of the European Economic Area
"Existing Beneficial Shareholders"	beneficial holders of Shares (and each an "Existing Beneficial Shareholder")
"Existing Shareholders"	existing registered Shareholders (and each an "Existing Shareholder")
"Execution only investor"	an investor who invests under the Offer through an execution only intermediary
"FCA"	the Financial Conduct Authority
"FSMA"	the Financial Services and Markets Act 2000 and regulations made thereunder (as amended)
"HMRC"	HM Revenue & Customs
"Investment Amount"	the amount of the investor's application accepted to be used to subscribe for New Shares (ie the Application Amount, less any amount of any initial adviser charge agreed to be facilitated in respect of an advised investor)
"IPEVC Valuation Guidelines"	International Private Equity and Venture Capital Valuation Guidelines

"ISCA Administration Services"	ISCA Administration Services Limited
"ISDX"	the ICAP Securities & Derivatives Exchange, a prescribed market for the purposes of section 118 of FSMA
"ITA 2007"	the Income Tax Act 2007 (as amended)
"LGBR Capital"	LGBR Capital London Limited
"Manager" or "Unicorn AM"	Unicorn Asset Management Limited
"Memorandum"	the memorandum of association of the Company
"NAV" or "net asset value"	the net asset value of a company calculated in accordance with that company's accounting policy
"New Investors"	new investors (who are not Existing Shareholders) who subscribe for New Shares pursuant to the Offer (and each a "New Investor")
"New Shares"	new Shares to be issued pursuant to the Offer (and each a "New Share")
"Offer"	the offer for subscription to raise up to £15 million, with an over-allotment facility for a further £10 million, through the issue of up to, in aggregate, 22.5 million New Shares as set out in this document
"Offer Price"	the price at which New Shares will be determined by dividing the Investment Amount by the number of New Shares to be issued as calculated pursuant to the Allotment Formula
"Official List"	the Official List maintained by the UKLA
"over-allotment facility"	the facility to increase the fundraising amount pursuant to the Offer from £15 million by a further £10 million
"Panmure Gordon"	Panmure Gordon (UK) Limited
"Prospectus"	this document
"Qualifying Company"	an unquoted (including an AIM-listed) company which satisfies the requirements of Chapter 4 of Part 6 of the ITA 2007
"Qualifying Investors"	individuals aged 18 or over who are resident in the United Kingdom and who invest in the Company (and each a "Qualifying Investor")
"Receiving Agent"	Capita Asset Services
"Shareholders"	holders of Shares (and each a "Shareholder")
"Shares"	ordinary shares of 1p each in the capital of the Company (and each a "Share")
"UK Listing Authority" or "UKLA"	the FCA acting in its capacity as the competent authority for the purposes of Part VI of the FSMA
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland
"United States" or "US"	the United States of America, its states, territories and possessions (including the District of Columbia)
"VCT Value"	the value of an investment calculated in accordance with section 278 of the Tax Act
"Venture Capital Investments"	shares in, or securities of, a Qualifying Company held by a venture capital trust which meets the requirements described in Chapter 4 of Part 6 of the ITA 2007
"venture capital trust" or "VCT"	a venture capital trust as defined in section 259 ITA 2007

Part X – Application for New Shares

Offer Application Procedures

The Offer is open to all existing Shareholders and new investors.

The Application Form for use in connection with the Offer is attached at the end of this document. Additional copies of the Application Form can be obtained from www.unicornam.com or by contacting Unicorn AM (the manager of the Company) on 020 7253 0889 or LGBR Capital (the distributor for the Offer) on 020 3195 7100 between the hours of 9.00am and 5.30pm on any Business Day.

To apply to participate in the Offer, please complete and return the Application Form to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU by post or hand delivered (during normal business hours only) by 12.00 noon on 1 April 2015 (in respect of applications for the 2014/2015 tax year) and 12.00 noon on 30 June 2015 (in respect of applications for the 2015/2016 tax year).

If you have any questions relating to this document, and the completion and return of the Application Form, please telephone Capita Asset Services between 9.00am and 5.30pm (UK time) Monday to Friday on 0871 664 0324 from within the UK or +44 20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0324 number cost 10 pence per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of an investment, nor give any financial, legal or tax advice.

Please complete all parts of the Application Form in accordance with the following instructions. The Applicant should complete Boxes 1 to 6 (as applicable), while the Applicant's financial adviser or intermediary, if any, should complete Boxes 7 and 8 (as applicable).

Application Form Instructions:

1. Insert (using block capitals) in Box 1 your full name, full address, work and home telephone numbers, e-mail address, National Insurance number and date of birth.

If you are an Existing Shareholder or an Existing Beneficial Shareholder, please tick in box 1 to qualify for the Early Bird discount level of 1%. If you are an Existing Beneficial Shareholder, please provide confirmation from the registered holder that you are the beneficiary of the Shares held by such registered holder.

2. Sign and date in the appropriate spaces.
3. Insert (in figures) in Box 3 the total amount you wish to invest (net of any initial adviser charge you are requesting to be facilitated if you are an advised investor). This can be for any amount, subject to being a multiple of £500 and an aggregate minimum across both tax years of £2,000, and can be for one or both of the 2014/2015 and 2015/2016 tax years as set out in the Application Form.

If facilitation of an initial adviser charge is being requested. The Company will only facilitate where your financial adviser has provided advice to you in respect of your investment in the Company, your financial adviser should complete Box 7b (as further detailed below) to confirm that financial advice has been provided and the amount of any initial adviser charge to be facilitated by the Receiving Agent has been agreed with you (and by signing this form you confirm the amount inserted by your financial adviser).

Pin your cheque or banker's draft to the Application Form which must be made payable to **"Capita Registrars Limited re Unicorn AIM VCT plc Offer For Subscription A/C"** and crossed **"A/C Payee only"**. Your payment must relate solely to this application. Cheques may be presented for payment on receipt. Alternatively, you can make payment via bank transfer to the following account:

Capita Registrars Ltd re Unicorn AIM VCT plc 2014 – Offer for subscription account

Bank Name: Royal Bank of Scotland

Sort Code: 15-10-00

Account Number: 32313828

Account Name: Capita Registrars Ltd re Unicorn AIM VCT plc 2014 – Offer for subscription account

Swift No: RBOSGB2L

IBAN: GB93RBOS15100032313828

If you wish to pay by electronic transfer, payments must be made by CHAPS or SWIFT in sterling. Details of the bank being instructed to make such electronic transfer must be entered in Box 2 of the Application Form. Payments in electronic form must come from a UK bank account and from a personal account in the name of the individual investor where they have sole or joint title to the funds. The account name should be the same as that shown in Box 2 of the Application Form. Payments must relate solely to your Application. Where an electronic transfer is being made for £50,000 or more the investor must provide a certified copy of their passport and a recent bank statement. No receipt in respect of electronic payments or acknowledgement of Applications will be issued. Please note the electronic facility for tax year 2014/2015 will close at 5.00 pm on 31 March 2015.

Please reference bank transfers with your initials and telephone contact number.

Applications under the Offer will normally be accepted on a first come, first served basis, save that applications accompanied by a post-dated cheque will not be processed until the cheque can be presented and will not be treated as being received by the Receiving Agent until that date, subject always to the discretion of the Directors.

Your cheque or banker's draft must be drawn in Sterling on an account with a United Kingdom or European Union regulated credit institution, and which is in the sole or joint name of the investor and must bear the appropriate sort code in the top right-hand corner.

The right is reserved to reject any application in respect of which the investor's cheque or banker's draft has not been cleared on first presentation. Any monies returned will be sent by cheque crossed "A/C Payee only" in favour of the investor without interest.

Money Laundering Notice – Important Procedures for applications of the Sterling equivalent of €15,000 (£12,000 approx) or more.

The verification requirements of the Money Laundering Regulations 2007 will apply and verification of the identity of the applicant may be required. Failure to provide the necessary evidence of identity may result in your application being treated as invalid or in a delay of confirmation. If you are an existing Shareholder of the Company and have previously provided Capita Asset Services with the appropriate money laundering documents, you will not need to provide the documents again.

If the application is for the Sterling equivalent of €15,000 or more (or is one of a series of linked applications the value of which exceeds that amount):

- A 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 Regulations 2007 or a UK or EC financial institution (such as a bank). Capita Asset Services will supply specimen wording on request; or
- B If an application is made direct (not through an intermediary), you must ensure that the following documents are enclosed with the Application Form:
 1. either a certified copy of your passport or driving licence; and
 2. a recent (no more than three months old) original bank or building society statement, or utility bill, or recent tax bill, in your name.

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

3. Sign and date in the appropriate spaces.
4. The Company provides its Shareholders with the opportunity to receive statutory communications, such as an annual and half-yearly reports by electronic communication (and you will receive notification of when documents are published on the Unicorn AM website for the Company). Alternatively documents will be sent to you by post. Please tick the appropriate box. Your email address must also be provided in Box 1 to help process your election.

Unicorn AM may use your personal details to send you information on other products or services they offer by email or post. Please tick the appropriate box advising how you would like to receive such information (or if you do not wish to receive such information).

5. Dividends will be paid by cheque and sent to the Shareholder's registered address. Alternatively, dividends paid in cash may be paid directly into bank or building society accounts. In order to help process this, please complete Box 5.

The rest of the Application Form should be completed by your financial adviser or intermediary (if any).

6. Financial advisers and intermediaries should complete Box 6 giving their contact name and address and their FCA Number. Please also tick the box to identify whether this is an advised investor or non-advised investor (i.e. execution only).
- 7a. Execution only Intermediaries who are entitled to receive commission (i.e. who are acting on behalf of the investor but have not provided advice) should ONLY complete Box 7a, confirming that they have not provided financial advice to the investor and select their elected commission option. Please note the intermediaries' obligation to advise their clients of the Risk Factors found on pages 9 and 10 of this document.

Availability of initial commission and commission options are set out on page 20 of this document and must be agreed with Unicorn AM and/or LGBR Capital in advance. Commissions will only be paid if, and to the extent, they are permitted under legislation and regulations and the 'execution-only' intermediary's client continues to hold their New Shares. Execution only Intermediaries can waive some or all of the initial commission for the benefit of their clients. If the commission is to be waived this should be indicated by completing Box 7a accordingly.

If there is no indication in Box 7a of how commission is to be treated, the intermediary identified in Box 6 will (to the extent permitted under legislation and regulations) be paid the commission in cash.

7b. Financial advisers who have provided advice to their clients should ONLY complete Box 7b.

If you have agreed to pay your financial adviser an initial adviser charge direct, your financial adviser should tick option A within Box 7b, confirming that they have provided financial advice to you but that no facilitation service is required by Capita Asset Services pursuant to this application. There is no requirement for such adviser to sign the form in Box 7b.

If you have agreed with your financial adviser that the payment of an initial adviser charge (in whole or part) should be facilitated by Capita Asset Services from the monies provided with the application, your financial adviser should:

- tick option B within Box 7b, confirming that they have provided financial advice to you;
- insert the amount of the initial adviser charge to be facilitated (either as a specified amount or a percentage of the Application Amount);
- insert the amount which will be presented on your cheque or that you have made via a bank transfer for (i.e. the aggregate of the investment amount inserted in Box 2 **AND** the amount of the initial adviser charge); and
- sign the application form in Box 8, to confirm that the amount of the initial adviser charge has been agreed with you and that they agree to be bound to terms and conditions of the Offer.

Please note the financial advisers' obligation to advise their clients of the Risk Factors found on pages 9 and 10 of this document. Financial advisers should take particular notice of the notes to Box 7b and advise their client accordingly. In particular, if the amount provided by the applicant is less than the aggregate amount required to meet the investment amount in Box 2 and the amount of the initial adviser charge in Box 7b, the amount of investment as inserted in Box 2 may be reduced accordingly.

If Box 7b is not completed, then the Company will assume no facilitation of an initial adviser charge is required.

8. Sign and date in the appropriate places.

Terms and Conditions

The following terms and conditions apply to the Offer, save as set out below.

Save where the context otherwise requires, words and expressions defined in the Definitions section of this document have the same meanings when used in these terms and conditions and the Application Form.

The section headed "Offer Application Procedures" and "Application Form Instructions" in this Part X and the Application Form form part of these terms and conditions of application to the Offer.

1. The maximum number of New Shares to be issued pursuant to the Offer is 22.5 million New Shares. The number of New Shares to be issued to an applicant will be determined by applying the Allotment Formula. The Offer Price per New Share will be determined by dividing the Investment Amount (ie, the Application Amount net of any amount agreed to be facilitated in respect of an initial adviser charge) by the number of New Shares to be issued. The Directors reserve the right to apply the Allotment Formula with such amendments and/or adjustments in order to achieve the result in respect of in terms of the Offer, number of New Shares to be allotted and adviser charges and/or intermediary commissions applicable as intended under the Prospectus.
2. The contract created by the acceptance of applications in the manner herein set out will be conditional on the admission of the New Shares being issued to the Official List of the UK Listing Authority and to trading on the London Stock Exchange's main market for listed securities unless otherwise so resolved by the Board. If any application is not accepted, or if any contract created by acceptance does not become unconditional, or if any application is accepted for fewer New Shares than the number applied for, or if there is a surplus of funds in excess of £5 from the application amount, the application monies or the balance of the amount paid on application will be returned (excluding, in circumstances where the application is accepted in part, any facilitated intermediary charge) without interest by post at the risk of the applicant. In the meantime, application monies will be retained by Capita Asset Services on the applicant's behalf.
3. The Company reserves the right to present all cheques and banker's drafts for payment on receipt and to retain documents of title and surplus application monies pending clearance of the successful applicants' cheques and banker's drafts. There is no minimum application level under the Offer, upon which the Offer is conditional.
4. By completing and delivering an Application Form, you (as the applicant):
 - (a) irrevocably offer to subscribe for such number of New Shares at the Offer Price per share in respect of the monetary amount stated on the Application Form (net of any amount requested to be facilitated in respect of an initial adviser charge), on the basis of the Allotment Formula and Offer Price determination as set out in Part II of this document, subject to the provisions of and on the basis of the information and statements concerning the Company and the New Shares contained in (i) the Prospectus, (ii)

these terms and conditions (iii) the Memorandum and Articles, (iv) any supplementary prospectus filed with the FCA, which you are deemed to have received and read (whether or not so read), (v) any Regulatory Information Service announcements released by the Company and (vi) the latest publicly available financial information of the company;

- (b) authorise Capita Asset Services to send definitive documents of title for the number of New Shares to be issued to you in respect of the amount of your application that is accepted and to procure that your name is placed on the register of members of the Company in respect of such shares and authorise the Company to send you a crossed cheque by post for any monies returnable, at your risk to your address as set out in your Application Form;
- (c) in consideration of the Company agreeing that it will not, prior to the closing date of the Offer, offer any New Shares to any persons other than by means of the procedures set out or referred to in this document, agree that your application may not be revoked until the closing date of the Offer, and that this paragraph constitutes a collateral contract between you and the Company which will become binding upon dispatch by post or delivery by hand of your duly completed Application Form to the Receiving Agent;
- (d) agree and warrant that your cheque or banker's draft will be presented for payment on receipt and will be honoured on first presentation and agree that, if such remittance is not so honoured, you will not be entitled to receive certificates for the New Shares applied for or to enjoy or receive any rights or distributions in respect of such New Shares unless and until you make payment in cleared funds for such New Shares and such payment is accepted by the Company (which acceptance shall be in its absolute discretion and may be on the basis that you indemnify it against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of your remittance to be honoured on first presentation) and that at any time prior to unconditional acceptance by the Company of such late payment in respect of such New Shares, the Company may (without prejudice to its other rights) treat the agreement to allot such New Shares as void and may allot such New Shares to some other person in which case you will not be entitled to any refund or payment in respect of such New Shares (other than return of such late payment);
- (e) agree that any documents of title and any monies returnable to you may be retained by the Company pending clearance of your remittance, that such monies will not bear interest and any monies of an amount less than £5 will not be returnable and will be retained by the Company for use by the Company for any purpose;
- (f) agree that all applications, acceptances of applications and contracts resulting therefrom will be governed by, and construed in accordance with, English law and that you submit to the jurisdiction of the English courts and agree that nothing shall limit the right of the Company to bring any action, suit or proceeding arising out of or in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;
- (g) agree that, in respect of those New Shares for which your application has been received and processed and not refused, acceptance of your application shall be constituted by notice of acceptance thereof by the Receiving Agent;
- (h) agree that all documents in connection with the Offer and any returned monies will be sent at your risk and may be sent by post to you at your address as set out in the Application Form;
- (i) agree that, having had the opportunity to read the Prospectus (and any supplementary prospectus), you and, if relevant, your financial adviser or intermediary, shall be deemed to have had notice of all information and representations concerning the Company contained therein (whether or not so read);
- (j) confirm that in making such application you are not relying on any information or representation in relation to the Company other than those contained in the Prospectus and any supplementary prospectus filed with the FCA, which you are deemed to have received and read (whether or not so read) you accordingly agree that no person responsible solely or jointly for the Prospectus (or supplementary prospectus) or involved in the preparation thereof shall have any liability for any such information or representation;
- (k) confirm that you have reviewed the restrictions contained in paragraph 5 below and warrant as provided therein;
- (l) warrant that you are not under the age of 18 years;
- (m) agree that such Application Form is addressed to the Company and the Receiving Agent;
- (n) agree to provide the Company and/or the Receiving Agent with any information which they may request in connection with your application and/or in order to comply with VCT or other relevant legislation and/or the Money Laundering Regulations 2007 (as the same may be amended from time to time);
- (o) warrant that, in connection with your application, you have observed the laws of all relevant territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action which will or may result in the Company or the Receiving Agent acting in breach of the regulatory or legal requirements of any territory in connection with the Offer or your application;
- (p) agree that the Receiving Agent will not regard you as its customer by virtue of you having made an application for New Shares pursuant to the Offer or by virtue of such application being accepted;

- (q) declare that a loan has not been made to you or any associate, which would not have been made or not have been made on the same terms, but for you offering to subscribe for, or acquiring New Shares and that the New Shares are being acquired for bona fide commercial purposes and not as part of a scheme or arrangement the main purposes of which, or one of the main purposes of which, is the avoidance of tax;
- (r) agree that, unless otherwise indicated on the Application Form, you consent to the website publication of annual and interim reports, and other statutory communications, online at www.unicornaimvct.co.uk and the provision of an email notification, to the email address provided on the Application Form, of when such documents are available for viewing online; and
- (s) consent to information provided on the Application Form being provided to Unicorn AM, LGBR Capital (the distributor for the Offer) and the registrars of the Company (from time to time) to process applications and to process shareholding information and notifications as referred to in paragraph (r) above (Unicorn AM and LGBR Capital may use the information you give for administration, research and statistical purposes, however, the information provided will be held in confidence by Unicorn AM and LGBR Capital and will not be passed to any other product or service company).

5. No action has been or will be taken in any jurisdiction by, or on behalf of, the Company which would permit a public offer of New Shares in any jurisdiction where action for that purpose is required, other than the UK, nor has any such action been taken with respect to the possession or distribution of this document other than in the UK. No person receiving a copy of the Prospectus (or supplementary prospectus, if any) or an Application 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 Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to him or such Application Form could lawfully be used without contravention of any registration or other legal requirements. It is the responsibility of any person outside the UK wishing to make an application for New Shares to satisfy himself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory. The New Shares have not been nor will be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States of America, its territories or possessions or other areas subject to its jurisdictions (the "US"). In addition, the Company has not been and will not be registered under the United States Investment Advisers Act of 1940, as amended. No Application Form will be accepted if it bears an address or post mark in the US.

6. The basis of allocation will be determined by the Company in its absolute discretion, though it is intended that applications will be accepted in the order in which they are received (i.e. first come, first served), save for applications accompanied by a post-dated cheque. The Offer will close at 12.00 noon on 30 June 2015 (or as soon as the Offer is fully subscribed or otherwise at the Board's discretion). The Board in its absolute discretion may decide to extend the closing date of the Offer (such extension being not later than 12 months after the publication of the Prospectus) or increase the Offer fundraising amount by the over-allotment facility (subject to the overall aggregate maximum number of 22.5 million New Shares to be issued pursuant to the Prospectus). The right is reserved, notwithstanding the basis so determined, to reject in whole or in part and/or scale down any application, in particular multiple and suspected multiple applications which may otherwise be accepted. Applications not accepted or if the Offer is withdrawn will be returned to the applicant in full (excluding, in circumstances where the application is accepted in part, any facilitated intermediary charge) by means of a cheque by post at the applicant's risk or if payment made by electronic transfer, refunded back to the account where payment was made. The right is also reserved to treat as valid any application not complying fully with these Offer Terms and Conditions or not in all respects complying with the Offer Application Procedures set out on pages 55 to 57 and to amend the application of the Allotment Formula to any applicant's application so as to achieve a fair and/or intended result. In particular, but without limitation, the Company may accept applications made otherwise than by completion of an Application Form where the applicant has agreed in some other manner to apply in accordance with these Offer Terms and Conditions.

7. The Offer will be suspended if at any time the Company is prohibited by statute or other regulations from issuing New Shares or has insufficient Shareholder authority to allot Shares.

8. Investors whose applications are received and accepted by 28 November 2014 will be eligible to receive a discount in respect of their application of 0.5% in respect of New Investors and 1% in respect of Existing Shareholders. The Board reserves the right to (in consultation with Unicorn AM) extend the deadline by which applications must be received and accepted to be eligible for the Early Bird. The Board further reserves the right (in consultation with Unicorn AM) to apply the Early Bird discount level to Existing Beneficial Shareholders, subject to satisfactory confirmation from the registered Shareholder that such individual is the beneficial holder of the Shares held by it. The determination by the Board as to the eligibility for the Existing Shareholder level of Early Bird discount will be final.

9. Unicorn AM may (on behalf of the Company) agree with intermediaries providing 'execution-only' services that, in respect of any application accepted from a client for whom the execution only intermediary acts, to pay an initial commission (subject to a maximum of 3% of the amount subscribed for New Shares by their clients). Intermediaries may waive all or part of the initial commission due for the benefit of their client (such amount will be taken into account in determining the number of New Shares to be allotted under the Allotment Formula). In addition, provided that the 'execution-only' intermediaries' clients continue to hold their New Shares, such intermediaries will normally be paid an annual trail commission of 0.375% of the net asset base value for each such New Share by the Company. For this purpose, 'net asset base value' means the net assets attributable to such New Share as determined from the audited annual accounts of the Company as at the end of the preceding financial year. No payment of trail commission (save as referred to below) will be made to the extent that the cumulative trail commission would exceed 2.25% of the Offer Price of the New Share in

question. Unicorn AM may, with the consent of the Board, agree to pay trail commission on a different basis, providing it does not exceed the maximum cumulative payment of 2.25% of the offer price of the New Share in question. Commissions will only be paid if, and to the extent, they are permitted under legislation and regulations. Annual trail commission will be paid shortly after the later of the annual general meeting of the Company and, where applicable, the date of payment of the final dividend in each year and, in respect of annual trail commission, provided no subsequent financial advice is provided by them to the client, and the client continues to hold such New Shares on the funds invested). For this purpose, 'net asset base value' means the net assets attributable to such New Share as determined from the audited annual accounts of the Company as at the end of the preceding financial year. The first payment will be for the year ending 30 September 2015. No payment of commission by the Company shall be made to the extent that the cumulative annual trail commission per New Share would exceed 2.25% of the Offer Price for each such New Share held by the applicant. Confirmation that no advice has been given must be provided on the Application Form. For the avoidance of doubt, initial and annual trail commission will not be payable where execution only intermediaries have provided advice, though an initial adviser charge may be facilitated as referred to below.

Initial commissions will be paid out of the costs of the Offer. Annual trail commission will be paid by the Company. It is expected that annual trail commission will be paid approximately five months after the year-end of the Company. Initial commission will be paid by way of cheque. The administration of annual trail commission will be managed on behalf of the Company by Unicorn AM which will maintain a register of execution only intermediaries entitled to trail commission.

Execution only Intermediaries should keep a record of Application Forms submitted bearing their stamp or full address details to substantiate any claim for commission. The Receiving Agent will collate the Application Forms bearing the intermediaries' stamps or full address details and calculate the initial commission payable which will be paid following the relevant allotment of New Shares pursuant to the Offer to such intermediary's client.

Investors and execution only intermediaries should note that trail commission is not payable if the intermediary subsequently then gives advice in respect of a holding. The Company should be immediately notified that trail commission payments should cease. It is the responsibility of the investor and the execution only intermediary to notify the Company if advice is given and payments for this (or for any other reason) should cease (though the Company also reserves the right to cease payments if it believes advice may have been given or for any other reason in its absolute discretion).

In respect of existing trail commission arrangements to intermediaries, such payments will continue (to the extent permitted under legislation and regulations), but not if subsequent financial advice in respect of the holding is given. As a result, should a Shareholder decide to seek financial advice from their existing execution only intermediary in respect of participating in the Offer, any trail commission which is currently being paid to that intermediary pursuant to an existing holding in the Company should cease and Unicorn AM and/or the Company should be notified accordingly.

10. Unicorn AM may agree to waive any part of the fee element due to it represented by the 2.5% of the gross funds raised under the Offer in the Allotment Formula in respect of any specific or group of investors for the benefit of such investors. The benefit of the waiver will be applied by reducing (B) in the Allotment Formula by an equivalent amount, which will increase the number of New Shares to be allotted to them.
11. The Company will, through Capita Asset Services, provide facilitation services in respect of any initial intermediary charges (together with any VAT thereon, if applicable) agreed between an investor and their financial intermediary (subject to a maximum facilitation amount equal to 3% of the Application Amount). Any additional initial adviser charges in excess of the amount agreed to be facilitated, together with any annual adviser charges, will not be facilitated and will need to be paid directly by the investor.
12. If the investor and the financial adviser agree that a charge is to be facilitated by Capita Asset Services, an Application Form must be countersigned by the financial adviser to confirm (i) that the facilitation amount has been agreed and (ii) that the financial adviser has read and agrees to be bound by the terms and conditions of the Offer. The charging of VAT on an initial adviser charge is the sole responsibility of the financial adviser. Should any facilitated charge undertaken by the Company exclude the payment of any such VAT, the investor will, at all times, remain solely responsible to make up such VAT deficit (if any) to the financial adviser. If the amount provided in an investor's subscription monies is less than the aggregate amount required to meet both the application for subscription of New Shares pursuant to the Offer, and the initial adviser charge to be facilitated by Capita Asset Services (subject to a maximum amount equal to 3% of the Application Amount to be facilitated), the application amount for the subscription of New Shares will be reduced accordingly. Alternatively, if the maximum amount to be facilitated equal to 3% of the Application Amount would be exceeded, the amount of the initial adviser charge to be facilitated will be reduced.
13. The Company reserves the right to make the Offer available via one or more investment platforms (subject to information being received in respect of any applicant and the intended underlying beneficial holder of New Shares as may be requested by or on behalf of the Company) and to issue New Shares directly to a nominee if agreed with the applicant.
14. The Company may make alternative Application Forms available and any additional terms and conditions thereon shall be deemed to be included herein as part of these terms and conditions.

Lodging of Application Forms and dealing arrangements

Completed Application Forms with the appropriate remittance must be posted or delivered by hand (during normal business hours only) to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. The Offer will be open from 17 September 2014 and will close at 12.00 noon 30 June 2015 (unless it is fully subscribed earlier or otherwise at the Board's discretion). The Board in its absolute discretion may decide to extend the Offer (but not later than 12 months after the publication of the Prospectus).

Applications in respect of the 2014/2015 tax year should be received by 12.00 noon on 1 April 2015. If electronic payments are being made then electronic payment will only be accepted up to 5.00 pm on 31 March 2015 for the 2014/2015 tax year.

If you post your Application Form, you are recommended to use first class post and to allow at least two Business Days for delivery.

Unless otherwise agreed by the Company, the New Shares will be issued in certificated form (though such New Shares can subsequently be admitted to CREST).

It is expected that dealings in the New Shares will commence within three Business Days following allotment and that share certificates will be dispatched within ten Business Days of allotment of the New Shares. Allotments will be announced on an appropriate Regulatory Information Service Provider.

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

Application Form

UNICORN AIM VCT PLC

Definitions used in the prospectus published by the Company dated 17 September 2014 ("Prospectus") (copies of which can be downloaded from www.unicornam.com) apply herein.

Before completing this Application Form you should read the Offer Application Procedures and Terms and Conditions contained in the Prospectus. Please send the completed Application Form with your electronic payment transfer details, cheque or banker's draft and, if necessary, proof of identity to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

Cheques should be made payable to "Capita Registrars Limited re Unicorn AIM VCT plc Offer For Subscription A/C".

The Offer opens on 17 September 2014 and will close at 12.00 noon on 30 June 2015. The Offer may close earlier if fully subscribed or otherwise at the Board's discretion. The Offer may be extended by the Board in its absolute discretion (but not later than 12 months after the publication of the Prospectus). If tax relief is to be applied for in respect of the subscription monies in the tax year 2014/2015, the closing date will be 12.00 noon on 1 April 2015.

The Company and the Receiving Agent cannot accept responsibility if any details provided by you are incorrect.

Please complete in BLOCK CAPITALS.

TO BE COMPLETED BY THE INVESTOR.

1 Title: Mr/Mrs/Miss/Ms/Dr/Other

Forename(s):

Surname(s):

Existing Shareholder (please tick if relevant):

Registered holder

Beneficial holder

Address:

Post code:

Email address:

Telephone (work):

Telephone (home):

Date of Birth:

National Insurance Number

I wish to invest under the Offer the amount in respect of the tax years 2014/2015 and 2015/2016 as set out in Box 3 below, or such lesser amount(s) for which this subscription will be accepted, on the terms and conditions set out on pages 57 to 60 of the Prospectus.

2 By signing this form I HEREBY DECLARE THAT I have read the terms and conditions of the Offer set out on pages 57 to 60 of the Prospectus (and as further contained herein) and agree to be bound by them. I understand this is a long term investment and have read the Risk Factors set out on pages 10 and 11 of the Prospectus and the Prospectus as a whole.

Signature
of applicant

Date

3 Tax year 2014/2015

£

Tax year 2015/2016

£

Total (to equal at least £2,000)

£

3 continued

Please tick one box only:

I enclose a cheque or banker's draft drawn on a UK clearing bank made payable to "Capita Registrars Limited re Unicorn AIM VCT plc Offer For Subscription A/C"

I confirm that I will make an electronic transfer to Capita Registrars Limited to the following account:

Bank Name: Royal Bank of Scotland

Sort Code: 15-10-00

Account Number: 32313828

Account Name: Capita Registrars Ltd re Unicorn AIM VCT plc 2014 – Offer for subscription amount

Swift No: RBOSGB2L

IBAN: GB93RBOS15100032313828

and I will provide all necessary identity verification evidence if my investment is greater than €15,000 (transfers should be made after first sending in your completed application form with a payment reference of your surname and initials - please see section 2 of the application form instructions in the Prospectus for further instructions)

for the amount of the subscription monies in the Total Box above, together with the amount, if any, of the initial adviser charge requested to be facilitated (as inserted in Box 7b below)

Complete the section below only if you are tendering payment by electronic transfer

Name of Bank

Branch

Sort Code

Account Name

Account Number

Reference – your initials
and telephone number

E-mail

Telephone:

(where an electronic transfer is being made for £50,000 or more the investor must provide a certified copy of their passport and a recent bank statement)

4 Investor Services

How would you like to receive a copies of statutory communications, such as annual and half-yearly report:

Email

Post

How would you like to be updated about information on other products and services offered by Unicorn AM:

Email

Post

No thanks

All dividends on any Shares held in the Company maybe paid directly into bank and building society accounts. In order to facilitate this, please complete the mandate instruction form in Box 5. Dividends paid directly into your account will be paid in cleared funds on the dividend payment date. Your bank or building society statement will identify details of the dividends as well as the dates and amounts paid.

5 Dividend Mandate

Please forward, until further notice, all dividends that may from time to time become due to any shares now standing or which may hereafter stand, in my name in the register of members of the Company to:

a. Name of Bank or Building Society:

b. Account Number:

--	--	--	--	--	--	--

c. Sort Code:

--	--	--	--	--	--

d. Account Name (BLOCK capitals please):

e. Signature:

--

f. Date:

--

g. Applicant's Name (BLOCK capitals please):

h. Post code of applicant:

--

THE REMAINDER OF THIS FORM SHOULD ONLY BE COMPLETED BY YOUR INTERMEDIARY (IF ANY).

6 Intermediary Contact Details

Firm name:

Hargreaves Lansdown

FCA number: 115248

Adviser contact:

Jayne Mathias

IFA administrator contact:

E-mail(s):

--

Address:

1 College Square South

Anchor Road

Bristol BS1 5HL

Post code:

Telephone:

0117 900 9000

Fax:

Payment Details (to be used if your commission(s)/charge is to be paid to a network or other third party)

Name

--

Contact

--

Address

--

Post Code

--

E-mail

--

Telephone:

--

What type of investment is this? (tick one box only)

This is a non-advised investment (execution only) – please go to box 7a

This is an advised investment – please go to box 7b

7a Execution Only Intermediaries

Please tick this box to confirm that no financial advice has been provided by you to your client in respect of this application.

Commission Options (to be agreed with Unicorn Asset Management Limited and/or LGBR Capital London Limited (subject to a maximum amount equal to 3% of the Application Amount)

A Amount of initial commission to be paid to intermediary %

B Amount of initial commission to be waived and re-invested for client %

Total A + B (A + B must total no more than 3%) %

7b Financial Advisers

Please tick one of the following boxes to confirm that financial advice has been provided by you to your client in respect of this application and whether or not an initial adviser charge is required to be facilitated.

A My client has agreed to pay my fee in respect of this application direct and there is no requirement of any charge being facilitated.

B My client has requested to have such amount as is set out below to be facilitated to me by Capita Asset Services as an initial adviser charge (subject to a maximum amount equal to 3% of the Application Amount).

Initial adviser charge (please complete one box only) £

% of the Application Amount

8 By signing this form I HEREBY DECLARE THAT I have read the terms and conditions of the Offer set out on pages 57 to 60 of the Prospectus (and as further contained herein) and agree to be bound by them. I further confirm that the amount inserted above has been agreed with my client.

Signature
of intermediary

Date

Notes to Box 7b

The amount requested to be facilitated for adviser will be divided proportionately between the amounts for each tax year (if applicable) or, if the application is only accepted in part, reduced accordingly to ensure it is not greater than the maximum stated above.

VCT tax reliefs will only be available in respect of the actual amount invested in the Company and will not include facilitated initial adviser charges.

The charging of VAT on an initial adviser charge is the sole responsibility of the adviser. Should any charge facilitated by Capita Asset Services not include the payment of any such VAT, the investor will, at all times, remain solely responsible to make up such VAT deficit (if any) to the adviser.

Notes

Notes

Corporate Information

Directors

Peter Frederick Dicks (*Chairman*)

James H Grossman

Jeremy John Hamer

Jocelin Montague St John Harris

(all of the registered office)

Registered Office

2 Barnfield Crescent

Exeter

EX1 1QT

Telephone: 01392 487056

Website: www.unicornaimvct.co.uk

Company Number

04266437

Investment Manager and Promoter

Unicorn Asset Management Limited
First Floor Office
Preacher's Court
The Charterhouse
Charterhouse Square
London
EC1M 6AU

Website: www.unicornam.com
Email: info@unicornam.com

Company Secretary and Administrator

ISCA Administration Services Limited
23 Silverwood Avenue
Newton Abbot
TQ12 4LG

Solicitors

SGH Martineau LLP
No. 1 Colmore Square
Birmingham
B4 6AA

Sponsor and Stockbroker

Panmure Gordon (UK) Limited
One New Change
London
EC4M 9AF

Distributor

LGBR Capital London Limited
8 Angel Court
London
EC2R 7HJ

Receiving Agent

Capita Asset Services
Corporate Actions
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

Registrars

Capita Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

Auditors

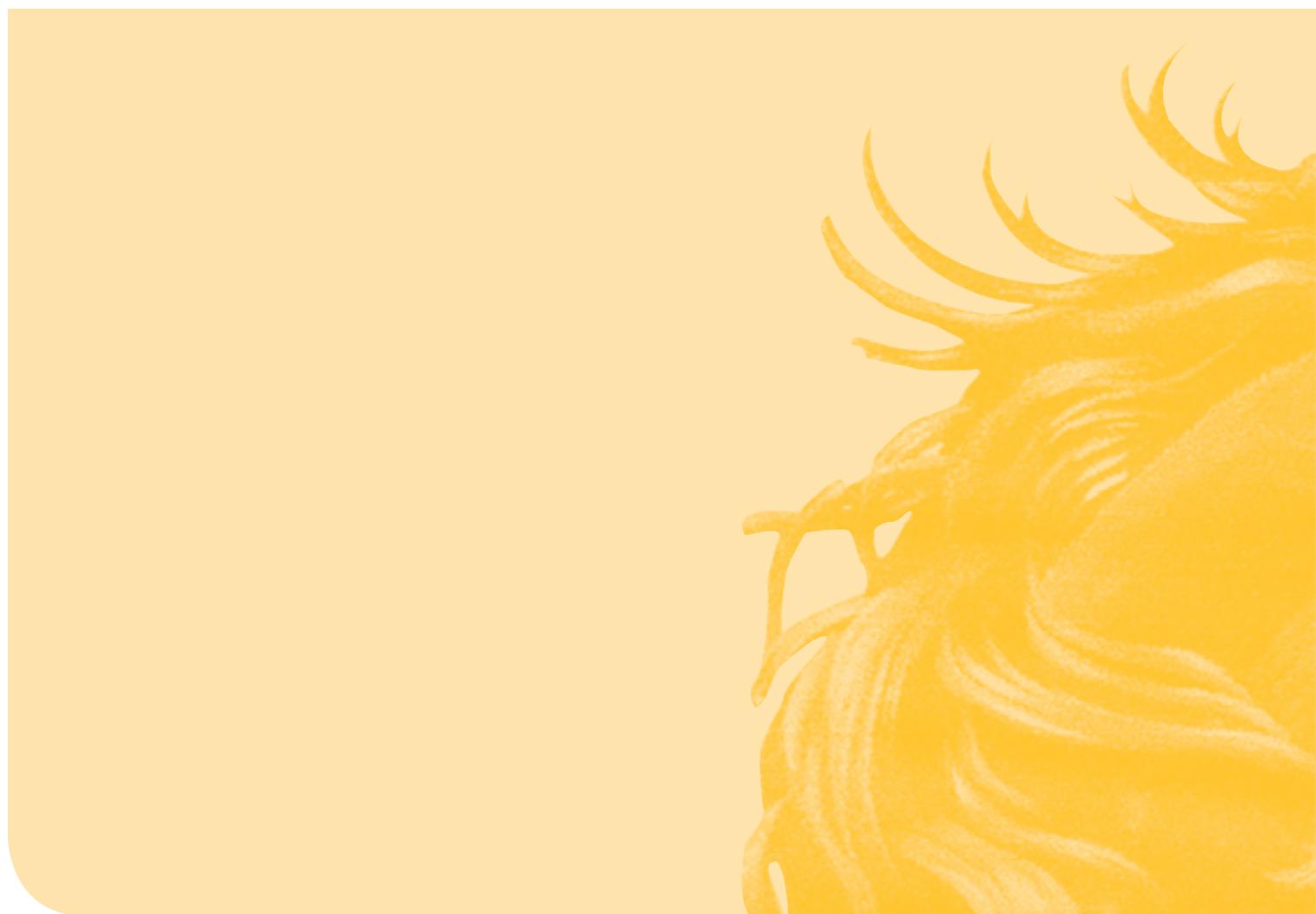
BDO LLP (formerly PKF (UK) LLP)
55 Baker Street
London
W1U 7EU

Custodian

The Bank of New York Mellon
One Canada Square
London
E14 5AL

Bankers

National Westminster Bank plc
City of London Office
PO Box 12264
1 Princes Street
London
EC2R 8PB



Unicorn Asset Management Limited
First Floor Office, Preacher's Court, The Charterhouse
Charterhouse Square, London EC1M 6AU
0207 253 0889
www.unicornam.com

unicorn 
ASSET MANAGEMENT