

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document, you should consult a person authorised under the Financial Services and Markets ACT 2000 (“FMSA”) before taking any action.**

The Directors, whose names are set out on page 29 of this document, and the Company accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Applications will be made to the UK Listing Authority for all the New Ordinary Shares to be admitted to the premium segment of the Official List. Applications will also be made to the London Stock Exchange for all such New Ordinary Shares to be admitted to trading on the London Stock Exchange’s main market for listed securities. It is expected that Admission will become effective and that dealings on the London Stock Exchange in the New Ordinary Shares will commence 10 Business Days following allotment. No application is currently intended to be made for the New Ordinary Shares to be admitted to listing or dealt with on any other exchange. The existing Ordinary Shares are already admitted to the premium segment of the Official List and to trading on the London Stock Exchange’s main market for listed securities.

**Your attention is drawn to the “Risk Factors” on pages 6 to 8 of this document.**

## **ELDERSTREET VCT PLC**

(Incorporated in England and Wales under the  
Companies Act 1985 No. 03424984)

### **TOP UP OFFER**

for the tax years 2015/16 and 2016/17

**Target Fund Raise: £364,000**

The Offer will be open from 10.00 a.m. on 22 December 2015 until the earlier of 4.00 p.m. on 29 April 2016 (or such later date as the Board may decide) and the date on which the relevant Maximum Subscription is reached. Applicants who wish to have some or all of their New Ordinary Shares allotted in the tax year 2015/16 must return their completed Application Form by 10.00 a.m. on 5 April 2016. The Offer is not being underwritten. The Offer is not subject to reaching a minimum subscription level.

Early Investors will receive a majority rebate of the Promoter’s Fee and a full rebate of applicable Adviser Charge or Commission (provided their financial intermediary passes this saving on as additional New Ordinary Shares), subject to a cumulative maximum rebate of 5%, where their Application Form is received and accepted by the Company before 4.00 p.m. on 1 February 2016.

The minimum subscription per Investor under the Offer is £6,000. Completed Application Forms in respect of the Offer should be sent by post or delivered by hand to The City Partnership (UK) Ltd, Thistle House, 21-23 Thistle Street, Edinburgh, EH2 1DF.

This document, which is a financial promotion and not a prospectus, is issued by the Company and has been approved for the purposes of section 21 of FSMA by Elderstreet Investments Limited ("**Elderstreet**"), which is authorised and regulated by the Financial Conduct Authority, on behalf of the Company.

Elderstreet is acting exclusively for the Company in connection with the Offer and will not be responsible to anyone other than the Company for providing the protections afforded to customers of Elderstreet or for advising any such person in connection with the Offer.

The Offer is not being made, directly or indirectly, in or into the United States, Canada, Australia, Japan or the Republic of South Africa or their respective territories or possessions, and documents should not be distributed, forwarded or transmitted in or into such territories. The New Ordinary Shares have not been and will not be registered under the United States Securities Act of 1933 (as amended) and may not be offered, sold or delivered, directly or indirectly, in or into the United States, Canada, Australia, Japan or the Republic of South Africa.

Copies of this document are being issued on a confidential basis to fewer than 150 persons in the United Kingdom and the New Ordinary Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by the recipient to any other person in the United Kingdom.

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## OFFER STATISTICS

### Key Statistics

Fundraising Target	£364,000
Estimated Offer Price	73.6 pence*
Maximum number of New Ordinary Shares to be issued pursuant to the Offer	494,565
Gross Proceeds of the Offer if fully subscribed	£364,000*
Estimated total expenses of the Offer	£20,020**

### Early Investment Incentive

An Investor whose Application Form is received and accepted before 4.00 p.m. on 1 February 2016 will receive:	(1) 3% rebate of Promoter's Fee (or 5% for Direct Investors) as additional New Ordinary Shares; and  (2) Full rebate of initial Adviser Charge or Commission***  (subject to a cumulative maximum rebate of 5%)
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\* assuming, for the purposes of the Pricing Formula, a NAV of 69.6 pence per Ordinary Share (being the unaudited NAV as at 31 October 2015 adjusted for the interim dividend paid on 11 December 2015), and total costs of 5.5%.

\*\* assuming Maximum Subscription under the Offer and the payment of a Promoter's Fee and commission totalling 5.5% in relation to all applications.

\*\*\* Adviser Charge/Commission will only be rebated under the Early Investment Incentive where the Investor's financial intermediary passes the saving on to the Investor in the form of additional New Ordinary Shares.

Note: The New Ordinary Shares will be issued based on the Application Amount and the Pricing Formula set out on page 32. Accordingly, if an updated NAV per Ordinary Share is announced after publication of this document, this updated NAV will be used to calculate the number of New Ordinary Shares issued. Should there be a material movement in the NAV between the normal reporting dates, the Company may announce an updated unaudited NAV, which will be used to calculate the number of New Ordinary Shares to be allotted.

## EXPECTED TIMETABLE

Offer opens	22 December 2015
Closing date of 2015/16 Offer	5 April 2016
Initial closing date of 2016/17 Offer	29 April 2016
First allotment (2015/16 tax year)	5 April 2016
First allotment (2016/17 tax year)	by 29 April 2016

Dealings commence	within 10 Business Days of allotment
Share certificates despatched and CREST accounts credited	within 10 Business Days of allotment
Deadline for receipt of Application Forms	10.00 a.m. on 5 April 2016 (for shares allotted in 2015/16 tax year)
	4.00 p.m. on 29 April 2016 (for shares allotted in 2016/17 tax year)
Deadline for Early Investment Incentive	4.00 p.m. on 1 February 2016

The Directors reserve the right to make an allotment of New Ordinary Shares on any day at the Directors' absolute discretion from 22 December 2015 until 30 April 2016 (or such later date as they may determine). The Offer will close earlier than the relevant date stated above if fully subscribed by an earlier date.

## RISK FACTORS

The Company's business, financial condition or results could be materially and adversely affected by any of the risks described below. In such cases, the market price of the New Ordinary Shares may decline, or returns derived from those shares may be reduced, due to any of these risks and Investors may lose all or part of their investment. Additional risks and uncertainties not presently known to the Directors, or that the Directors currently deem immaterial, may also have an adverse effect on the Company. The Directors consider the following to be all the material risks for potential Investors in the Company, but the risks listed do not necessarily comprise all those associated with an investment in the Company:

### 1. Risks relating to the Company

- Although it is intended that the Company will be managed so as to retain its VCT status, there is no guarantee that such status will be maintained. Further details of the taxation implications to an Investor of an investment in the Company are set out in Part 6 of this document. However, if the Company fails to meet the qualifying requirements for a VCT, this could result in:
  - i the loss of income tax relief received if Investors have not held their New Ordinary Shares for the required qualifying period;
  - ii the loss of income tax relief on dividends paid (or subsequently payable) to Investors;
  - iii the loss of tax relief previously obtained in relation to corporation tax on capital gains made by the Company;
  - iv a liability to tax on capital gains on any disposal of New Ordinary Shares; and
  - v the loss of the Company's listing on the Official List and the ability of the New Ordinary Shares to be traded on the London Stock Exchange.
- Most of the Company's investments may be in companies whose securities are not publicly traded or freely marketable and may, therefore, be difficult to realise.
- Some of the Company's investments are in established companies that may be relatively mature with limited opportunities for further growth.
- In order to comply with VCT legislation, the Qualifying Investments in which the Company invests must have gross assets of not more than £15 million immediately prior to investment and £16 million immediately post investment (these tests are applied on a group basis if applicable), and, under new rules which came into force from Royal Assent (on 18 November 2015), be less than seven years old from their first commercial sale, or ten years for knowledge intensive companies. Such companies generally have a higher risk profile than larger companies.
- Funds raised pursuant to the Offer will be invested in accordance with the current investment policy of the Company as set out in this document. As a result of changes made by the Finance (No.2) Act 2015 (and guidance to be issued by HMRC), the Company may need to propose changes to its investment policy. To the extent that any material changes to the investment policy are proposed, the Company is required by the Listing Rules to seek regulatory approval from the FCA, and subsequently the approval of its Shareholders, to such changes.
- There is no guarantee that the Company's objectives will be met or that suitable investment opportunities will be available. This would affect and/or reduce the level of returns which would otherwise have been achievable.

- The Company's ability to obtain maximum value from its investments (for example, through sale) may be limited by the requirements imposed in order to maintain the VCT tax status of the Company (such as the obligation to have at least 70% by value of its investments in Qualifying Investments).
- Changes in legislation concerning VCTs in general, Qualifying Investments and qualifying trades in particular, may restrict or adversely affect the ability of the Company to meet its objectives and/or reduce the level of returns which would otherwise have been achievable.
- Most of the Company's investments will be in small companies which may have limited trading records and may not produce hoped for returns. Consequently, Investors could get back less than they invested.
- The past performance of the Company and/or investments managed by the Manager should not be regarded as an indication of the future performance of the Company.
- Any targets or estimates referred to in this document are not projections or forecasts, and no projections or forecasts should be inferred or implied from such targets or estimates. Any targets or estimates referred to may not be realised.
- The Summer Budget proposed changes to the VCT rules which may restrict the range of investments into which the Company can invest. Investors should be aware that new conditions are effective from Royal Assent to the Finance (No.2) Act 2015 (which was given on 18 November 2015). The changes introduce a maximum age limit for companies receiving VCT investments (generally 7 years from first commercial sale or 10 years for "knowledge intensive" companies), and a maximum amount of Risk Finance State Aid which a company can receive over its lifetime (£12 million, or £20 million for "knowledge intensive" companies). There are further restrictions on the use of VCT funds received by investee companies. These changes may mean that there are fewer opportunities for investment, and that the Companies may not necessarily be able to provide further investment funds for companies already in its portfolio. The penalty for contravention of these rules can include loss of VCT status with a resultant clawback of VCT tax reliefs from investors.
- Where the European Commission believe that State Aid has been provided which is not in accordance with the Risk Finance Guidelines, they may require that the UK Government recover that State Aid. There is currently no mechanism in place for this, but recovery may be from the investee companies, the VCT or the VCT's investors.

## **2. Risks relating to Taxation**

- Investors should be aware that the disposal of New Ordinary Shares within five years of their subscription will lead to the requirement to repay the 30% income tax relief available upon investment to the extent of the amount received from such sale. Accordingly, investment in the Company is a long term investment.
- The levels and bases of reliefs from taxation may change and could apply retrospectively. The tax reliefs referred to in this document are those currently available and their value depends on the respective individual circumstances of Investors.
- An investment in a VCT is free from tax on capital gains for a Qualifying Investor on a disposal of their New Ordinary Shares. Consequently, any realised losses on disposal of New Ordinary Shares cannot be used to create an allowable loss for capital gains tax purposes.
- An Investor's initial income tax relief will be withdrawn if the Investor, or any person associated with the Investor, takes out a loan which would not have been made, or would not have been made on the same terms, save for the acquisition of the New Ordinary Shares.

- The Finance Act 2014 contains provisions (i) restricting tax relief on subscriptions for shares in a VCT where, within six months of subscription, the investor disposes of shares in the same VCT and (ii) preventing VCTs returning capital to investors within three years of the end of the accounting period in which the relevant shares were issued. The Board has taken these legislative changes into account in determining its dividend policy but there remains the risk that these or other factors could result in less than the target level of annual dividends being paid or potentially no dividends being paid at all. If the Company were to pay dividends in breach of these new regulations, there is a risk that it might lose its status as a VCT which would result in adverse tax consequences for Investors noted at 1 (i) – (v) above.

### **3. Risks relating to the New Ordinary Shares**

- Prospective Investors should be aware that the value of the New Ordinary Shares depends on the performance of the underlying assets and the value of the New Ordinary Shares, and the income from them, can fluctuate. In addition, there is no guarantee that the market price of the New Ordinary Shares will fully reflect their underlying Net Asset Value or the ability to buy and sell at that price.
- Although the New Ordinary Shares will be listed on the premium segment of the Official List and traded on the London Stock Exchange's main market for listed securities, it is unlikely that a liquid market in the New Ordinary Shares will develop and there may never be two competitive market makers. It may, therefore, prove difficult for Investors to sell their New Ordinary Shares.
- There is a limited secondary market for VCT shares and most trade below their net asset value.



## Chairman's Letter

Elderstreet VCT plc

22 December 2015

Dear Shareholders/Investors

### Elderstreet VCT Plc – An Award Winning Generalist VCT

The Company recently won Investment Week's 2014 VCT Investment Company of the Year Awards organised by Incisive Media. These awards highlight investment companies that produce consistent performance and where there is, in the judges' opinion, a high likelihood that the investors will not be disappointed in the future. The Manager has previously won VCT Fund Manager of the Year in 2009 and 2010 organised by the Growth Company Awards.

This latest award followed a successful exit from the portfolio of Wessex Advanced Switching Products ('WASP'), a manufacturer of military and aerospace switches and lighting products, an investment which has returned an IRR of over 30%. The Board believes this exit validates the generalist investment strategy of the Company investing in a mix of small, established companies with growth potential.

The Company was runner up in the Growth Investor Awards Exit of the Year 2015.

The Company's largest investments (see pages 23 to 27) include several long standing and profit generating companies some of which should be coming to the point of realisation in the foreseeable future.

New investors would be buying into a portfolio that was assembled prior to the coming into effect of the Finance (No. 2) Act 2015 which now prohibits investment into more established companies. The Board is confident that the Company continues to hold a good quality portfolio that has the potential to deliver further value for Shareholders over the coming years.

### Potential material changes to NAV

The Company has an investment in Lyalvale Property Limited. The company owns a plot of freehold brownfield land and has applied for residential planning permission which is now in the appeal stage. The planning appeal decision is expected to be made public in January 2016, and, if favourable, there may be a material uplift in value. If the outcome is positive then an announcement will be made and the cost of the New Ordinary Shares issued thereafter under this Offer will be reflected in the Pricing Formula and this will, accordingly, increase the price payable for those shares under the Offer.

### A VCT for income

The Board has a stated objective of paying annual dividends of between 4 pence and 5 pence per Ordinary Share. For an investment at the Estimated Offer Price of 73.6p, and a payment of a 4 pence dividend this would currently represent a tax-free yield of approximately 7.8% per annum on the net investment of 51.5p per New Ordinary Share (after 30% income tax relief), which is equivalent to approximately 12.9% per annum gross to a 40% taxpayer, and to approximately 14.1% per annum gross to a 45% taxpayer. **Investors should note that the level of dividend is not guaranteed, and no profit forecast is to be inferred or implied from these statements.** Distributable reserves as at 31 October 2015 (ignoring the interim dividend payable in December 2015) were £9.9 million, equivalent to 28.7 pence of dividends per Ordinary Share.

## **Changes to the VCT investment rules**

The changes to the VCT legislation which came into force in the Finance (No. 2) Act 2015 in November 2015 have stopped VCTs investing in management buy outs ("MBOs"), as well as implementing other changes. The Company has in the past invested successfully in MBOs but the Directors are of the opinion that the performance of the Company and its ability to identify suitable investment opportunities will not be affected to any great extent by these changes. Broadly these changes mean the following three tests have to be checked prior to every investment:

### *Age limit*

The investee company and its trade are either less than 7 years old, or have raised EIS/VCT money less than 7 years after their first commercial sale (10 years for a "knowledge intensive company"). This may have been the case if the VCT has previously invested, and assuming that the trade was created by the investee company, and not acquired from any other person.

### *Lifetime and annual limits*

The total amount of EIS and VCT investment made in the investee company does not exceed £12 million (£20 million for a "knowledge intensive company"), and that funds raised from State Aid risk finance sources in the last 12 months do not exceed £5 million.

### *No acquisitions condition*

The investee company should not use any funds received from VCTs to acquire shares, securities, a business, trade or intangible assets for use in a trade.

## **The further issue of New Ordinary Shares**

Funds raised by the issue of New Ordinary Shares pursuant to the Offer will be invested, in accordance with the Company's investment policy, in a diversified portfolio of companies, with a particular emphasis on small companies which meet the VCT criteria, with proven sales and the ability to grow, which are seeking development capital. Further details on the investment policy can be found later in this document. Funds awaiting investment in such companies will principally be held in cash deposits and fixed income securities. The Ordinary Shares have a proven track record in paying dividends on a regular basis.

## **Early Investment Incentive**

An Early Investment Incentive is being offered for Applications for New Ordinary Shares which are received and accepted in good time. The Manager will rebate to early investors the majority of the Promoter's Fee, in respect of which the Investor will receive additional New Ordinary Shares, and will also rebate the cost of initial Adviser Charges or Commission (as relevant) payable to authorised intermediaries (provided this saving is passed on by the intermediary to the Investor), subject to a cumulative maximum of 5%.

The deadline by which Application Forms must be received to take advantage of this generous incentive is 4.00 p.m. on 1 February 2016. The Offer is expected to finally close on 29 April 2016 at the discretion of the Board.

## **Key tax benefits**

- 30% income tax relief is available on the amount subscribed up to £200,000, provided the New Ordinary Shares are held for at least five years. Further information on the initial tax benefits can be found on page 37.
- Tax free distributions and capital gains.

**Next steps**

In order to invest please read this document and then complete the Application Form which is set out at the end of this document. If Investors have any questions regarding this investment they should contact their own independent financial adviser. For questions relating to an application, please telephone Elderstreet on 07711 638386. Prospective Investors should note that no investment advice can be given by Elderstreet and their attention is drawn to the risk factors set out on pages 6 to 8 of this document.

Yours sincerely

**David Brock**  
Chairman

## **PART 1**

# **INFORMATION ABOUT ELDERSTREET VCT**

### **Introduction**

Elderstreet VCT is an established generalist VCT managed by Elderstreet Investments Limited. The objective of the Company is to provide good long term tax free returns to Shareholders through a combination of dividends and capital growth. Elderstreet VCT has a track record of providing good returns for its Shareholders. Income from investments and proceeds of profitable realisations have enabled the Board to pay cash dividends amounting to 91.0p per Ordinary Share to original investors who subscribed at the Company's launch in 1998. The Company has raised approximately £30 million (after expenses) since 1998 and is now invested in some 22 companies with an unaudited net asset value of £22.1 million (source: unaudited interim accounts as at 31 October 2015).

The Offer enables Investors and existing Shareholders to invest into an established and diversified portfolio, managed by an award winning experienced investment team with a proven track record.

### **Background**

The Company was launched in 1998, raising £15.1 million (after expenses). From 2006 to 2015 the Company raised approximately £13.5 million (after expenses) through further issues of Ordinary Shares and the reinvestment of dividends, paid out £21.3 million in dividends and has a residual unaudited Net Asset Value of £24.9 million (as at 31 October 2015).

The Company invests in the smaller company market, including AIM and unquoted investments. Managed by an award winning experienced team, the Company has particular expertise in growing businesses through a 'hands-on' investment style, preferring to take significant stakes and board positions in the portfolio companies; an approach that the Manager believes has contributed significantly to the Company's success to date. The Company has access to a strong and consistent flow of investment opportunities and since its formation has reviewed over 9,300 potential investments.

The Board and Investment Management Team and their families have invested a total of in excess of £830,000 in the Company to date.

### **Awards**

The Manager was voted VCT Fund Manager of the Year in 2009 and 2010 by the Growth Company Awards. The Company was the winner of Investment Week's 2014 VCT Investment Company of the Year Awards organised by Incisive Media. These awards highlight investment companies that produce consistent performance and where there is, in the judges' opinion, a high likelihood that the investors will not be disappointed in the future.

The Company was runner up in the Growth Investor Awards Exit of the Year 2015. The Exit of the Year award recognizes investment performance against initial targets and value added to the investee business by the fund manager. Assessed in the context of type of exit, a panel of judges based their scoring on entry questions relating to investment performance, value added to the investee business, obstacles to exit and management of risk.

### **Track Record on Ordinary Shares**

Since its launch in 1998, the Company has paid cash dividends amounting to 91.0p per Ordinary Share. With an unaudited Net Asset Value of 72.1p per Ordinary Share at 31 October 2015, the Company has produced a total return (cumulative dividends paid at 31 October 2015 plus NAV) of 160.6p per Ordinary Share, a 100.7% tax-free uplift on a Shareholder's net investment who invested at inception.

The returns for a Shareholder with Ordinary Shares that invested in the Company at launch are shown below:

**Total returns on Ordinary Shares to 31 October 2015 for Shareholders who invested at launch**

Initial net investment per Ordinary Share <sup>1</sup>	Cumulative cash dividends per Ordinary Share	NAV per Ordinary Share (unaudited)	Total return per Ordinary Share (unaudited)	Tax-free uplift on net investment <sup>2</sup>
<b>80p</b>	<b>88.5p</b>	<b>72.1p</b>	<b>160.6p</b>	<b>100.7%</b>

<sup>1</sup>Assumes an investment of 100p per Ordinary Share by a Qualifying Investor, less income tax relief at 20%, resulting in a net investment of 80p per Ordinary Share.

<sup>2</sup>The percentage tax-free uplift is the excess of the total return over the initial investment net of tax relief received by Qualifying Investors divided by the initial investment net of income tax relief received by Qualifying Investors. The tax-free uplift has been set out for illustrative purposes only, is not guaranteed and no forecast or projection should be inferred or implied.

Since 2005 the Company has raised further capital predominantly in the same share class, with the exception of the 2005 offer which was an offer of C ordinary shares which subsequently converted into Ordinary Shares. The performance of each of these fund raisings is shown below, including initial tax reliefs.

Tax year of Investment ending 5th April	Rate of Initial Tax relief	Initial investment per Ordinary Share after tax relief	Cumulative cash dividend per Ordinary Share	NAV per Ordinary Share (October 15 unaudited)	Total return per Ordinary Share (unaudited)	Tax-free % increase on net investment
1998	20%	80.0	88.5	72.1	160.6	101%
2005 *	40%	60.0	60.4	48.2	108.7	81%
2006	40%	41.3	59.0	72.1	131.1	217%
2008	30%	64.4	52.0	72.1	124.1	93%
2009	30%	52.3	45.5	72.1	117.6	125%
2010	30%	53.2	42.5	72.1	114.6	115%
2011	30%	56.0	38.5	72.1	110.6	97%
2012	30%	49.5	34.5	72.1	106.6	115%
2013	30%	47.3	30.5	72.1	102.6	117%
2015	30%	50.3	5.0	72.1	77.1	53%

<sup>1</sup> The percentage tax-free increase is the excess of the total return per Ordinary Share over the initial investment net of tax relief received by Qualifying Investors divided by the initial investment net of income tax relief received by Qualifying Investors. The tax-free increase figures have been set out for illustrative purposes only, are not guaranteed and no forecast or projection should be inferred or implied. Note that investments in the Company in the year to 5 April 2011 and after have yet to satisfy the tax free holding period.

<sup>2</sup> The 2005 numbers and NAV have been adjusted to reflect the merger of the C Ordinary share class with the Ordinary Share class at a rate of 0.6691 Ordinary Shares for each C ordinary share. The original investment per Ordinary Share for the years 2006 to 2015 reflects the actual offer price at the time of subscription adjusted by the rate of initial tax relief.

### Dividends on Ordinary Shares

It is the Board's objective to maximise dividends to Shareholders, subject to liquidity, the availability of sufficient distributable profits, capital resources and VCT regulations, and to target a dividend return of between 4 and 5 pence per annum. The Board are conscious that recent changes to VCT legislation prevent VCTs returning capital to investors by way of dividends within three years of the end of the accounting period in which the relevant shares were issued. Nonetheless, the Board is confident that the Company is able to meet its target dividends for a significant number of years from the proceeds of realisations and from historic reserves created before 5 April 2014 to which the above mentioned restriction does not apply. As at 31 October 2015 the Company had distributable reserves of £9.9 million equivalent to 7 years of dividends of 4 pence per Ordinary Share using the number of Ordinary Shares in issue at 31 October 2015.

From 2006 to 2014 (inclusive) the Company has paid an average dividend per annum of 4.06p per Ordinary Share, excluding special dividends. In 2014 following a successful portfolio company exit a special dividend of 15 pence was paid in September 2014, and a further 5 pence on 30 June 2015. Including this special dividend the average dividend paid over this period was 5.72p per Ordinary Share.

No profit forecast is to be inferred or implied from these statements.

Regular interim and final dividends are payable usually in June and December every year. An interim dividend of 2.5p per Ordinary Share was paid on the 11 December 2015 to Shareholders on the register on 6 November 2015. In addition, special one off dividends, normally as a result of portfolio company exits, are declared by the Board on an ad-hoc basis.

The following table shows the dividends paid per Ordinary Share each year since inception and reflects the actual payment date:

1998	1999	2000	2001	2002	2003	2004
1.0	3.5	11.0	3.5	3.5	3.0	2.0
2005	2006	2007	2008	2009	2010	2011
2.0	2.0	5.0	6.5	3.0	4.0	4.0
2012	2013	2014	2015	<b>Total Paid</b>	<b>Declared *</b>	
4.0	4.0	19.0	7.5			

\* includes a 2.5p interim dividend for 2015 paid on 11 December 2015

### Income Yield on Ordinary Shares

The following table gives an illustration of potential returns to Shareholders of the Ordinary Shares, assuming a dividend of either 4 pence or 5 pence per annum is paid, and the equivalent taxable yield based on the Estimated Offer Price net of 30% income tax relief grossed up for a taxpayer paying 40% or 45% tax on his income.

### Illustration of income yield per Ordinary Share after 30% tax relief

Offer Price (net of tax relief) *	Target annual dividend	Tax free yield per annum	Grossed up yield to a	
			40% taxpayer	45% taxpayer
51.5	4.0p	7.8%	12.9%	14.1%
51.5	5.0p	9.7%	16.2%	17.6%

\* Using the Estimated Offer Price of 73.6p multiplied by 70% to reflect initial 30% up front income tax relief. The October NAV of 72.1p has been adjusted down by the interim dividend of 2.5p per Ordinary Share payable in December 2015 and for the issue costs of 5.5%. No forecast or projection should be implied or inferred.

The underlying returns from the Ordinary Shares will be enhanced by the tax benefits available to Investors in the VCT.

### Exits

The Company sold Wessex Advanced Switching Products ('WASP') in June 2014, realising a profit of £8.8 million. WASP is a manufacturer of military and aerospace switches and lighting products. The investment was made in 1999 and has returned an IRR of over 30%. As a result of this very profitable exit the Board declared a special dividend of 15p per Ordinary Share (amounting in total to £4.5 million) payable in September 2014, representing a significant 15% of the Net Asset Value of the VCT at the time. A further special dividend of 5p per Ordinary Share in relation to this exit was paid on 30 June 2015. Additionally, a further £0.4 million has been received in 2015 and a further £0.8 million (which is currently being held in an escrow account) is payable subject to WASP meeting certain targets. The monies held in escrow have not been taken into account in determining the 31 October 2015 NAV.

The prior two exits before WASP were the trade sales of Wecomm Limited in March 2011 to OpenText Corporation and Melorio plc in June 2010 to Pearson plc. The Melorio realisation achieved a multiple return of 2.2 times cost. The Wecomm realisation achieved a 1.1 times multiple of cost.

A table of meaningful successful exits since inception is produced below. The multiple is a multiple of cost realised. Ignoring the exceptional return from WASP, the average realised return from these exits has been a multiple of 2.3 times cost.

### Selected successful exits

£'000	Date	Profit	Uplift %	Multiple of Cost
WASP *	Apr-14	9,298	15497%	156.0
Wecomm	Mar-11	89	10%	1.1
Melorio	Jun-10	240	120%	2.2
Fords **	Feb-09	1,150	144%	2.4
Mediasurface	Jul-08	153	23%	1.2
U-Mole	Mar-08	1,507	350%	4.5
CSG	Apr-07	2,497	167%	2.7
Ovum	Dec-06	87	58%	1.6
ET&T	Oct-06	210	47%	1.5
Milkround	Mar-06	147	59%	1.6
HJ Bean	Sep-05	343	58%	1.6
Interlink Foods	Jan-00	682	159%	2.6
Systems Union	Jan-00	1,368	574%	6.7
		17,771	269%	3.7

\* WASP excludes a further £0.8 million held in escrow

\*\* Fords was a secondary buyout

### Investment Policy

The Company aims to invest between 70% and 80% of its funds in Qualifying Holdings and the balance in fixed interest securities, other financial instruments in cash, bonds, property, equities, commodities and hedge funds within a balanced portfolio.

The Company will continue to invest predominantly in a diversified portfolio of companies, with a particular emphasis on smaller unquoted companies, through investments which will usually have the following characteristics:

- Companies which meet the VCT criteria with proven sales and the ability to grow, which are seeking development capital (investments in early stage businesses should represent only a small proportion of the portfolio at any time).
- A strong, balanced, and well motivated management team.
- Investments which, where appropriate, include loan notes and preference shares to enhance the security of the portfolio and to provide income.
- Investments where the Manager can typically have an active involvement in the business through a board position.

The Company has a general portfolio mix by sector and its average deal size is approximately £1.0 million, although it will syndicate deals of up to £2.0 million. Within Qualifying Investments, 30% of investments will usually be into early stage companies with high growth potential, and 70% into development capital investments that meet the new VCT age limit restrictions with the possibility of yielding dividends.



The target initial investment deal size is between £0.5 million and £1.0 million across a broad range of industries. The Company will aim to have material influence, including board representation, in relation to all of its largest portfolio companies.

### **Risk Diversification**

The Company's portfolio will be diversified by investing in a portfolio of Qualifying Investments covering a number of sectors. Funds not invested in Qualifying Investments will generally be invested in fixed income securities. The maximum that the Company will hold in a single investment (by value at the time of investment) is 15% of funds invested.

### **Venture Capital Trust regulations**

In continuing to maintain its VCT status, the Company complies with a number of regulations as set out in Part 6 of the Income Tax Act 2007. How the main regulations apply to the Company is summarised as follows:

1. the Company holds at least 70% of its investments in qualifying companies (as defined by Part 6 of the Income Tax Act 2007);
2. in respect of funds raised before 5 April 2011, at least 30% of the Company's Qualifying Investments (by value) are held in "eligible shares" ("eligible shares" generally being ordinary share capital). For funds raised after 5 April 2011 this is increased to 70%;
3. at least 10% of each investment in a qualifying company is held in "eligible shares" (by cost at time of investment);
4. no investment constitutes more than 15% of the Company's portfolio (by value at time of investment);
5. the Company's income for each financial year is derived wholly or mainly from shares and securities;
6. the Company distributes sufficient revenue dividends to ensure that not more than 15% of the income from shares and securities in any one year is retained;
7. the maximum investment by VCTs and any other State Aid risk finance investment in any company is £5 million in the twelve months ending on the date of the VCT's investment;
8. no investment by a VCT can cause a company to receive more than a total of £12 million of State Aid risk finance (£20 million for "knowledge intensive" companies);
9. the VCT cannot invest in a company whose first commercial sale was more than seven years ago (ten years for a "knowledge intensive" company) unless the company had previously received State Aid risk finance within that period or a turnover test is met; and
10. an investment by a VCT cannot be used by an investee company to acquire a trade, business or shares in a company.

Conditions 7 to 10 above do not apply to shares or securities listed on a recognised stock exchange or to certain money market securities.

### **VCT Qualifying Investments**

It is the Directors' intention that Qualifying Investments made by the Company will be in companies supplying products and services to a range of markets. In particular, the Directors have specific experience and expertise in certain markets, such as information technology, manufacturing and retailing, and, where appropriate, the Company will invest in these sectors.

It is intended that most of the Qualifying Investments will be established businesses requiring development finance. Investments in early stage businesses should represent only a small proportion of the portfolio at any time; such investments could be made, for example, in a company whose management team the Company has previously backed or a start-up company which can demonstrate substantial and verifiable first year sales prospects.

The Manager will seek to ensure that the businesses in which the Company invests will have: strong management teams; opportunities for growth; products or services able to sustain a competitive advantage; and reasonable prospects of achieving a stock market flotation or trade sale after three to five years.

In relation to investments to be made by the Company:

1. in order to enhance the security of the portfolio and to provide income, the Company's investments may include, where appropriate, loan notes and preference shares;
2. the Company's policy is, where appropriate, to have a representative of the Manager, or an experienced individual well known to it, appointed to the board of each portfolio company as a non-executive director in order to play an active role in seeking to develop the full potential of the company concerned; and
3. the Manager will endeavour to add value to the portfolio companies in a number of ways, including strategic planning, assisting with the development of the management team and helping to structure the company for a stock market flotation or trade sale.

### **Investments in AIM traded companies**

Companies whose shares are traded on AIM, and meet the VCT age limit criteria, will be considered for investment. Such investments will normally only be made where most of the same criteria for unquoted investments are met.

### **Non-Qualifying Investments**

The approach adopted by the manager (or managers) of the non-Qualifying Investments will be to invest in short-dated fixed interest securities of high credit quality (to provide protection for the capital invested) principally consisting of financial instruments and fixed income securities issued by the UK Government, major companies and institutions. The manager (or managers) of the non-Qualifying Investments will also have the ability to invest such funds in cash, bonds, property, equities, commodities and hedge funds within a balanced portfolio, with a focus on higher yields while maintaining liquidity and downside protection.

### **Borrowings**

It is not the Company's intention to have any borrowings. However, the Company does have the ability to borrow not more than 10% of the aggregate of the nominal capital of the Company (being issued and paid up) plus the amounts standing to the credit of the consolidated reserves of the Company and its subsidiary.

There are no plans to utilise this ability at the current time.

### **Share buyback and dividend policies**

#### **Share buybacks**

The Company has from time to time bought back its Ordinary Shares for cancellation. Elderstreet intends to continue to buy back its Ordinary Shares at a discount of approximately 7.5% to the last published NAV, subject to liquidity, VCT regulations and Listing Rules. The Company intends to acquire its own Ordinary Shares in the market four times each year. The Board will agree the price at which such buybacks are undertaken which will not be more than 92.5% of the last published NAV for the Ordinary Shares although the Board may decide to buy back shares at their discretion at a larger discount subject to VCT regulations, liquidity and Listing Rules.

The Board reserves the right to allocate Company funds reserved for buybacks across Shareholders wishing to sell on a pro rata basis rather than a first come first served basis. This may result in Shareholders only being able to sell a proportion of their holding. The Board believes this to be an equitable policy to those Shareholders who wish to exit.

The implementation of the buy-back policy in relation to Ordinary Shares will be at the Board's discretion and subject to Elderstreet's liquidity, and stock market and other applicable regulations.

### **Distribution of Capital Profits and Dividends**

Legislative changes have meant that VCTs can no longer return capital to investors (e.g. by way of dividends paid from cancelled share premium account) within three years of the end of the accounting period in which the relevant shares were issued, where the shares in question were issued post 5 April 2014. New Ordinary Shares issued pursuant to the Offer will be caught by this restriction.

An interim dividend of 2.5p per Ordinary Share for 2015 was declared in June 2015 and paid on 11 December 2015. New Ordinary Shares subscribed under the Offer will not be eligible for this interim dividend but it is the Board's target to pay a dividend of between 4 pence and 5 pence per annum per Ordinary Share going forward.

A special dividend of 5 pence per Ordinary Share was paid on 30 June 2015 in relation to the successful exit from the portfolio company WASP.

The Directors aim to maximise Shareholder returns and, subject to liquidity, VCT regulations and Listing Rules, aim to distribute substantially all available investment income after fees and VCT running costs. Interim dividends on Ordinary Shares are expected to be paid in November. Final dividends have generally been announced in April and are expected to be paid in May each year.

### **The Manager**

The Manager has acted as investment manager for the Company since its inception in 1998 (initially, through its wholly owned subsidiary, Elderstreet Private Equity Limited, and since 2009 directly after the Investment Management Agreement in relation to the Company was novated from that subsidiary to itself). The Manager was founded in 1990 and currently has more than £28 million (unaudited) under management. The Manager has expertise in tax-driven vehicles, including VCTs and EISs, and is a specialist in the smaller company market, AIM and the unlisted sectors. The Manager has strong proprietary deal flow and has a "hands on" portfolio management style.

The Manager was voted VCT Fund Manager of the Year 2009 and 2010 by the Growth Company Awards. The Company was the winner of Investment Week's 2014 VCT Investment Company of the Year Awards organised by Incisive Media. These awards highlight investment companies that produce consistent performance and where there is, in the judges' opinion, a high likelihood that the investors will not be disappointed in the future.

The Company was runner up in the Growth Investor Awards Exit of the Year 2015. The Exit of the Year award recognizes investment performance against initial targets and value added to the investee business by the fund manager. Assessed in the context of type of exit, a panel of judges based their scoring on entry questions relating to investment performance, value added to the investee business, obstacles to exit and management of risk.

### **The Administration Manager**

Downing LLP (and previously its predecessor, Downing Management Services Limited) has been the Company's Administration Manager since the Company's inception in 1998 and performs similar services for a number of other VCTs.

### **Fees payable to the Manager and the Administration Manager**

The Manager receives an annual fee (the "Annual Fee") equal to 2.0% of the Net Assets of the Company subject to the expenses cap (see below). The Annual Fee is calculated twice a year on 30 June and 31 December and

payable quarterly in advance. Downing LLP receives an annual fee of £50,000 (plus VAT) for its role as the Administration Manager.

Taking into account the expected long term returns in the form of income and capital gains, it is intended that the Annual Fees will be allocated 25% to revenue and 75% to capital.

### **Expenses Cap**

The annual running costs (including VAT) of the Company are capped at 3.5% of its Net Assets with any excess being refunded by way of a reduction in the fees payable to the Manager and the Administration Manager pro rata to their fees during the financial year.

The running costs include, inter alia, fees payable to the Manager and the Administration Manager, Directors' fees, audit and taxation fees, registrar fees and costs of communicating with Shareholders. The expenses cap excludes the performance incentive fee.

### **Performance Incentive Fees**

Performance fees are payable to the Manager when dividends paid and/or proposed exceed 3.5p per Ordinary Share, in any one financial year subject to the NAV, before the distribution, being higher than 70.6p per Ordinary Share. The Manager will receive 20% of the distribution amount over 3.5p per Ordinary Share. The performance incentive fee will also have a catch-up should any previous year's distribution not be met. This catch-up will be cumulative so that in any years where the distribution is less than 3.5p the shortfall must be made up prior to awarding any further incentive fees. Any performance incentive fee payable in any period of 12 months has been capped so that the fee payable (together with any other fees payable to the Manager by the Company which have not been approved by Shareholders) is capped at 24.9% of the lesser of the Company's current Net Assets, market capitalisation or gross assets. Any such fees which result in this cap being exceeded will be waived, will not be carried over to another period and will cease to be payable to the Manager.

Currently, the hurdles for these performance fees have been met for this current financial year and taking into account the interim dividend payable in December 2015 this amounts to £276,121. This may increase further as a result of any final dividend being declared for the year end 2015 which will increase the amount of performance fees should the hurdles be met at the end of the year audit.

### **Fixed Income Securities Manager**

In addition to the investment management services provided by the Manager, the Company has appointed Smith & Williamson Investment Services Limited to provide discretionary investment management services in respect of funds not invested in Qualifying Investments that are to be invested in fixed income securities. The percentage of the Company's portfolio presently managed under these arrangements was 6.4% as at 31 October 2015. Other managers of non-Qualifying Investments may be appointed by the Company from time to time.

### **Arrangement and Monitoring Fees**

The Manager may charge an arrangement fee to each portfolio company in which the Company invests. This fee is restricted to 3% of the gross amount invested by the Company. The Manager may also charge portfolio companies for its monitoring services and non-executive director fees.

### **Co-investment between the Elderstreet Funds**

Should a conflict arise in respect of the allocation of an investment opportunity between the Elderstreet Funds, allocations will normally be made on a pro rata basis (allowing for appropriate rounding of investment amounts) between the Company and the other Elderstreet Funds based on the amounts available for investment in each fund at the time the investment opportunity arises. However, the Manager will be entitled to recommend to the Board (and to the directors or trustees of relevant other Elderstreet Funds) the allocation of investment opportunities on a basis otherwise than as set out above if required in order to:

- ensure that the Company establishes and/or maintains its status as a Venture Capital Trust;
- balance the portfolios of the Company in such manner as the Manager shall consider appropriate, taking account of the liquidity of the respective funds, sector balance, relative risk profile and maturity of investments (including exit considerations); or
- take account of the status of investments as Qualifying Investments under applicable VCT tax rules from time to time.

In the event of a conflict of interest between the Company and any other Elderstreet Funds, the matter shall be referred to such Directors who are independent of the Manager (the “Independent Directors”), whose determination shall be final and binding on the Manager.

In particular, where the Company intends to invest in a company in which another Elderstreet Fund has invested or intends to invest, the investment shall require approval by the Independent Directors unless the investment is made either at the same time and on the same terms or in accordance with a pre-existing agreement between the Company and the Manager. The Directors and members of the Investment Management Team do, from time to time, co-invest in the Company’s portfolio companies.

Where a Director has an interest of more than 1% in a portfolio company then he is disqualified from voting on decisions concerning that company.

#### **VCT Status Monitoring**

The Directors have appointed Philip Hare & Associates LLP to advise the Company on compliance with the legislative requirements relating to VCTs.

Philip Hare & Associates LLP will, if requested by the Board, review the qualifying status of new investment opportunities and carry out regular reviews of the Company’s investment portfolio.

Philip Hare & Associates LLP work closely with the Manager and the Administration Manager, but will report directly to the Board. At its outset the Company obtained HMRC approval. Since then the Company has continued to meet the conditions for approval as a Venture Capital Trust laid down in Section 274 of the ITA.

## PART 2

# INVESTMENT PORTFOLIO

The investment portfolio of the Company as at the date this document is set out below (the valuations being the unaudited valuations as at 31 October 2015).

Ten largest investments by value		Equity/Loan Investment	Actual Cost adjusted	Unaudited 31 October 2015 Valuation	Unrealised Gain/Loss	Portfolio by percentage
			£	£	£	%
Smart Education	Recruitment	Equity	90,120	3,600,200	3,510,080	14.4%
Lyalvale Express Ltd	Engineering	Equity	1,915,204	3,332,350	1,417,146	13.3%
Access Intelligence Plc *	Software	Equity/Loan	2,333,022	3,245,909	912,887	13.0%
Fords Packaging Top Co Ltd	Packaging	Equity/Loan	1,046,665	3,235,282	2,188,617	13.0%
Baldwin & Francis Ltd	Engineering	Equity/Loan	1,534,332	2,497,591	963,259	10.0%
Concorde Solutions Ltd	Software	Equity/Loan	900,000	916,606	16,606	3.7%
Lyalvale Property Limited	Property	Equity	300,213	914,138	613,925	3.7%
AngloInfo Limited	E-media	Equity/Loan	1,634,081	887,504	(746,577)	3.6%
Macranet Ltd T/A Sentiment Metrics	Software	Equity/Loan	862,513	862,499	(14)	3.5%
Fulcrum Utilities Services Limited *	Gas utilities	Equity	500,074	708,390	208,316	2.8%
<b>Subtotal</b>			<b>11,116,224</b>	<b>20,200,469</b>	<b>9,084,245</b>	<b>80.9%</b>
<b>Other venture capital investments</b>						
Snacktime plc *	Vending	Equity/Loan	1,775,424	593,744	(1,181,680)	2.4%
Servoca plc *	IT recruitment	Equity	333,334	366,000	32,666	1.5%
Interquest Group plc *	Recruitment	Equity	225,500	348,500	123,000	1.4%
Cashfac plc	Software	Equity	260,201	328,383	68,182	1.3%
Proxama plc *	Software	Equity	859,941	215,120	(644,821)	0.9%
Sift Ltd	Software	Equity	250,000	38,004	(211,996)	0.2%
Sparesfinder Limited	Software	Equity	103,535	33,852	(69,683)	0.1%
Kellan Group plc	Recruitment	Equity	656,700	13,331	(643,369)	0%
Infoserve Group plc	Media	Equity	127,500	-	(127,500)	0%
RB Sport & Leisure Holdings	Leisure venue	Equity	187,500	-	(187,500)	0%
The National Solicitors Network Ltd	Media	Equity	500,919	-	(500,919)	0%
The QSS Group Limited	Services	Equity	268,204	-	(268,204)	0%
<b>Subtotal</b>			<b>5,548,758</b>	<b>1,936,934</b>	<b>(3,611,824)</b>	<b>8%</b>
<b>Total venture capital investments</b>			<b>16,664,982</b>	<b>22,137,403</b>	<b>5,472,421</b>	<b>89%</b>
Listed fixed income securities			1,516,171	1,545,123	28,952	6.2%
<b>Total Investments</b>			<b>18,181,153</b>	<b>23,682,526</b>	<b>5,501,373</b>	<b>95%</b>
Cash at bank and in hand				1,293,213		5%
<b>Net Assets</b>				<b>24,975,740</b>		<b>100%</b>

\* AIM quoted

Since 31 October 2015, the Company declared a dividend of 2.5p per Ordinary Share which was paid on 11 December 2015.

Quoted investments are valued at bid price with a liquidity discount, where appropriate, and unquoted investments are valued in accordance with International Private Equity and Venture Capital Valuation Guidelines. All figures are unaudited, and all investments are priced in GB Sterling. The last revaluation date was 31 October 2015, the last practicable valuation date prior to publication of this document.

## Portfolio Analysis

Set out below is an analysis of a sample of the largest investments of the Company by valuation (unaudited) as at 31 October 2015 (representing 80.9% of the unaudited net assets of the Company).

The Company classifies its Qualifying Investments into three different categories — mature, yielding with a significant minority holding; early stage high growth companies; and AIM companies.

Unless stated to the contrary the figures for each of the portfolio companies have been extracted from their annual accounts filed at Companies House.

This information is unaudited and has been prepared by the Manager.

### Mature, Yielding with a Significant Minority Holding

#### Lyalvale Express Limited ("Lyalvale Express")

First Investment	May-98	Year ended	31-Mar-12	31-Mar-13	31-Mar-14
Cost	£1,915,204	Turnover (£m)	7.7	7.3	7.6
Value	£3,332,350	EBITDA (£m)	1.1	1.0	1.1
% held	44.2%	Net assets (£m)	6.9	7.5	8.3

Lyalvale Express is a leading producer of shotgun ammunition in the UK. It has developed a range of more than 30 different models of cartridge suitable for both game and clay shooting. Its products range from premium products such as that used by Richard Faulds to win an Olympic Gold Medal in Sydney to popular everyday products. It occupies a freehold site in Staffordshire and is dividend paying. The Manager has a seat on the board of directors.

#### Lyalvale Property Limited ("Lyalvale Property")

First Investment	Dec-13	Year ended	31-Mar-12	31-Mar-13	31-Mar-14
Cost	£300,213	Turnover (£m)	n/a	n/a	n/a
Value	£914,138	EBITDA (£m)	n/a	n/a	n/a
% held	28.4%	Net assets (£m)	n/a	n/a	n/a

Lyalvale Property is a non VCT qualifying investment that owns a significant acreage of brownfield land within commuting distance of Birmingham. It has no meaningful turnover or trading figures. An application for housing has been submitted and is at the appeal stage. The Manager has a seat on the board of directors.

Baldwin & Francis Limited ("Baldwin & Francis")

First Investment	Nov-04	Year ended	31-Mar-12	31-Mar-13	31-Mar-14
Cost	£1,534,332	Turnover (£m)	11.6	14.7	11.3
Value	£2,497,591	EBITDA pre exceptionals (£m)	-0.2	0.2	0.1
% held	48.9%	Net assets (£m)	0.5	0.7	0.8

Founded in 1919 Baldwin & Francis is one of the world's leading suppliers of electrical equipment for hazardous and challenging environments manufacturing flameproof switchgear for the mining, oil and rail industries. A significant percentage of Baldwin & Francis's production is currently exported. The Manager has a seat on Baldwin & Francis' board.

Fords Packaging Topco Limited ("Fords Packaging")

First Investment	Dec-13	Year ended	30-Jun-12	30-Jun-13	30-Jun-14
Cost (adjusted)*	£1,046,665	Turnover (£m)	5.3	6.2	6.9
Value	£3,235,000	Profit before interest, tax and amortisation (£m)	0.6	0.8	1.0
% held	48.7%	Net assets (£m)	1.0	1.5	2.2

\* First invested in Feb 2009 and restructured Dec 2013

Based in Bedford, Fords Packaging is a leading supplier of capping presses and also manufactures rotary sealers. It is widely known for its expertise in sealing and closure technology for food and drink applications where high standards of hygiene are required. Fords products are mainly for use in the food and dairy industries. The Manager has a seat on Fords Packaging's board.

## Early Stage High Growth Companies

Smart Education Limited ("Smart Education")

First Investment	Oct-05	Year ended	31-Dec-12	31-Dec-13	31-Dec-14
Cost	£90,120	Turnover (£m)	12.8	13.2	14.1
Value	£3,600,200	Profit before interest, tax and amortisation (£m)	1.1	0.8	1.4
% held	28.23%	Net assets (£m)	0.0	0.5	1.5

Smart Education is a growing teacher supply agency based in London which was established in October 2005 with offices in Australia. It made its first acquisition of another small agency in 2008 and has grown organically and by acquisition. As forecast the business was loss making through its start up period and is now profitable. The Manager has successfully backed the founders of Smart Education before and the Manager has a seat on Smart Education's board of directors.



Concorde Solutions Limited ("Concorde")

First Investment	Apr-12	Year ended *	30-Nov-12	30-Nov-13	30-Nov-14
Cost	£750,000	Turnover (£m)	1.0	1.9	2.1
Value	£750,000	Profit before interest, tax, exceptional and amortisation (£m)	-0.7	-0.3	-0.6
% held	12.4%	Net assets (£m)	0.2	-0.1	2.1

An important challenge faced by companies today is the management of their software estate to ensure they remain compliant with their software licences. Concorde Software Asset Management solution provides these solutions. Concorde's clients include Jaguar Land Rover, Rexam, Aviva, the FCA and Serco. The Manager has a seat on the board of directors.

\* Figures extracted from unaudited accounts

Anglo Info Limited ("Anglo Info")

First Investment	Sep-06	Year ended **	31-Dec-12	31-Dec-13	31-Dec-14
Cost	£1,634,081	Turnover (€m)	2.2	1.8	2.1
Value	£887,504	Profit before interest, tax and amortisation (€m)	-0.1	-0.3	-0.6
% held *	46.50%	Net assets (€m)	-0.3	-0.9	-1.9

Anglo Info is an online company providing local business directory, classified advertising and information services in the English language at [www.angloinfo.com](http://www.angloinfo.com). Anglo Info is a network of websites for English-speakers living abroad. It operates in many regions around the world providing support and information to local English-speaker communities. The Manager has a seat on Anglo Info's board of directors.

\* Beneficial ownership is 48.6% including the Ordinary Share Pool's convertible loan

\*\*Figures extracted from unaudited aggregated management accounts

Macranet Ltd trading as Sentiment Metrics ("Sentiment")

First Investment	Jan-14	Year ended **	31-Jul-12	31-Jul-13	31-Jul-14
Cost	£862,513	Turnover (£m)	0.8	0.7	0.6
Value	£862,499	Profit before interest, tax and amortisation (£m)	0.0	-0.2	-0.5
% held	3.28%	Net assets (£m)	0.2	0.0	0.2

Sentiment Metrics is a S-a-a-S based social media middleware analytics software vendor. Sentiment's powerful Cloud-based platform monitors global social media so clients can pickup on prospects or customers conversations in real time or via their archive of 25 billion stored conversations. Elderstreet invested alongside AIM quoted Netcall plc who are a multi channel call centre software vendor. The Manager has a seat on Sentiments board of directors.

\* Beneficial ownership is 22.8% including the Ordinary Share Pool's convertible loan

\*\*Figures extracted from unaudited annual accounts

**AIM Companies**

First Investment	Oct-08	Year ended	30-Nov-12	30-Nov-13	30-Nov-14
Cost	£2,333,022	Turnover (£m)	8.0	8.3	8.5
Value	£3,245,909	Adjusted EBITDA	0.4	0.4	0.4
% held	14.3%	Net assets (£m)	9.6	6.7	5.6

Access Intelligence is a leading supplier of Software-as-a-Service (SaaS) solutions for the full life cycle management of a company's governance, risk and compliance. The range of products include: sourcing and procurement software for industry and local government; electronic news and current awareness digests of Government initiatives; and compliance software for the financial services industry. The company recently acquired Cision and Vocus creating an unrivalled portfolio of communications software and services for the UK Integrated Management Solutions market. The Manager has a seat on Access Intelligence's board of directors.

\* Beneficial ownership is 17.6% including the Ordinary Share Pool's convertible loan

Fulcrum Utilities Services Limited ("Fulcrum")

First Investment	Jul-03	Year ended	31-Mar-13	31-Mar-14	31-Mar-15
Cost	£500,074	Turnover (£m)	38.7	38.2	33.7
Value	£708,390	EBITDA (£m)	1.2	0.6	2.2
% held	2.69%	Net assets (£m)			

Fulcrum is a leading independent utilities organisation that provides gas and multi-utility infrastructure design, technical engineering, project management, consultancy and audit services across all sectors nationally. Fulcrum's combination of expertise, accreditation, nationwide coverage and heritage as part of the Gas Board, Transco and National Grid, ensures a streamlined and compliant utilities infrastructure solution is delivered for its customers.

## MANAGEMENT TEAM

### THE INVESTMENT MANAGEMENT TEAM

The Investment Management Team comprises four key executives with extensive industry backgrounds and in aggregate more than 50 years of venture capital experience. This experience has enabled the Manager to build up strong long-term business relationships, not only with the companies in which it has invested, but also with the key introducers of new investment enquiries in the sectors in which it operates, particularly in the software, support services and manufacturing sectors. The Manager has developed effective procedures for the post investment monitoring and support of portfolio companies by way of board representation, monitoring of management accounts and internal reporting practices. The Directors believe that such procedures are an essential element in successful venture capital management.

The Manager is actively involved with its investments, taking non-executive positions where appropriate, and has the ability and experience to add value to the investments.

**Michael Jackson MA FCA** (Chairman of the Manager) founded Elderstreet Investments Limited in 1990 and is its executive chairman. For the past 24 years, he has specialised in raising finance and investing in the smaller companies quoted and unquoted sector. From 1983 until 1987 he was a director and from 1987 until 2006 was chairman of FTSE 100 company The Sage Group plc. He was also chairman of PartyGaming plc, another FTSE 100 company. He is a director of Elderstreet portfolio companies Snacktime plc, Fords Packaging Systems Limited, Baldwin & Francis Holdings Limited, AngloInfo Limited, Macranet Limited and Access Intelligence plc. Michael studied law at Cambridge University, and qualified as a chartered accountant with Coopers & Lybrand before spending five years in marketing for various US multinational technology companies.

**William Horlick** joined Elderstreet Investments Limited in 1998. William graduated from RMA Sandhurst in 1980. Prior to joining Elderstreet Investments, he was managing director of a mail order company and spent seven years in investment banking and stockbroking. He has worked on over 60 company investments. William has held several board seats in the past on Elderstreet portfolio companies. He is also the investment manager of the Elderstreet EIS portfolio.

**Vin Murria DBA, MBA, BSc (Hons)** Vin's career has included a combination of venture capital, private equity and CEO/operational experience, centred around twenty years of M&A activity in the software sector. Vin spent seven years as Chief Executive Officer and founder of Advanced Computer Software Plc, a £765m market cap consolidator in the healthcare and business solutions sector which was acquired by Vista Private Equity in 2015, and five years as CEO of Computer Software Group plc, which following a take private and merger was acquired by Hellman Friedman for £500m. Vin is an independent non-executive director at Zoopla plc and Softcat Plc. Previous roles include COO for Kewill Systems plc, Chairman of Leeds Group Plc and non-executive director at Chime Plc, Greenko Plc and Concateno plc. Vin is a shareholder and director of the parent company of Elderstreet Investments Limited, Elderstreet Holdings Limited, and provides a source of deal flow and advice to the Manager.

**David Taylor BSc DipM MBA** David is a consultant to the Manager, and was investment director at Elderstreet Investments Limited for 14 years. Prior to that he spent 10 years at Montagu Private Equity where, as an investment director, he was involved in a wide variety of private equity investments. Previously he had a career in the manufacturing industry in marketing and consulting. He has an economics degree from the University of

Bath, a Diploma in Marketing and an MBA from Manchester Business School. He is currently the director of a number of unquoted companies and has been responsible for the Company's investments in Fords, WASP, Umole, Snacktime and Smart Education Limited.

#### **Adviser to Elderstreet**

**Gordon Power** has 30 years' private equity experience. He founded the private equity business ProVen Private Equity (now re-named Beringea) and led its buy-out from Guinness Mahon in 1997, being its CEO from 1984 until 2004. He is co-founder of Sustainable Technology Investments (Guernsey) Limited ('STIG'), a fund management business he owns with Stephen Lansdown which was established in 2009 to provide capital for and mentoring to fund managers and businesses whose primary focus is renewable energy and sustainable technology ( these businesses currently have in excess of £800m of AUM).

#### **THE BOARD**

The Company has five directors, all of whom are non-executive and the majority of whom are independent of the Manager.

**David Brock BSc** (Chairman) was, until July 1997, a main board director of MFI Furniture Group plc and managing director of MFI International Limited, having been involved at a senior level in both MFI's management buy-out and its subsequent flotation. He started his career at Marks and Spencer Plc. He is currently Chairman of Episys Group Limited, Chairman of Kitwave Limited, and is a non-executive director of Hargreave Hale AIM VCT 1 plc and Puma VCT 8 plc.

**Hugh Aldous** is chairman of SPL Guernsey ICC Ltd. He is a director of Innospec Inc. (NASDAQ) and Polar Capital Holdings Plc. He was previously a partner of Grant Thornton UK LLP. He was a DTI Inspector and a member of the Competition Commission.

**Barry Dean FCA** is a chartered accountant and has over 30 years' experience in the private equity industry including 14 years as managing director of Dresdner Kleinwort Benson Private Equity Limited. He is currently a non-executive director of Downing ONE VCT plc and ProVen VCT plc.

**Michael Jackson MA FCA** (see biography above)

**Nicholas Lewis MA** is a partner of Downing LLP - a business he founded as Downing Corporate Finance Limited in 1986. Downing LLP specialises in managing, promoting and administrating tax-based investments and has raised approximately £1 billion since 1991. He is a director of several other venture capital trusts. Prior to founding Downing, he was with NatWest Ventures Limited and, before that, with Apax Partners & Co Limited.

The Board is responsible for the determination of the Company's investment policy.

## **INFORMATION RELATING TO THE OFFER**

### **The Offer**

The Offer is for New Ordinary Shares. The maximum number of New Ordinary Shares to be issued pursuant to the Offer is 494,565, representing approximately 1.4% of the enlarged issued Ordinary Shares of the Company (assuming the Maximum Subscription is raised). This equates to a maximum approximate gross amount to be raised of £364,000 based on Offer costs to subscribers of 5.5%. The Offer is cost-neutral as regards the NAV of the Company as the costs are borne entirely by subscribers through the application of the Pricing Formula. There is no minimum subscription required for the Offer to proceed.

The unaudited net asset value per Ordinary Share as at 31 October 2015 was 72.1p (this being the most recent NAV per Ordinary Share published by the Company prior to the publication of this document). The Net Asset Value on which the price for the New Ordinary Shares is based is 69.6p per Ordinary Share, being the NAV of 72.1p as adjusted to reflect the payment of the 2.5p interim dividend declared in June 2015 and paid on 11 December 2015. The Estimated Offer Price of 73.6p is the adjusted NAV of 69.6p grossed up for estimated Offer costs of 5.5%. Should there be a material movement in the NAV between the normal reporting dates, the Company may announce an updated unaudited NAV, which will be used to calculate the number of New Ordinary Shares to be allotted.

### **Reasons for the Offer**

The Company is raising funds by way of the Offer for the tax years 2015/16 and 2016/17 to fund another phase of investment, as a result of the Company being almost fully invested.

The Offer will be open until 30 April 2016 (or such later date as the Directors may decide) though Investors who wish to have some or all of their New Ordinary Shares allotted in the tax year 2015/2016 must return their Applications Forms so they are received by 5 April 2016. The Offer may close earlier if the Maximum Subscription is reached. VCTs are tax-efficient investment vehicles with both substantial income tax relief and freedom from capital gains tax on disposal of shares.

### **Benefits for existing Shareholders**

The Directors believe that the proposed fundraising under the new Offer will benefit existing Shareholders in the following ways:

- The New Ordinary Shares issued will increase the capital available to the Company which may be invested alongside existing capital. This affords existing Shareholders investment opportunities they might not otherwise have.
- The running costs of the Company will be spread over a larger combined asset base as a result of the issue of New Ordinary Shares, thereby reducing the level of the running costs attributable to each existing holder of Ordinary Shares and, therefore, providing the potential for enhanced dividends to holders of Ordinary Shares.

### **Benefits for new Shareholders**

The Directors believe that the proposed fundraising through the Offer may benefit new Shareholders in the following ways:

- The issue of the New Ordinary Shares provides new Shareholders with immediate exposure to Elderstreet's existing portfolio, including a number of mature companies.
- The issue of the New Ordinary Shares also gives new Shareholders exposure to companies within Elderstreet's existing portfolio which may no longer be able to be invested in by more recent VCTs as they may not be Qualifying Investments under the amended legislation.

### **Use of proceeds**

The Board intends to invest the net proceeds from the Offer in accordance with the Company's existing investment policy as set out on pages 16 to 18.

The Company intends to invest at least 70% of funds raised in Qualifying Investments by 30 April 2019 and up to 30% invested in non-Qualifying Investments, including fixed income securities. The net proceeds of the Offer will be approximately £343,980 with expenses of approximately £20,020 (in each case assuming Maximum Subscription and total costs of 5.5% on all Applications).

### **Terms of the Offer**

#### ***Promoter's Fee and Commissions applicable to the Offer***

#### **Applications made by Execution-Only Investors or by Professional Client Investors (non RDR)**

Promoter's Fee	3.5% of the Application Amount
Initial commission to intermediaries	2% of the Application Amount
Trail commission	0.25% of the gross subscription per annum for five years (subject to a cumulative maximum trail commission of 1.25%)

#### **Applications from advised Retail Client Investors (RDR compliant)**

Promoter's Fee	3.5% of the Application Amount
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Adviser Charge - Such initial charges that are agreed between each Investor and their financial intermediary

#### **Direct Investors**

Promoter's Fee	5.5% of the Application Amount
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#### **Early Investment Incentive**

Where an Investor's Application Form is received and accepted on or before 4.00 p.m. on 1 February 2016 (1) 3% (or 5% for Direct Investors) rebate of Promoter's Fee as additional New Ordinary Shares; and

(2) Full rebate of initial Adviser Charge or Commission, where waived for additional New Ordinary Shares

(subject to a cumulative maximum rebate of 5%)

### **Pricing of the Offer**

Investors are invited to subscribe an amount in pounds sterling rather than apply for a particular number of New Ordinary Shares. The fees payable to the Promoter and to the Investor's financial intermediary will be taken into account in calculating the number of New Ordinary Shares the Investor will receive.

Where an Investor is eligible for the Early Investment Incentive (i) the Promoter's Fee will be rebated (in the manner described above) and they will receive additional New Ordinary Shares equal to the amount of the applicable rebate and (ii) the Manager will cover the cost of any applicable Adviser Charge or Commission, subject to a cumulative maximum rebate of 5.0% per Application.

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

**PRICE PER NEW ORDINARY SHARE (IN PENCE) = NET ASSET VALUE / X**

**X = 1 – NET TOTAL FEES<sup>1</sup> (%)**

The resulting price per New Ordinary Share will be rounded down to 1 decimal place.

If an updated NAV per Ordinary Share is announced after publication of this document, this updated NAV will be used to calculate the number of New Ordinary Shares to be issued. Should there be a material movement in the NAV between the normal reporting dates, the Company may announce an updated unaudited NAV, which will be used to calculate the number of New Ordinary Shares to be allotted.

#### Example 1

If an Investor (paying a combined Promoter's Fee and Adviser Charge to his intermediary of 5.5% and assuming he was not entitled to the Early Investment Incentive) were to subscribe £10,000, with the Company's Net Asset Value standing at **69.6p**, they would pay **73.6p** per Share and receive a total of **13,586** New Ordinary Shares.

#### Example 2

An Investor in the same circumstances as above but who had agreed a smaller Adviser Charge of 1.0% with their financial intermediary would pay a combined fee of 4.5%. This would mean the Investor pays **72.8p** per Share and would receive **13,736** New Ordinary Shares for his £10,000 subscription.

In each case, the Company shall settle fees to the Promoter and to Investors' financial intermediaries from the gross subscriptions received from Investors.

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<sup>1</sup> Net Total Fees are the Promoter's Fee and Commission/Adviser Charge, each expressed as a percentage of the amount subscribed, adjusted for any applicable Early Investment Incentive. The Net Total Fees figure will in each case be calculated as a percentage of 1 (e.g. 0.055 would equate to 5.5%).



### Example 3 (Early Investment Incentive)

An Investor who invests before 1 February 2016 will have 3% (or 5% for Direct Investors) of the usual Promoter's Fee rebated to him in the form of additional New Ordinary Shares. Furthermore, where his Intermediary has agreed to pass on the saving to their client in lieu of extra shares, the first 2% of their Commission or agreed Adviser Charge (as relevant) will also be rebated, subject to a maximum combined rebate of 5%.

Therefore, where an early Investor agrees up to a 2% up-front fee with their intermediary (or is paying standard 2% Commission) and provided the intermediary agrees to pass on the rebate for extra shares, they will receive their New Ordinary Shares at a subscription price of **69.9p** and receive a total of **14,306** New Ordinary Shares.

Where an early Investor agrees a larger fee with their intermediary, say of 3%, (a total charge of 6%) and the intermediary has agreed to waive 2% of their fee for extra shares, the additional net 1% will be included in the Pricing Formula and will reduce the number of New Ordinary Shares to be allotted to the investor.

In each case, Investors can then claim VCT income tax relief of 30% on their **gross subscription** rather than the net amount after the payment of fees subject to their personal circumstances. This would equate to £3,000 of relief in respect of the £10,000 subscription noted in the above examples.

Some further information about when Adviser Charges are applicable and when Commission is applicable is set out below.

The maximum number of New Ordinary Shares to be issued under the Offer will not exceed an amount that, when aggregated with other shares issued by the Company in the period of 12 months prior to the Admission of the New Ordinary Shares represents 10% or above of the number of shares in the Company that are already admitted to trading on the main market of the London Stock Exchange, and applications may be scaled back accordingly, in such manner as the Directors may determine in their absolute discretion.

### **Adviser Charges**

Commission (including on-going trail commission) is generally not permitted to be paid to Intermediaries who provide a personal recommendation to UK retail clients on investments in VCTs. Instead of commission being paid by the VCT, an Adviser Charge will usually be agreed between the intermediary and Investor for the advice and related services. This fee can either be paid directly by the Investor to the intermediary or, if it is an initial one-off fee, the payment of such fee may be facilitated by the Company out of the Investor's funds received by the Company. Ongoing fees to intermediaries will not be facilitated by the Company. If the payment of the Adviser Charge is to be facilitated by the Company, then the Investor is required to specify the amount of the charge in box 3 of the relevant Application Form. The Investor will be issued fewer New Ordinary Shares (to the equivalent value of the Adviser Charge) through the relevant formula set out above. The Adviser Charge is deemed to be inclusive of VAT, where applicable.

### **Commission**

Commission may be payable where there is an Execution Only Investor and no advice has been provided by the intermediary to the Investor. Commission is payable by the Company and is taken into account in the Pricing Formula. Those Intermediaries who are permitted to receive commission will usually receive an initial commission of 2% of the amount invested by their clients under the Offer. Additionally, provided that the intermediary continues to act for the Investor and the Investor continues to be the beneficial owner of the Offer Shares, and subject to applicable laws and regulations, the Intermediary will usually be paid an annual trail commission of 0.25% of their client Investors' gross subscriptions for five years. Trail commission will be paid annually in October (commencing in October 2016) by the Company.

### **Minimum Subscription**

The minimum subscription amount for an Applicant in relation to the New Ordinary Share is £6,000 and, provided this condition is met, Applications under the Offer may be for any amount thereafter in multiples of £1,000. There is no maximum individual subscription level under the Offer but the maximum investment on which tax reliefs on investments in VCTs are currently available is £200,000 in the 2015/16 tax year (£200,000 per spouse).

The Offer will not be revoked in respect of New Ordinary Shares that have been admitted to the Official List and to trading on the London Stock Exchange.

### **Capital Raising Fees**

The Manager has agreed, in return for its Promoter's Fee, to be responsible for paying the costs of the Offer. Excluded from such costs are any initial commissions or Adviser Charges payable in relation to applications, which are facilitated through the Pricing Formula, any trail commission payable in the future and the Registrar's costs in issuing the applicable share certificates which will be payable by the Company.

In relation to the Early Investment Incentive for the Offer, the costs of any additional New Ordinary Shares issued will be met by the Manager out of its Promoter's Fee, subject to a maximum of 5.0% provided the intermediary or Adviser has waived at least 2% of their fees for additional New Ordinary Shares.

### **Timetable**

The Offer will remain open until the earlier of 4.00 p.m. on 29 April 2016 and the date on which the relevant Maximum Subscription is reached though Application Forms specifying that some or all Shares are to be allotted in the tax year 2015/16 must be returned by 10.00 a.m. on 5 April 2016. The results of the Offer and any exercise of the Directors' right to extend the Offer will be announced to the London Stock Exchange through a Regulatory Information Service provider authorised by the Financial Conduct Authority. It is expected that dealings will commence no later than 10 Business Days following the date of allotment. Share certificates are expected to be issued (and, where relevant, CREST accounts credited) no later than 10 Business Days following the date of allotment.

### **Application procedure**

The Directors in their absolute discretion will determine the basis of allocation of the New Ordinary Shares but expect to allocate on a first come/first served basis. To the extent that any Application is not accepted, any excess payment will be returned without interest by returning the Applicant's payment through the post at the risk of the person entitled thereto. The Receiving Agent will not acknowledge receipt of Applications. An Application Form together with notes on its completion is set out at the end of this document.

Provided that Applications are for the minimum subscription amount of £6,000, they can be for any amount thereafter in multiples of £1,000. Application Forms should be sent or delivered, together with the full amount payable in respect of the Application, by post or by hand to The City Partnership (UK) Ltd, Thistle House, 21-23 Thistle Street, Edinburgh, EH2 1DF. All payments must be made in pounds sterling by cheque or banker's draft made payable to "City Partnership - Elderstreet VCT plc" and crossed "A/C payee only". Your attention is drawn to the statements concerning the Money Laundering Regulations 2007 in the terms and conditions of application. A person may make multiple Applications, each of which will be treated as a separate Application by the Company.

### **Admission to trading and dealing arrangements**

Application will be made for Admission in respect of the New Ordinary Shares. Following Admission, announcements of allotments pursuant to the Offer will be made as required by the Listing Rules. It is expected

that Admission will become effective and dealings in the New Ordinary Shares will commence within ten Business Days after their allotment. Definitive share certificates are expected to be despatched to successful Applicants by post within 10 Business Days of their allotment, and successful Applicants will be notified of the total number of New Ordinary Shares issued to them by receipt of such share certificates. Temporary documents of title will not be used in connection with the allotment of New Ordinary Shares. Dealings prior to receipt of share certificates will be at the risk of the Applicants.

New Ordinary Shares will be in registered form capable of being transferred by means of the CREST system. Those Applicants who wish to take advantage of the ability to trade in New Ordinary Shares in uncertificated form, and who have access to a CREST account, may arrange with their CREST operator to hold their New Ordinary Shares in dematerialised form. Investors should be aware that New Ordinary Shares delivered in certificated form are likely to incur higher dealing costs than those in respect of Shares held in CREST.

## BENEFITS OF VENTURE CAPITAL TRUSTS

Venture Capital Trusts provide private investors with an attractive and tax-efficient method of investing in a portfolio of small to medium-size trading companies in the UK. It is often difficult for private investors to have access to such investment opportunities, and few have the time or means to identify, assemble and monitor a portfolio of companies with such potential. VCTs also offer substantial tax benefits to private investors.

The principal benefits offered by VCTs to private investors are:

**Income tax relief** Private investors subscribing for new shares in a VCT in the 2015/2016 or 2016/2017 tax years should receive income tax relief at 30% of the amount subscribed against their income tax liability in the year of subscription, provided that such shares are held for at least five years.

**Tax-free dividends** Private investors should be exempt from income tax on dividends received from a VCT.

**Capital gains tax exemption** There should be no capital gains tax on disposal of shares in a VCT; conversely there is no relief for losses.

**Personal taxation benefits** All the reliefs described above are available to individual investors, provided certain conditions are met and the shares are acquired within the permitted maximum of £200,000 in any one tax year. Relief from income tax on investment only applies to subscriptions for new shares.

**Professional investment team** VCTs are advised by professional advisers with specific experience and proven track records. Prior to the launching of a VCT the investment manager(s) must meet certain criteria laid down by the Listing Rules and VCTs must have obtained approval (provisional or full) by HMRC.

**Spread of investments** VCTs spread their investments across a range of companies (either within the same sector or across several sectors), with a view to creating a more balanced portfolio than could be achieved by individuals investing in separate companies.

**Tax-Free realisations** Capital gains realised by a VCT should be exempt from corporation tax within the VCT thereby potentially increasing distributions to shareholders.

**Admission to the Official List** The shares of a VCT must be listed on a European regulated market providing investors with a market to trade their shares.

**The above is only an outline of the tax reliefs and should be read in conjunction with the detailed provisions of the current legislation, a summary of which appears in Part 7 of this document.**

**Prospective investors are recommended to consult a professional adviser as to the taxation consequences of investment in a VCT.**

## TAX POSITION OF INVESTORS

The tax reliefs set out below are available to individuals aged 18 or over who subscribe under the Offer. Whilst there is no specific limit on the amount of an individual's acquisitions of shares in a VCT, tax reliefs will only be given to the extent that the total of an individual's subscriptions or other acquisitions of shares in VCTs in any tax year does not exceed £200,000. Tax treatment depends on the individual circumstances of each Investor and may be subject to change in the future.

**Investors who intend to invest more than £200,000 in VCTs in any one tax year should consult their professional advisers.**

### (a) Income Tax

#### (i) Relief from income tax on investment

A private investor subscribing for New Ordinary Shares will be entitled to claim income tax relief on amounts subscribed (along with any other VCT shares subscribed for) up to a maximum of £200,000 in any tax year. For the 2015/16 and 2016/17 tax years the relief is given at 30% of the amount subscribed although the relief cannot exceed the amount which reduces the Investor's income tax liability to nil. Investments to be used as security for or financed by loans may not qualify for relief, depending on the circumstances.

#### (ii) Dividend relief

An Investor who acquires in any tax year New Ordinary Shares having a value (along with any other VCT shares acquired by him in that tax year) of up to £200,000 will not be liable to income tax on dividends paid by the VCT on those shares. Dividends carry a tax credit at the rate of one ninth of the net dividend which is not repayable and which cannot be utilised in any other way.

The return to Investors from Elderstreet will depend on the type of profit received by it. Capital gains realised by a VCT are tax-free. No tax is payable by a VCT on distributing these gains by way of dividend and such dividends are received tax-free by shareholders who benefit from dividend relief. However, income received by a VCT will usually constitute either interest (on which the VCT may be subject to tax) or a dividend from a UK company (on which the VCT would not be subject to tax). Such income as is reduced by the payment of tax (if applicable) can be distributed tax-free to shareholders who benefit from dividend relief. It is expected, however, that the bulk of the returns generated by Elderstreet will derive from the realisation of capital gains from its portfolio.

#### (iii) Purchases in the market

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

#### (iv) Withdrawal of relief

Relief from income tax on a subscription for shares in a VCT is withdrawn if the shares are disposed of (other than between spouses) within five years of issue or if the VCT loses its approval within this period (see below). Relief also ceases to be available on any dividend paid in respect of profits or gains in any accounting period ending at a time when VCT status has been lost.

## **(b) Capital Gains Tax**

### **(i) Relief on the disposal of New Ordinary Shares**

A disposal by an Investor of New Ordinary 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 New Ordinary Shares acquired within the limit of £200,000 for any tax year, determined as for dividend relief.

### **(ii) Purchases in the market**

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

### **(iii) Withdrawal of relief**

If a company which has been granted approval as a VCT subsequently fails to comply with the conditions for approval, approval as a VCT may be withdrawn or treated as never having been given. The exemption from corporation tax on capital gains will not apply to any gain realised by the VCT after this time. If VCT approval is withdrawn, any gains on the New Ordinary 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.

## **Obtaining tax reliefs**

A VCT will provide to each investor a certificate which the investor may use to claim income tax relief, either by obtaining from HMRC an adjustment to his tax code under the PAYE system or by waiting until the end of the tax year and using his tax return to claim relief.

## **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.

**The above is only a summary of the law as at the date of this document concerning the tax position of investors in VCTs. The tax rates and relief shown are those currently in use and could alter in future years. Prospective investors are recommended to consult a professional adviser as to the taxation consequences of investment in a VCT.**

## TAX POSITION OF THE COMPANY

### 1. Qualification as a VCT

The legislation relating to VCTs sets out tests which a company has to satisfy to obtain the tax benefits for the VCT and its shareholders. The legislation summarised below is that in force as at the date of this document.

To qualify as a VCT, a company must be approved as such by HMRC. To obtain approval it must:

- (a) not be a close company;
- (b) have each class of its ordinary share capital listed on a European regulated market throughout the accounting period following that in which the application for approval is made;
- (c) derive its income wholly or mainly from shares or securities;
- (d) at least 70% by value of its investments is represented by shares and securities comprising Qualifying Investments; and
- (e) as regards funds raised:
  - (i) prior to 6 April 2011 at least 30% by value of the venture capital trust's Qualifying Investments must be represented by holdings of 'eligible shares'. For such funds, 'eligible shares' are ordinary shares which carry no present or future preferential rights to dividends or to a portfolio company's assets on its winding-up, and no present or future right to be redeemed; and
  - (ii) after 5 April 2011 at least 70% by value of the venture capital trust's Qualifying Investments must be represented by holdings of 'eligible shares'. For such funds, 'eligible shares' are ordinary shares which carry no present or future preferential rights to an portfolio company's assets on its winding-up, and no present or future right to be redeemed, but may have certain preferential rights to dividends;
- (f) in addition, at least 10% of its total investment in any Qualifying Company must be held in eligible shares.
- (g) have not more than 15% by value of its investments in a single company or group (other than a VCT or a company which would, if its shares were listed, qualify as a VCT);
- (h) not retain more than 15% of its income derived from shares and securities in any accounting period.
- (i) no investment by a VCT can cause a company to receive more than a total of £5 million in any period of twelve months, nor a total of more than £12 million of State Aid risk finance (£20 million for "knowledge intensive" companies);
- (j) the VCT cannot invest in a company whose first commercial sale was more than seven years ago (ten years for a "knowledge intensive" company) unless the company had previously received State Aid risk finance within that period or a turnover test is met; and

(k) an investment by a VCT cannot be used by an investee to acquire a trade, business or shares in a company.

Conditions (i) to (k) above do not apply to shares or securities listed on a recognised stock exchange or to certain money market securities.

## **2. Qualifying Investments**

To be a Qualifying Investment, the investment must consist of shares or securities first issued to the VCT (and held by it ever since) by an unquoted portfolio company satisfying certain conditions. The conditions are complex but include conditions that any investment must be in a qualifying company which must:

- (a) have gross assets not exceeding £15 million immediately before and £16 million immediately after the VCT's investment (these tests are applied on a group basis if applicable);
- (b) have fewer than 250 full-time employees (or their equivalents) at the date on which the VCT investment is made (this test is applied on a group basis if applicable);
- (c) not have raised more than £5 million from State Aid sources, including from VCTs and the Enterprise Investment Scheme in the 12 month period ending on the date of the VCT's investment, nor more than a total of £12 million (£20 million for a "knowledge intensive" company);
- (d) have had its first commercial sale less than seven years ago (ten years for a "knowledge intensive" company) unless the company had previously received State Aid risk finance within that period or a turnover test is met;
- (e) apply the money raised for the purposes of a qualifying trade within certain time periods;
- (f) must at all times have a permanent establishment in the United Kingdom; and
- (g) not be controlled by another company.

Companies whose shares are traded on AIM are treated as unquoted companies for the purposes of eligibility as a Qualifying Investment. Unquoted company shares that subsequently become listed may still be regarded as a Qualifying Investment for a further five years following listing, provided all other conditions are met

## **3. Qualifying Companies**

A qualifying company must exist wholly or mainly for the purpose of carrying on a qualifying trade or be the parent company of a qualifying trading group. For this purpose certain activities are prohibited (such as dealing in land or shares or providing financial, legal or accountancy services, managing nursing homes or hotels (where the manager is in occupation or owns an interest in the land), property development, leasing or farming), shipbuilding, and coal and steel production. The 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 its shares or securities to the VCT (and by such company or by any other qualifying subsidiary at all times thereafter). A qualifying subsidiary is at least 90% directly owned by the qualifying company, or is a 100% subsidiary of at least a 90% subsidiary of the qualifying company, or is at least a 90% subsidiary of a 100% subsidiary of the qualifying company.



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.

A qualifying company can be the parent company of a trading group. If this is the case, the group, when taken together as one business, must carry on activities which constitute a qualifying trade. Any subsidiary must be more than 50% owned. However, if a subsidiary is one which carries on the trade by reference to which the investment is to qualify as a Qualifying Investment, that subsidiary must be a qualifying subsidiary as described above.

#### **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 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, in order to facilitate the launch of a VCT, HMRC may provisionally approve a VCT notwithstanding that certain of the tests are not met at the time of application, provided that HMRC is satisfied that the tests will be met within certain time limits. In particular, in the case of the test described at 1(d) above, approval may be given if HMRC is satisfied that this will be met throughout an accounting period of the VCT beginning no more than three years after the date when approval takes effect.

#### **5. Withholding Tax at Source:**

The Company does not assume responsibility for withholding tax at source on dividends.

## GENERAL INFORMATION

### 1. The Company

- 1.1 Elderstreet VCT plc was incorporated in England and Wales on 26 August 1997 and operates under the Act as a public company limited by shares, with registered number 03424984.
- 1.2 The registered office of the Company is Ergon House, Horseferry Road, London SW1P 2AL. Its principal place of business is at 10-11 Charterhouse Square, London EC1M 6EH and its telephone contact number 020 7831 5088.
- 1.3 HMRC provisional approval was granted to the Company to trade as a VCT under the Income and Corporation Taxes Act 1988 (as amended) on 28 January 1998 and since that date the Company has carried on its business in accordance with that Act. The Company intends to continue to carry on its business such that its VCT status will be maintained. The various requirements are now contained within the ITA.
- 1.4 Share capital:
  - 1.4.1 As at 31 October 2015, the issued share capital of the Company was 34,660,694 fully paid up Ordinary Shares with a nominal value of 5p each. The ISIN of the Ordinary Shares is GB0002867140.
  - 1.4.2 At close of the Offer, assuming the Maximum Subscription is raised, existing Shareholders will hold approximately 1.4% of the enlarged Ordinary Share capital of the Company.

### 2. The Investment Manager

- 1.1 Elderstreet Investments Limited was incorporated in England and Wales on 18 June 1984 and operates under the Act as a private company limited by shares, with registered number 01825358. It is domiciled in the United Kingdom.
- 1.2 Elderstreet Investments Limited is authorised and regulated by the Financial Conduct Authority as a small authorised UK AIFM.
- 1.3 The registered office and principal place of business of the Manager is 10-11 Charterhouse Square, London EC1M 6EH and its telephone contact number is 020 7831 5088. Elderstreet Investments Limited is authorised and regulated by the Financial Conduct Authority with registered number 148527 and has permission to manage Smaller Alternative Investment Funds under the Alternative Investment Fund Managers Directive (AIFMD).
- 1.4 Elderstreet Investments Limited is a venture capital fund management company. Funds managed by Elderstreet Investments Limited include Elderstreet Capital Partners Limited Partnership, Elderstreet VCT plc and the Smith & Williamson EIS portfolio. Elderstreet Investments Limited is a wholly owned subsidiary of Elderstreet Holdings Limited. Michael Jackson is a significant shareholder in Elderstreet Holdings Limited.

### 3. Directors' and other interests

- 3.1 The Company is not aware of any person who is or, immediately following the Offer, will be, directly or indirectly, interested in 3% or more of the issued share capital of the Company, or who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.

3.2 The interests (all of which are or will be beneficial unless otherwise stated) of the Directors, their immediate families and persons connected with the Directors (a “Connected Person”) in the share capital of the Company:

(a) have been notified to the Company; or

(b) are required to be entered in the register of directors’ interests maintained under the provisions of section 809 of the Act; or

(c) to be disclosed under (a) or (b) above and the existence of which is known to, or could be reasonable diligence be ascertained by, that Director, as at the date of this document and as they will be immediately following Admission, are as set out in the following table below:

Director	Current Shareholding %	Shareholding following Admission %
Michael Jackson	2.21%	2.21%
Nicholas Lewis	0.14%	0.14%
David Brock	0.28%	0.28%
Hugh Aldous	0.06%	0.06%
Barry Dean	0.06%	0.06%

\* This amounts to approximately 2.75% of the issued share capital of the Company prior to Admission, and to approximately 2.6% of the total enlarged issued share capital of the Company following Admission (assuming the Maximum Subscription is raised).

3.3 Save as disclosed in paragraph 3.2 of this Part 8, immediately following Admission, no Director, nor any Connected Person, will have any interest, whether beneficial or non-beneficial, in the share or loan capital of the Company or any of its subsidiary undertakings.

3.4 No New Ordinary Shares under the Offer are being reserved for allocation to existing shareholders, directors or employees of the Company or the Manager.

3.5 Each of the Directors has a consultancy agreement with the Company; the current fees, term and notice periods of the Directors as follows:

Director	Agreement Date	Fees per Annum	Term	Performance Incentive / Fee Entitlement*	Notice Period
David Brock	30 Jan 1998	£22,500	rolling	0%	3 months
Hugh Aldous	1 Mar 2007	£17,500	rolling	0%	3 months

Barry Dean	25 Jan 2005	£17,500	rolling	0%	3 months
Michael Jackson**	30 Jan 1998	£15,000	rolling	100%	3 months
Nicholas Lewis***	30 Jan 1998	£15,000	rolling	0%	3 months
<p>* Details of the performance incentive fees to which the Manager is, or may be entitled, are set out in paragraphs 5.1 below.</p> <p>** Michael Jackson is a director of and 53.8% shareholder in Elderstreet Holdings Limited, a company of which the Manager is a wholly owned subsidiary. The Manager is entitled to 100% of the performance incentive fees and investment management fees from the Company.</p> <p>*** Nicholas Lewis is a member of Downing LLP, which provides administration services to the Company.</p>					

3.6 Save as disclosed in this document, the Directors do not have any other commission or profit sharing arrangements with the Company. The agreements do not contain any provision for compensation payable upon early termination of the agreements.

#### 4. General Information

4.1 There have not been any governmental, legal or arbitration proceedings in the 12 months prior to the publication of this document which may have, or have had in the recent past a significant effect on the financial position or profitability of the Company, nor are there any such proceedings pending or threatened of which the Company is aware.

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

4.3 No action has been taken to permit the distribution of this document in any jurisdiction outside the UK where such action is required to be taken. All applicants under the Offer will be required to warrant that they are not a US Person.

#### 5. Material Contracts

5.1 Under an agreement (the "Investment Management Agreement") dated 30 January 1998 between the Company and the Manager (which was subsequently novated to the subsidiary of the Manager, Elderstreet Private Equity Limited, varied by an agreement dated 1 July 2009 and subsequently novated back to the Manager), the Manager provides investment advisory services to the Company in respect of its portfolio of Qualifying Investments for a fee of 2% of net assets (as defined in the agreement), together with a performance incentive fee. Performance incentive fees are payable when dividend payments and/or distributions equivalent to not less than 3.5p per Share in any one financial year are made. As long as the NAV, before the distribution, is higher than 70.6p per Share, the Manager will receive 20% of the distribution amount over 3.5p per Share. The performance incentive fee will also have a catch-up should any previous year's distribution not be met. This catch-up will be cumulative so that in any years where the distribution is less than 3.5p the shortfall must be made up prior to awarding any further incentive fees. Any performance incentive fee payable in any period of 12 months has been capped so that in any 12 month period, the fee payable under the incentive arrangements (together with any other fees payable to the Manager by the Company which have not been approved by Shareholders) is capped at 24.9% of the lesser of the Company's current Net Assets, market capitalisation or gross assets. Any such fees which result in this cap being exceeded will be waived, will not be carried over to another period and will cease to be payable

to the Manager. These fees are calculated in respect of each year ended 31 December following approval of the audited accounts by Shareholders.

Further, under the Investment Management Agreement, the annual running costs of the Company (including VAT) are capped at 3.5% of net asset value (as defined in the agreement) with any excess being refunded by way of a reduction in the fees payable to the Manager and to the Administration Manager. The Manager is also entitled to certain non-executive directors' fees, arrangement fees and expenses in respect of any investee company.

- 5.2 Under an agreement dated 30 January 1998 originally between the Company and Downing Management Services Limited and novated by a deed of novation dated 25 August 2011 such that since 1 June 2011 the parties thereto are the Company and Downing LLP (the "Administration Agreement"), Downing will provide or procure the provision of certain administration services to the Company for a capped fee of £50,000 (plus VAT).
- 5.3 Michael Jackson is a director of and shareholder in the Manager which is entitled to performance incentive fees and investment management fees from the Company, as well as Promoter's Fees in relation to the Offer.
- 5.4 Nicholas Lewis is a member of Downing LLP, which provides administration services to the Company in relation to the agreement described in paragraph 5.2 above.
- 5.5 On 10 December 2015, the Company entered into an agreement the Manager whereby the Manager agreed to purchase the two loans that the Company had granted to Snacktime Plc, which are in the aggregate principle amount of £450,000, for an initial payment of £50,000 and deferred consideration equal to 75% of any ultimate realisation on redemption or conversion of those loans. The Manager is also entitled to Promoter's Fees in relation to its services to the Company in its role as promoter of the Offer (as referred to in the section "Capital Raising Fees" on page 34 of this document). For the purposes of these agreements (in relation to the purchase of those loans and the payment of Promoter's Fees), the Manager was a related party of the Company under the Listing Rules and, as such, each of those transactions was a smaller related party transaction in accordance with Listing Rule LR 11.1.10R.
- 5.6 The Directors are not aware of any potential conflicts of interests between their duties to the Company and their private interests or other duties. There are no family relationships between the Directors at the date of this document.
- 5.7 The typical investor for whom investment in the Company is designed is an individual retail investor aged 18 or over who is a UK tax payer.
- 5.8 The Company and its Shareholders are subject to the provisions of The City Code on Takeovers and Mergers and the Act, which require shares to be acquired/transferred in certain circumstances.

## **6. Financial Information**

Audited statutory accounts for the Company for each of the three years ended 31 December 2012, 31 December 2013 and 31 December 2014 on which unqualified audit reports (not containing a statement under section 237(2) or (3) of the Companies Act 2006) have been given by the auditors BDO LLP to the Registrar of Companies.

Copies of the audited annual accounts and the unaudited half year accounts referred to above are available at the following websites: [www.elderstreet.com](http://www.elderstreet.com) and [www.downing.co.uk](http://www.downing.co.uk)

22 December 2015

## DIRECTORS AND ADVISERS

### Directors

David Brock (Non-executive Chairman)  
Hugh Aldous (Non-executive Director)  
Barry Dean (Non-executive Director)  
Michael Jackson (Non-executive Director)  
Nicholas Lewis (Non-executive Director)  
All of  
Ergon House,  
Horseferry Road,  
London SW1P 2AL

### Secretary

Grant Whitehouse

### Investment Manager

Elderstreet Investments Limited  
10-11 Charterhouse Square  
London EC1M 6EH

### Fixed Income Securities Manager

Smith & Williamson Investment Services Limited  
25 Moorgate  
London EC2R 6AY

### Administration Manager

Downing LLP  
Ergon House,  
Horseferry Road,  
London SW1P 2AL

### VCT Status Adviser

Philip Hare & Associates LLP  
4-6 Staple Inn  
High Holborn  
London WC1V 7QH

### Solicitors to the Company and the Offer

Howard Kennedy LLP  
No.1 London Bridge  
London SE1 9BG

### Registrars

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

### Receiving Agent

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

### Auditor

BDO LLP  
55 Baker Street  
London W1U 7EU

## DEFINITIONS

In this document the following words and expressions shall, unless the context requires otherwise, have the following meanings:

“Act”	the Companies Act 2006 (as amended)
“Administration Manager”	the administration manager of the Company, Downing LLP
“Admission”	admission of the New Ordinary Shares to the Official List of the UK Listing Authority and to trading on the London Stock Exchange’s main market for listed securities
“Adviser Charge”	a fee, payable to a financial intermediary, agreed with the Investor for the provision of a personal recommendation and/or related services in relation to an investment in Offer Shares, and detailed on the Application Form
“AIM”	AIM, a market operated by the London Stock Exchange, formerly known as the Alternative Investment Market
“Applicant”	an investor whose name appears in an Application Form
“Application”	an application for New Shares under the Offer
“Application Amount”	amount (in pounds sterling) due from an Applicant in respect of his Application or such part (if any) of his Application as is accepted
“Application Form(s)”	a validly completely application form in the form contained at the end of this document
“Articles”	articles of association of the Company from time to time
“Business Days”	any day (other than a Saturday) on which clearing banks are open for normal banking business in sterling
“Capita Registrars”	a trading name of Capita IRG Plc
“Company” or “Elderstreet”	Elderstreet VCT plc
“Commission”	commission paid to the financial intermediaries of Professional Client Investors and Execution Only Investors
“CREST”	the computerised settlement system to facilitate the transfer of title to shares in uncertificated form operated by Euroclear UK & Ireland Limited
“Direct Investor”	an Investor who applies under the Offer directly without any financial intermediary (whether advisory or non-advisory)
“Directors” or “Board”	directors of the Company as at the date of this document, whose names are set out on page 29 of this document
“Early Investment Incentive”	the additional Offer Shares offered to Applicants who subscribe for Offer Shares within the relevant periods referred to in the section “Offer Statistics” of this document, such additional Offer Shares being issued in the manner described on pages 31 to 33 of this document
“Elderstreet Funds”	funds managed by the Investment Manager
“Estimated Offer Price”	the amount of 73.6 pence per New Ordinary Share, calculated on the basis of the assumptions referred to on page 30 of this document
“Execution Only Investors”	Investors who invest in the Offer via an “execution only” broker who does not provide the Investor with advice as to the merits of the investment
“FCA”	Financial Conduct Authority
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“Gross Proceeds”	the amount of monies subscribed by an Applicant for New Ordinary Shares under the Offer (disregarding any Adviser Charges or Commission)
“HMRC”	Her Majesty’s Revenue & Customs

“Investment Management Agreement” or “IMA”	the investment management agreement entered into between the Company and the Manager on 30 January 1998 (which was subsequently novated to Elderstreet Private Equity Limited, and then back to the Manager on 1 June 2009), as varied
“Investment Management Team”	those people whose details are set out on page 28 of this document
“Investment Manager” or the “Manager”	Elderstreet Investments Limited, a subsidiary of Elderstreet Holdings Limited
“Investor”	an individual investor, who is aged 18 or over, investing no more than £200,000 in VCTs in any one tax year
“ISDX”	the ISDX Growth Market, being a market on the ICAP Securities and Derivatives Exchange (which are the successor markets to the PLUS markets)
“ITA”	Income Tax Act 2007 (as amended)
“Listed”	admitted to the Official List of the UK Listing Authority and to trading on London Stock Exchange’s main market for listed securities
“Listing Rules”	the listing rules issued by the FCA
“London Stock Exchange”	London Stock Exchange plc
“Maximum Subscription”	494,565 New Ordinary Shares
“Net Asset Value” or “NAV”	net asset value per Ordinary Share
“Net Assets”	gross assets less all liabilities (excluding contingent liabilities) of the Company
“New Ordinary Shares”	the Ordinary Shares available for subscription pursuant to the Offer
“Offer”	the offer for subscription for New Ordinary Shares contained in this document
“Offer Price”	the price paid (sterling) by Applicants for each New Ordinary Share issued under the Offer calculated according to the Pricing Formula on pages 32 and 33 as applied by the Board
“Offer Document”	the agreement for subscription of New Ordinary Shares pursuant to the terms of this document
“Offer Shares”	the New Ordinary Shares
“Offer” or “Offer for Subscription”	the offer for subscription of New Ordinary Shares pursuant to the terms of this document
“Official List”	official list of the UK Listing Authority
“Ordinary Shares”	ordinary shares of 5p (sterling) each in the capital of the Company with ISIN GB0002867140
“Pricing Formula”	the mechanism by which the Offer Price may be adjusted by the Board according to the latest announced NAV, the level of the Promoter’s Fee, Commission or Adviser Charges (as relevant) to intermediaries, as described on pages 32 and 33 of this document and in the Terms and Conditions of Application
“Professional Client”	an individual who is classified by their financial intermediary as a professional client for the purposes of the FCA’s Conduct of Business rules
“Promoter’s Fee”	the commission payable by the Company to the Manager (as promoter of the Offer) in relation to each Application, calculated as a percentage of each Applicant’s gross subscription in the Offer in the amounts set out in pages 31 to 33
“Qualifying Company”	an unquoted (including ISDX-traded and AIM-traded) company which satisfies the requirements of Part 4 of Chapter 6 of ITA
“Qualifying Investment”	shares in, or securities of, a Qualifying Company held by a VCT which meet the requirements of Part 4 of Chapter 6 of ITA
“Qualifying Investor”	an individual who subscribes for or acquires shares in a VCT and satisfies the conditions of eligibility for tax relief available to investors in a VCT
“Receiving Agent”	The City Partnership (UK) Ltd
“Retail Client”	an individual who is classified by their financial intermediary as a retail client for the purposes of the FCA’s Conduct of Business rules
“Shareholders”	holders of Shares
“Shares”	Ordinary Shares
“Terms and Conditions of Application”	terms and conditions of Application as set out at the end of this document
“UK Listing Authority”	the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA
“US Person”	as defined in the United States Securities Act of 1933 (as amended)
“Venture Capital Trust” or “VCT”	a venture capital trust as defined in Section 259 of ITA



## TERMS & CONDITIONS OF APPLICATION

1. The right is reserved to reject any Application in whole or in part or to accept any Application in whole or in part. If any Application is not accepted, or if any contract created by acceptance does not become unconditional, or if any Application is accepted for a lesser amount than was applied for, the application monies or the balance of the amount paid on Application will be returned without interest by post at the risk of the Applicant.
2. By completing and delivering an Application Form, you:
  - (a) irrevocably offer to subscribe the amount of money specified in your Application Form or such lesser amount as is accepted (in each case such amount being referred to as the "Application Amount") which shall be applied to purchase the Offer Shares on the basis of the Pricing Formula set out on pages 31 to 33 of the Offer Document and subject to the provisions of that document, these Terms and Conditions and the Articles. Applicants for New Ordinary Shares for whom Application Forms are received and accepted by the Company prior to 4.00p.m. on 1 February 2016 will be charged a reduced Promoter's Fee of 0.5% and will, therefore, receive additional New Ordinary Shares to their usual entitlement through the operation of the Pricing Formula. Where the financial intermediaries of such Investors have confirmed that they will pass on such amount to the relevant Investor in the form of additional New Ordinary Shares, the Manager will rebate up to 2% of the relevant Adviser Charge or Commission;
  - (b) accept that the Net Asset Value used will be the most recently announced net asset value per Ordinary Share, updated at the discretion of the Board should there be a material movement in Net Asset Value, and adjusted where necessary for the subsequent payment of dividends, expressed in pence (sterling) prior to the date of allotment of the relevant Offer Shares (and will ordinarily be unaudited);
  - (c) accept that the number of New Ordinary Shares to be issued on the final allotment date under the Offer will be scaled back pro rata to the number of New Ordinary Shares applied for by Investors in the event that full allotment would result in more than 10% of the number of Ordinary Shares admitted to trading on the London Stock Exchange at the date of this document being otherwise issued;
  - (d) authorise your financial adviser or whoever he or she may direct, Capita Registrars or the Company to send a document of title for the number of Offer Shares for which your Application is accepted, and/or a crossed cheque for any monies returnable, by post at your risk to your address as set out on your Application Form;
  - (e) agree that your Application may not be revoked prior to the Offer closing and that this paragraph constitutes a collateral contract which will become binding upon despatch by post or delivery of your Application Form duly completed to the Company or to your financial adviser
  - (f) warrant that your remittance will be honoured on first presentation and agree that, if such remittance is not so honoured, you will not be entitled to receive a share certificate for the Offer Shares applied for or to enjoy or receive any rights or distributions in respect of such Offer Shares unless and until you make payment in cleared funds for such Offer Shares and such payment is accepted by the Company (which acceptance shall be in its absolute discretion and may be on the basis that you indemnify it against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of your remittance to be honoured on first presentation) and that at any time prior to unconditional acceptance by the Company of such late payment in respect of such Offer Shares, the Company may (without prejudice to its other rights) treat the agreement to allot such Offer Shares as void and may allot such Offer Shares to some other person, in which case you will not be entitled to any refund or payment in respect of such Offer Shares (other than return of such late payment);
  - (g) agree that all cheques and bankers' drafts may be presented for payment on the due dates and any definitive document of title and any monies returnable to you may be retained pending clearance of your remittance and the completion of any verification of identity required by the Money Laundering Regulations 2007 ("the Regulations") and that such monies will not bear interest;
  - (h) undertake to provide satisfactory evidence of identity within such reasonable time (in each case to be determined in the absolute discretion of the Company and the Manager) to ensure compliance with the Regulations;
  - (i) agree that, in respect of those Offer Shares for which your Application has been received and processed and not rejected, acceptance of your Application shall be constituted by the Company instructing Capita Registrars to enter your name on the share register of the Company;

- (j) agree that all documents in connection with the Offer and any returned monies will be sent at your risk and may be sent to you at your address as set out in the Application Form;
- (k) agree that, having had the opportunity to read this document, you are deemed to have had notice of all information and representations contained therein;
- (l) confirm that (save for advice received from your financial adviser) in making such application you are not relying on any information or representation other than those contained in this document and you accordingly agree that no person responsible solely or jointly for this document will have any liability for any such other information or representation;
- (m) agree that all Applications, acceptances of Applications and contracts resulting there from under the Offer shall 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 proceedings arising out of or in connection with any such Applications, acceptance and contracts in any other manner permitted by law or in any court of competent jurisdiction;
- (n) authorise the Company, Capita Registrars or the Manager or any other person authorised by them, as your agent, to do all things necessary to effect registration of any Offer Shares subscribed by you into your name and authorise any representatives of the Company, Capita Registrars or the Manager to execute any document required therefor and to enter your name on the register of members of the Company;
- (o) agree to provide the Company, Capita Registrars, The City Partnership (UK) Ltd or the Manager with any information which they may request in connection with your Application or to comply with the VCT regulations or other relevant legislation (as the same may be amended from time to time);
- (p) warrant that, in connection with your Application, you have observed the laws of all requisite 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 Manager acting in breach of the regulatory or legal requirements of any territory in connection with the Offer or your Application;
- (q) confirm that you have read and complied with paragraph 3 below;
- (r) confirm that you have reviewed the restrictions contained in paragraph 4 below;
- (s) warrant that you are not under the age of 18 years;
- (t) if the laws of any territory or jurisdiction outside the United Kingdom are applicable to your Application, warrant that you have complied with all such laws and none of the Company or the Manager or any of their respective agents will infringe any laws of any such territory or jurisdiction directly or indirectly as a result or in consequence of any acceptance of your Application;
- (u) agree that your Application Form is addressed to the Company;
- (v) warrant that if you sign the Application Form on behalf of somebody else or yourself and another or others jointly or a corporation you have the requisite power to make such investments as well as the authority to do so and such person will also be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these terms and conditions of application and undertake (save in the case of signature by an authorised financial adviser on behalf of the Investor) to enclose a power of attorney or a copy thereof duly certified by a solicitor with the Application Form;
- (w) warrant that you are not subscribing for the Offer Shares using a loan which would not have been given to you, or not given to you on such favourable terms, if you had not been proposing to subscribe for the Offer Shares;
- (x) warrant that the Offer Shares are allotted to you for bona fide investment purposes and not as part of a scheme or arrangement, the main purpose of which, or one of the main purposes of which, is the avoidance of tax;
- (y) warrant that you are not a US Person or resident of Canada and that you are not applying on behalf of or with a view to the offer, sale or delivery, directly or indirectly, to or for the benefit of any US Person or resident of Canada; and

(z) (y) warrant that the information contained in the Application Form is accurate.

3. No person receiving a copy of this document or an Application Form in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him or her, nor should he or she in any event use such Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to him or her or such Application Form could lawfully be used without contravention of any registration or other legal requirements. It is the responsibility of any person outside the United Kingdom wishing to make an application there under to satisfy himself or herself as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any of the formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.
4. The Offer Shares have not been and will not be registered under the United States Securities Act 1933, as amended, or under the securities laws of any state or other political subdivision of the United States, and may not be offered or sold in the United States of America, its territories or possessions or other areas subject to its jurisdiction (the "USA"). In addition, the Company has not been and will not be registered under the United States Investment Company Act of 1940, as amended. No Application will be accepted if it bears an address in the USA.
5. This Application is addressed to the Company. The rights and remedies of the Company and the Manager under these Terms and Conditions of Application are in addition to any rights and remedies which would otherwise be available to either of them, and the exercise or partial exercise of one will not prevent the exercise of others.
6. The dates and times referred to in these Terms and Conditions of Application may be altered by the Company with the agreement of the Company. In particular, the Directors may close the Offer at their sole discretion.
7. Authorised financial advisers who, acting on behalf of their clients, return valid Application Forms in respect of execution-only transactions (bearing their stamp and FCA number) will be entitled to commission on the amount payable in respect of the Offer Shares allocated for each such Application Form at the rates specified in the paragraph "Terms of the Offer" in Part 4 (Information relating to the Offer) of this document. Authorised financial advisers may agree to waive part or all of their initial Commission in respect of an Application. If this is the case, then the Application Amount will be increased by an amount equivalent to the amount of commission waived. Financial advisers should keep a record of Application Forms submitted bearing their stamp to substantiate any claim for their commission. No commission is payable on reinvested commission or on any additional allocation received under the early investment incentive arrangements described above. In addition, provided they continue to act for their client and the client continues to hold such Offer Shares, such intermediaries will usually be paid an annual trail commission of 0.25% of the gross subscription (excluding any Adviser Charge) for five years. Annual trail commissions will be paid in October (commencing in October 2016) by the Company.
8. In respect of Applications received pursuant to execution-only transactions, commission (but not annual trail commission) will be taken into account when calculating, and will reduce, the number of Offer Shares which are to be issued on the basis of the Pricing Formula set out on pages 32 and 33 of the Offer Document.
9. Where Application Forms are returned on your behalf by an authorised financial intermediary who has given you a personal recommendation in respect of your application having first categorised you as a Retail Client, the Company will facilitate the payment of any up-front Adviser Charge agreed between you and your intermediary, as validated by your completion of Box 3 on the Application Form. The amount of the agreed Adviser Charge will be facilitated by the Company making a payment equal to the agreed up-front Adviser Charge direct to the intermediary which will be taken into account when calculating, and will reduce, the number of Offer Shares which are issued to you on the basis of the relevant Pricing Formula set out on pages 32 and 33 of the Offer Document. The investor will be issued fewer Offer Shares to the equivalent value of the Adviser Charge. The Adviser Charge is inclusive of VAT, where applicable.
10. If you have agreed to pay on-going charges to an intermediary who has categorised you as a Retail Client in respect of services related to your investment, for example, for conducting associated administrative tasks or managing your relationship with the Company, then the Company will not facilitate the payment of any such on-going adviser charge.
11. The section headed Application Procedure forms part of these Terms and Conditions of Application.
12. It is a condition of the Offer that compliance with the Money Laundering Regulations 2007 is ensured. The City Partnership (UK) Ltd is therefore entitled to require, at its absolute discretion, verification of identity from any Applicant including, without limitation, any person who either (i) tenders payment by way of a cheque or banker's draft drawn on an account in the name of a person or persons other than

the Applicant or (ii) appears to The City Partnership (UK) Ltd to be acting on behalf of some other person. Pending the provision of evidence satisfactory to The City Partnership (UK) Ltd as to the identity of the Applicant and/or any person on whose behalf the Applicant appears to be acting, The City Partnership (UK) Ltd may, in its absolute discretion, retain an Application Form lodged by an Applicant and/or the cheque or other remittance relating thereto and/or The City Partnership (UK) Ltd may not enter the Applicant on the register of members of the Company or issue any share certificates in respect of such Application. If verification of identity is required, this may result in delay in dealing with an Application and in rejection of the Application. The Company reserves the right, in its absolute discretion, for it or The City Partnership (UK) Ltd to reject any Application in respect of which The City Partnership (UK) Ltd considers that, having requested verification of identity, it has not received evidence of such identity satisfactory to it by such time as was specified in the request for verification of identity or in any event within a reasonable period. In the event of an Application being rejected in any such circumstances, the Company reserves the right in its absolute discretion, but shall have no obligation, to terminate any contract of allotment relating to or constituted by such Application Form (in which event the money payable or paid in respect of the Application will be returned (without interest) to the account of the drawee bank from which such sums were originally debited) and/or to endeavour to procure other subscribers for the Shares in question (but in each case without prejudice to any rights the Company may have to take proceedings to recover in respect of loss or damage suffered or incurred by it as a result of the failure to produce satisfactory evidence as aforesaid). The submission of an Application Form will constitute an undertaking by the Applicant to provide promptly to The City Partnership (UK) Ltd such information as may be specified by it as being required for the purpose of the Money Laundering Regulations 2007.

13. The right is also reserved to treat as valid any application not complying fully with these Terms and Conditions of Application for the Offer or not in all respects complying with the Application Procedure. 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 acceptable to the Company to apply in accordance with these Terms and Conditions of Application.

## APPLICATION PROCEDURE

**Before making an application to acquire Shares you are strongly recommended to consult an independent financial adviser authorised under the Financial Services and Markets Act 2000.**

It is essential that you complete all parts of the relevant Application Form in accordance with the instructions in these notes. Please send the completed Application Form, together with your cheque or bankers' draft, by post, or deliver it by hand (during normal business hours), to The City Partnership (UK) Ltd, Thistle House, 21-23 Thistle Street, Edinburgh, EH2 1DF. If you have any questions on how to complete the Application Form please contact Elderstreet Investments Limited on 020 7831 5088, email [william@elderstreet.com](mailto:william@elderstreet.com) or speak to your financial adviser. Elderstreet cannot offer any investment advice.

1. Insert in BLOCK CAPITALS your full name, permanent address, daytime telephone number, e-mail address (if you have one), date of birth and National Insurance Number and country of tax residence in Box 1. Applicants must be aged 18 or over and joint applications are not permitted.
2. Insert (in figures) in the relevant tax year the total monetary amount you wish to invest in the Offer Shares (not the number of Offer Shares you wish to apply for) in Box 2.

### **Please note that the minimum investment is £6,000 for New Ordinary Shares**

Investors should note that the maximum investment on which tax reliefs on investments in VCTs are available is £200,000 per tax year (£200,000 per spouse).

Attach your cheque or bankers draft to the Application Form for the exact amount shown in Box 2. Your cheque or bankers' draft must be made payable to "City Partnership - Elderstreet VCT" and crossed "A/C Payee only". Your payment must relate solely to this application. No receipt will be issued.

### **Money Laundering Regulations 2007 — Important note for applications of the Sterling equivalent of €15,000 (approx. £10,000) or more**

The verification of identity requirements in 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 result in a delay.

If the amount of your Application is £10,000 or more (or is one of a series of linked applications, the value of which exceeds that amount) payment must be made by cheque or bankers' draft in pounds sterling drawn on a branch in the United Kingdom of a bank or building society which is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques or bankers' drafts to be cleared through the facilities provided for members of any of these companies. Such cheques or bankers' drafts must bear the appropriate sort code in the top right hand corner. Cheques, which must be drawn on the personal account of the individual investor where they have a sole or joint title to the funds, should be made payable to "City Partnership - Elderstreet VCT".

Third party cheques will not be accepted with the exception of building society cheques or bankers' drafts where the building society or bank has confirmed the name of the account holder by endorsing the cheque/bankers' draft to such effect. The account name should be the same as that shown on the application.

Cheques may be cashed immediately upon receipt. Post-dated cheques will not be accepted.

If the amount of your Application is £14,000 or more, (or is one of a series of linked applications, the value of which exceeds that amount), and if payment is not made by personal cheque, you must also ensure that enclosed with the Application Form is one document from list A below and one document from list B below. Original documents will be returned by post at your risk. Please do not send your original passport or driving licence. Alternatively, verification of the Applicant's identity may be provided by means of a "Letter of Introduction" in the prescribed form from a UK or European Economic Area financial institution (such as a bank or stockbroker) or other regulated person (such as a solicitor, accountant or independent financial adviser) who is required to comply with the Money Laundering Regulations 2007. The relevant financial institution or regulated person will be familiar with the requirements and the relevant form.

For Applications of the Sterling equivalent of €15,000 (approx. £10,000) or more and subscription by way of a cheque drawn by a third party (one item from List A *and* one item from List B)

**List A (Verification of Identity)**

- Certified\* copy of current signed passport
- Certified\* copy of current UK Driving Licence (a provisional licence is not acceptable)
- Original Inland Revenue Tax Notification
- Original Firearms Certificate

**List B (Verification of Address)**

- Original recent\*\* utility bill (but not a mobile telephone bill)
- Original recent\*\* local authority tax bill
- Original recent\*\* bank or building society statement
- Original most recent mortgage statement from a recognised lender

\*Certified as a true copy of the original by a UK lawyer, banker, authorised financial intermediary (e.g. an independent financial adviser or an FCA authorised mortgage broker), accountant, teacher, doctor, minister of religion, postmaster or sub-postmaster. The person certifying the document should state that the copy is a true copy of the original, print their name, address, telephone number and profession and sign and date the copy.

\*\*Recent means within the last three months.

**Read the declaration and sign and date the Application Form in Box 4. If someone other than the Applicant named in Box 1 signs on such Applicant's behalf, such signatory must ensure that the declaration given on behalf of such Applicant is correct.**

Agents who are entitled to receive commission should stamp and complete the agent's box, giving their full name and address, telephone number and details of their authorisation under the Financial Services and Markets Act 2000. The right is reserved to withhold payment of commission if the Company is not, in its sole discretion, satisfied that the agent is so authorised.

# Elderstreet VCT PLC

## Application Form for New Ordinary Shares

NUMBER /150

**IMPORTANT: BEFORE COMPLETING THIS APPLICATION FORM, IT IS VERY IMPORTANT YOU HAVE READ THE OFFER DOCUMENT DATED 22 DECEMBER 2015 (INCLUDING, THE TERMS AND CONDITIONS OF APPLICATION AND THE APPLICATION PROCEDURE)**

Money Laundering Notice: If your application is for the sterling equivalent of €15,000 (approx. £10,000) or more (or is one of a series of linked applications the value of which exceeds that amount) you will need to ensure that verification of your identity is included with your Application - see page 53 and 54 of the Offer Document for details.

**PLEASE TICK ONE OF THE FOLLOWING TWO OPTIONS:**

A) I shall transfer within two business days of submitting this application, with the reference Elderstreet (and then write your surname in brackets), the total funds noted in Box 2 below to the following account:

Sort Code	<b>80 - 22 - 60</b>	Account Number	<b>1283 2768</b>
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B) I enclose a cheque or banker's draft, drawn on a UK clearing bank or building society for the total amount, made payable to "City Partnership – Elderstreet VCT" and crossed "A/C Payee only" and return this form as soon as possible to The City Partnership (UK) Ltd, Thistle House, 21-23 Thistle Street, Edinburgh, EH2 1DF

If subscribing by cheque then sufficient time must be allowed for the cheque to clear. This means in practice the cheque must be in City Partnership's possession no later than 5 Business Days before the relevant closing date.

**1**

Title and Name in Full	
Permanent Address	
Postcode	Daytime Telephone
E-Mail Address	
Date of Birth	/ /19 National Insurance No Country of Tax Residence

**2** I hereby subscribe for the following amount of investment in New Ordinary Shares, to be allocated between tax years 2015/16 and 2016/17 in the following proportions:

	2015/16	2016/17	Total (A+B)
A	£	B	£
			Min £6,000

**3** **TO BE COMPLETED BY RETAIL CLIENT INVESTORS WHO WISH TO HAVE THEIR AGREED ADVISER FEE FACILITATED THROUGH THEIR SUBSCRIPTION**

Amount of agreed adviser fee

£

BY SIGNING THIS FORM I HEREBY DECLARE THAT: (i) I have received the Offer Document dated 22 December 2015 and have had the opportunity to read the Terms and Conditions of Application therein; (ii) I will be the beneficial owner of the New Ordinary Shares in Elderstreet VCT plc issued to me pursuant to the Offer; and (iii) if my authorised financial intermediary has classified me as an elective Professional Client for the purposes of this application, I am aware of the risks involved in such classification and of the rights I am giving up and I wish to be treated as a Professional Client in respect of the Application; and (iv) to the best of my knowledge and belief, the particulars I have given to Elderstreet VCT plc are correct.

**4**

Printed Name	Date
Signed	

**5 TO BE COMPLETED BY AN INVESTORS INDEPENDENT FINANCIAL ADVISOR**

**Anti-Money Laundering**

We have applied customer due diligence measures on a risk-sensitive basis in respect of the investor to the standard required by the Money Laundering Regulations 2007 and we certify that we have:

1. identified and verified the identity of the investor on the basis of documents, data and information obtained from a reliable and independent source;
2. identified, where there is a beneficial owner who is not the investor, the beneficial owner and have taken adequate measures, on the basis of documents, data and information obtained from a reliable and independent source, to verify his identity so that we know who the beneficial owner is, including, in the case of a legal person, trust or similar arrangement, measures to understand the ownership and control structure of that person, trust or arrangement and the identity of the beneficial owner and details of the ownership and control structure set out in Box 6 below; and
3. obtained information on the purpose and intended nature of the investor's proposed investment in the Company, as the case may be, which information is set out in Box 6 below; and we consent the Company relying on this Certificate.

**Commission / Adviser Charges**

Please tick either (i) or (ii) below: tick one box

- (i) The firm named below is a financial intermediary which has agreed the Adviser Charge specified in section 3.
- (ii) The firm name below is an Execution Only broker which is permitted to receive commission in respect of this Application OR
- This Application is made on behalf of an Investor who is categorised by the named firm below as a Professional Client.

Name	Date
Firm Name	Nature of Business
Address	
	Postcode
Tel	FCA Registration Number and Co Stamp
Signature	

If you are electing to waive an amount of commission in favour of extra New Ordinary Shares, please state in this box what percentage is to be waived up to a maximum of 2.0%

**6 TO BE COMPLETED BY AN INVESTORS INDEPENDENT FINANCIAL ADVISOR WHERE THE BENEFICIAL OWNER IS NOT THE INVESTOR**

We certify the beneficial owner is

and (in the case of a legal person, trust or similar arrangement), the ownership and control structure of that person trust or arrangement is

The purpose of the investment is

For Official Use Only	
Date on which New Ordinary Shares are Issued	Share Register Number
Amount paid for New Ordinary Shares issued £	Number of New Ordinary Shares Issued
Amount paid per New Ordinary Share £	Amount of commission waived (where applicable) £

Due completion of the agent's box indicates that the agent is duly authorised to transact investments of this type under the Financial Services and Markets Act 2000 and confirms that the requirements of the Money Laundering Regulations 2007 have been complied with.

DATA PROTECTION ACT: The Company and/or Elderstreet Investments Limited may use the information you give for administration, research and/or statistical purposes. Your details may be used by the Company and/or Elderstreet Investments Limited to send you information on other potential investment opportunities. If you would prefer not to receive such information, please tick this box.