

ANNOUNCEMENT RE INTERIM DIVIDEND, ANNUAL REPORT, NOTICE OF AGM AND WINDING-UP CIRCULAR

Interim Dividend

Following significant further realisations from the VCT qualifying portfolio, the Board is pleased to announce that it has approved an interim dividend of 25p per Share. The ex-dividend date will be 29 September 2016 and the record date 30 September 2016. The dividend will be paid to Shareholders on or around 3 October 2016. Following payment of this further interim dividend, the Company will have distributed 50 pence in dividends.

Winding-up

A circular explaining the proposal for the winding-up and the actions which are required for its implementation has been posted to shareholders on 12 September 2016, together with a notice of the General Meeting of the Company to be held at 10.30 a.m. on 5 October 2016 at Bond Street House, 14 Clifford Street, London W1S 4JU. The winding-up is conditional on the approval of the resolutions to be put to the General Meeting (the "Resolutions").

The Company's prospectus dated 3 December 2010 (the "Prospectus") envisaged that the Company should not have a fixed life but that the Directors would review the Company's portfolio of investments after the first five years of trading with a view to an orderly liquidation of its assets and a subsequent distribution of the net proceeds to Shareholders.

As stated in the annual report and accounts of the Company for the year ended 29 February 2016, dividends paid to Shareholders to date has brought total cash returned to Shareholders who initially received the full amount of VCT income tax relief on their investment to 55 pence, comprising 25 pence in dividends and 30 pence in income tax relief. The audited net assets at the year end (29 February 2016) were 70.28 pence per Share (equivalent to 95.28 pence per Share after adding back the 25 pence per Share of dividends paid to date). Shore Capital Limited (the "Investment Manager") has continued to concentrate on planning realisations of investments in order to return further funds to Shareholders in accordance with the Prospectus.

Subject to the Resolutions being passed, the Investment Manager intends to realise value from the Company's residual holdings and settle liabilities in order to simplify the Company's liquidation and maximise final returns to Shareholders.

The Board is, therefore, now recommending that the Company be placed in voluntary liquidation with the intention that further funds are returned to Shareholders by way of a capital distribution by the liquidators and that Asher Miller and Henry Lan of David Rubin & Partners be appointed joint liquidators.

If the Resolutions are passed, this will result in the cancellation of the listing of the ordinary shares of the Company ("Shares") on the Official List of the UK Listing Authority, which is expected to take place on 6 October 2016, and the Shares ceasing to trade on the London Stock Exchange.

Expected Timetable

Notice of General Meeting	12 September 2016
Deadline for receipt of Proxy Forms	10.30 a.m. on 3 October 2016
Suspension of the listing of the Shares on the Official List	7.30 a.m. on 5 October 2016
General Meeting	10.30 a.m. on 5 October 2016
Expected date of cancellation of the listing of the Shares on the Official List	8.00 a.m. on 6 October 2016

Documents

A copy of the circular has been submitted to the National Storage Mechanism and will shortly be available for inspection at www.morningstar.co.uk/uk/NSM.

The Company and the Directors accept responsibility for the information contained in this announcement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information relating to the Company and its directors contained in this announcement is in accordance with the facts and does not omit anything likely to affect the import of such information.

Enquiries

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