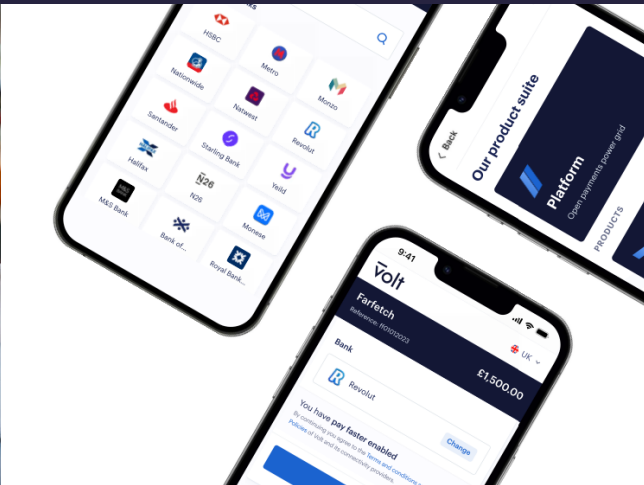


# FUEL VENTURES VCT PLC



OFFER FOR SUBSCRIPTION FOR UP TO  
£10 MILLION OF ORDINARY SHARES WITH  
AN OVER-ALLOTMENT FACILITY FOR UP  
TO A FURTHER £40 MILLION OF ORDINARY  
SHARES



**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt about the action to be taken, you should immediately consult a person authorised under the Financial Services and Markets Act 2000 ("FSMA") who specialises in advising on the acquisition of shares and other securities.

This document, which comprises a prospectus dated 15 December 2023 relating to Fuel Ventures VCT plc (the "Company") has been prepared in accordance with the Prospectus Regulation Rules of the Financial Conduct Authority ("FCA") made under section 73A of FSMA (the "Prospectus Regulation Rules"). This document has been approved by the FCA as competent authority under the UK version of Regulation (EU) 2017/1129 as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018 (the "UK Prospectus Regulation"). The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered an endorsement of the Company that is, or the quality of the securities that are, the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

The contents of this document and the information incorporated herein by reference should not be construed as legal, business or tax advice. Neither the Company nor any of its Directors or representatives are making any representation to any offeree or purchaser or acquirer of the Ordinary Shares regarding the legality of an investment in the Ordinary Shares by such offeree or purchaser or acquirer under the laws applicable to such offeree or purchaser or acquirer.

Your attention is drawn to the risk factors set out on pages 12 to 15 of this document. Prospective investors should read the whole text of this document and should be aware that an investment in the Company involves a high degree of risk and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. All statements regarding the Company's business, financial position and prospects should be viewed in light of such risk factors.

The Directors of the Company whose names appear on pages 23 and 24 of this document, together with the Company, accept responsibility for the information contained herein. To the best of the knowledge of the Directors and the Company, the information contained in this document is in accordance with the facts and this document makes no omission likely to affect its import. To the extent information has been sourced from a third party, this information has been accurately reproduced and, as far as the the Company is aware and is able to ascertain from information published by the relevant third parties, no facts have been omitted which may render the reproduced information inaccurate or misleading. Where such information has been included in this document, the source of that information has been identified.

In connection with this document, no person is authorised to give any information or make any representation other than as contained in this document.

# Fuel Ventures VCT plc

(incorporated in England and Wales with registered number 15236513)

Prospectus relating to:

**an Offer for Subscription of up to £10,000,000 of Ordinary Shares of £0.01 each, payable in full on application, together with an over-allotment facility of up to a further £40,000,000 of Ordinary Shares of £0.01 each**

**Sponsor**

**Howard Kennedy Corporate Services LLP**

Application will be made for all the Ordinary Shares in the Company in issue and to be issued pursuant to the offer for subscription described in this document (the "Offer") to be admitted to a premium listing on the Official List of the FCA and to trading on the London Stock Exchange's main market for listed securities. It is expected that admission will become effective and that dealings in the Ordinary Shares will commence on 19 April 2024. Applications for admission of Ordinary Shares may be made at any time after the date of publication of this document and on or prior to the Closing Date. Your attention is drawn to the section entitled 'Risk Factors' set out on pages 12 to 15 of this document.

Subject to FSMA, the Prospectus Regulation Rules and applicable laws, the delivery of this document shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in this document is correct as at any time after this date.

Howard Kennedy Corporate Services LLP is acting as sponsor in connection with the Offer, and is authorised and regulated by the Financial Conduct Authority. Titan Alternatives Limited is acting as promoter of the Offer and is an Appointed Representative of Sturgeon Ventures LLP, which is authorised and regulated by the Financial Conduct Authority. Howard Kennedy is not advising any other person other than the Company or treating any other person as a customer or client in relation to the Offer, nor, subject to the responsibilities and liabilities imposed by FSMA or the regulatory regime established thereunder, will they be responsible to any such person for providing the protections afforded to their respective customers or clients or for providing advice in connection with the Offer.

The Offer will be open from 15 December 2023 until the earlier of 3.00 p.m. on the Initial Closing Date and the date on which the maximum subscription is reached. The Directors may close the Offer before the Initial Closing Date at their discretion or extend the Initial Closing Date and the deadline for receipt of applications to a date no later than 1 December 2024. The Offer is not underwritten. The procedure for, and the Terms and Conditions of Application under, the Offer are set out at the end of this document. The minimum investment per investor is £5,000. Hard copy completed Application Forms should be sent by post or delivered by hand (during normal business hours only) to The City Partnership (UK) Limited.

This Prospectus does not constitute an offer of, or the solicitation of an offer to subscribe for or buy, any Ordinary Shares to any person in any jurisdiction to whom it is unlawful to make such an offer or solicitation in such jurisdiction. The Offer is not being made, directly or indirectly, in or into the United States, Canada, Australia, New Zealand, Japan, the Republic of South Africa or their respective territories or possessions or in any other jurisdiction where to do so would be unlawful, and documents should not be distributed, forwarded or transmitted in or into such territories. The 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, New Zealand, Japan, the Republic of South Africa or in any other jurisdiction where to do so would be unlawful.

Copies of this document may be obtained, free of charge, from the Company's registered office and at the offices of Titan Alternatives Limited at 7 Johnston Road, Woodford Green, IG8 0XA until the Closing Date of the Offer. A copy of this document has been submitted to the National Storage Mechanism and is available to the public for viewing online at the following website address: <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.

This document is not a KID (key information document) for the purposes of the UK PRIIPS Laws.

## Contents

Summary	5
Risk Factors	12
Important Information	16
Expected Timetable and Statistics of the Offer	18
Directors and Advisers	19
Part 1 - Letter from the Chairman	20
Part 2 – The Offer	22
Part 3 - Investment Policy and Investment Strategy	27
Part 4 – Corporate Matters	30
Part 5 – The Investment Manager, Investment Adviser and Promoter	36
Part 6 - Charges	43
Part 7 - Taxation	46
Part 8 - Additional Information	51
Definitions	72
Terms and Conditions of Application	79

## SUMMARY

### Introduction and Warnings

<b>Name and ISIN of Securities</b>	Ordinary shares of £0.01 each (ISIN: GB00BP2RHT10) (" <b>Ordinary Shares</b> " or " <b>Shares</b> ").
<b>Identity and Contact Details of Issuer</b>	Fuel Ventures VCT plc (the " <b>Company</b> " or the " <b>Issuer</b> ") was incorporated and registered in England and Wales on 25 October 2023 with registered number 15236513. Its registered address is at The Mending Rooms, Park Valley Mills, Meltham Road, Huddersfield, United Kingdom, HD4 7BH (LEI: 984500B43BFE4DF77187). The Company can be contacted at The Mending Rooms, Park Valley Mills, Meltham Road, Huddersfield, United Kingdom, HD4 7BH by telephone on 020 3927 7730.
<b>Competent Authority approving the Prospectus</b>	The Financial Conduct Authority (the " <b>FCA</b> "), 12 Endeavour Square, London E20 1JN, telephone 020 7066 1000.
<b>Date of Approval of the Prospectus</b>	15 December 2023.
<b>Warnings</b>	<p>(a) This summary should be read as an introduction to this prospectus (the "<b>Prospectus</b>").</p> <p>(b) Any decision to invest in the securities should be based on a consideration of the Prospectus as a whole by the Investor.</p> <p>(c) An Investor could lose all or part of their invested capital.</p> <p>(d) Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid Investors when considering whether to invest in the securities.</p>

### Key information on the Issuer

<b>Who is the Issuer of the Securities?</b>	
<b>Domicile and legal form</b>	<p>The Company is domiciled in England and was incorporated and registered in England and Wales on 25 October 2023 as a public company limited by shares under the Companies Act 2006 (the "<b>Act</b>") with registered number 15236513 (LEI: 984500B43BFE4DF77187).</p> <p>The principal legislation under which the Company operates is the Act and the regulations made thereunder.</p>
<b>Principal Activities</b>	<p>The Company is a VCT that will seek investments predominantly in technology or digital businesses with a focus on marketplace, platform or software-as-a-service business models in a diverse range of sectors.</p> <p>Summary of Investment Policy</p> <p>The Company will seek to invest in promising unquoted companies at an early stage.</p>

	<p>The Company is seeking to invest in a diversified portfolio of businesses that the Investment Manager believes will provide the opportunity for value appreciation. The Company will seek investments that are predominantly technology or digital businesses with a focus on marketplace, platform, or software-as-a-service business models. The Company will invest in a diverse range of sectors. The Company will either i) make follow-on investments into top-performing Investment Adviser funds portfolio companies; ii) co-invest with an existing Investment Adviser fund into a new business; or iii) make independent investments.</p> <p>The Company intends to invest the net proceeds of the Offer in acquiring a portfolio of VCT qualifying investments complying with VCT legislation in accordance with its stated investment policy. At least 30% of the funds raised will be invested in VCT qualifying investments within 12 months of the end of the Company's accounting period in which the relevant Shares were allotted, and at least 80% of its net assets will, by the start of the Company's accounting period in which the third anniversary of the date the relevant Shares are allotted falls and continuously thereafter, be invested in VCT qualifying investments.</p>
<p><b>Major Shareholders</b></p>	<p>As at the date of this document, the directors of the Company (the "Directors") are not aware of any person or persons who, or following the offer for subscription of up to £10,000,000 of Ordinary Shares as described in this document, together with an over-allotment facility of up to a further £40,000,000 of Ordinary shares (the "<b>Offer</b>"), will or could, directly or indirectly, jointly or severally, exercise control over the Company.</p>
<p><b>Directors</b></p>	<p>The Directors of the Company (all of whom are non-executive) are:</p> <p>Andrew Whitehouse (Chairman)</p> <p>Stuart Knight</p> <p>Marc Rubinstein</p> <p>Charles Elliott</p> <p>The Company has appointed Sturgeon Ventures LLP (the "<b>Investment Manager</b>") as the AIFM of the Company, pursuant to an investment management agreement, and the Investment Manager has appointed Fuel Ventures Limited as its investment adviser (the "<b>Investment Adviser</b>").</p>
<p><b>Statutory Auditors</b></p>	<p>The statutory auditors of the Company are BDO LLP of 55 Baker Street, London W1U 7EW.</p>
<p><b>What is the key financial information regarding the issuer?</b></p>	<p>The Company has not published any financial information as it has not commenced trading operations.</p>
<p><b>What are the key risks that are specific to the issuer?</b></p>	<p>Set out below is a summary of the most material risk factors specific to the issuer:</p> <ul style="list-style-type: none"> <li>• As the Company has not yet commenced business it will take time to build up a portfolio of investments and generate returns for investors. Those investments will take time to mature before they increase in value and become attractive propositions for potential buyers and follow-on investors. Either of these factors could have an adverse affect on the future investment returns of the Company and the market value</li> </ul>

	<p>of the Ordinary Shares.</p> <ul style="list-style-type: none"> <li>• It is anticipated that interest rates will remain inflated over the near term, which may have an adverse effect on the companies in which the Company intends to invest and, potentially, the value of such investee companies, and may have a negative impact on the NAV of the Company, which in turn may have an adverse effect on the future investment returns of the Company and the market value of the Ordinary Shares.</li> <li>• The current hostilities in the Middle East and Ukraine and, in respect of the latter, the resulting sanctions imposed on the Russian Federation by various countries around the world may have unforeseen, long term and far-reaching consequences for the global economy and the Company's portfolio of investments, which in turn may have an adverse effect on the future investment returns of the Company and the market value of the Shares. In particular, the rising present and future cost of energy could have an impact on investee company performances and/or consumer demand for their products and services.</li> <li>• The Company will invest in early stage opportunities. By definition these are high-risk investments which, if unsuccessful, may result in a total loss of the investment but which, if successful, offer the potential of high returns.</li> <li>• The Company may take minority positions in investee companies. As a minority investor, the Company may be less able, or unable, to materially influence the policies pursued by an investee company if there are majority investors who, by reason of their stake, have an effective veto on the investee company's affairs. This could also result in investee companies developing in a manner not considered desirable by the Company and, accordingly, to the detriment of investors, as the value of those investee companies could be negatively impacted. In turn, this could have an adverse affect on the future investment returns of the Company and the market value of the Shares.</li> <li>• The Company may be unable to maintain its VCT status, which could result in loss of certain tax reliefs for both the Company and investors. Tax legislation and HM Revenue &amp; Customs practice are subject to change at any time and VCT tax advantages may be amended or withdrawn.</li> </ul>
--	---

### Key Information on the Securities

<b>What are the main features of the securities?</b>	
<b>Types, class and ISIN of securities</b>	The Company will issue Ordinary Shares of £0.01 each under the Offer. The ISIN of the Ordinary Shares is GB00BP2RHT10.
<b>Currency, par value and number to be issued</b>	The currency of the Ordinary Shares is Sterling. The Shares are ordinary shares of £0.01 each and, pursuant to the Offer, the Company will issue up to £10,000,000 of Ordinary Shares with an over-allotment facility for up to a further £40,000,000 of Ordinary Shares.
<b>Rights attaching to the securities</b>	<b><u>As regards Income</u></b> The shareholders of the Company (" <b>Shareholders</b> ") are entitled to receive such dividends as the Directors resolve to pay out in accordance with the articles of association pro rata according to the number of Ordinary Shares held.
	<b><u>As regards Capital</u></b> On a return of capital on a winding up or otherwise (other than on redemption

	or purchase of shares) the assets of the Company available for distribution shall be divided amongst the holder of Shares pro rata to their respective holdings of such shares, in accordance with the articles of association of the Company.
	<b><u>As regards Voting and General Meetings</u></b> Subject to any special terms as to voting upon which any shares may have been issued, or may for the time being be held, each holder of Shares present in person or by proxy shall on a poll have one vote for every Share of which he is a holder.
	<b><u>As regards Redemption</u></b> The Ordinary Shares are not redeemable. The redeemable preference shares are redeemable but are not being offered to investors under the Offer.
<b>Restrictions on the free transferability of the securities</b>	There are no restrictions on the free transferability of the Ordinary Shares.
<b>Dividend policy</b>	The Company is targeting: i) an annual dividend commencing in the financial year beginning in 2027 equivalent to 4p per Share and (ii) special dividends, where appropriate, from the proceeds of successful exits of portfolio companies that are not reinvested. The Company's ability to pay dividends is subject to the existence of realised profits, distributable reserves, legislative requirements and the available cash reserves of the Company, at the relevant time. No forecast or projection is to be implied or inferred.
<b>Where will the securities be traded?</b>	Application will be made to the FCA for the Ordinary Shares to be admitted to the premium segment of the Official List and to the London Stock Exchange to be admitted to trading on the London Stock Exchange's main market for listed securities. It is expected that each such admission will become effective, and that dealings in those Ordinary Shares will commence, at any time on or before the Closing Date.
<b>What are the key risks that are specific to the securities?</b>	Set out below is a summary of the most material risk factors specific to the securities: <ul style="list-style-type: none"> <li>• Although it is anticipated that the Ordinary Shares will be admitted to the premium segment of the Official List and admitted to trading on the London Stock Exchange's main market for listed securities, shares in VCTs are inherently illiquid due to the loss of VCT income tax relief on a disposal of Ordinary Shares within 5 years of their subscription, and therefore Shareholders may find it difficult to realise their investment.</li> <li>• The Company is targeting paying an annual dividend of 4p per Share in the financial year beginning in 2027 (see dividend policy above). The ability to pay the intended dividends may also be constrained by, in particular, the existence of realised profits, distributable reserves, legislative requirements and the available cash reserves of the Company.</li> <li>• The value of Ordinary Shares depends on the performance of the Company's underlying assets and that value and the income derived from those assets may go down as well as up and an investor may not get back the amount invested.</li> <li>• Levels, bases of, and reliefs from taxation are subject to change, which could be retrospective, and this could affect the VCT status of the Company and the VCT tax benefits available to Shareholders. Tax legislation and HM Revenue &amp;</li> </ul>



	<p>Customs practice are subject to change at any time and VCT tax advantages may be amended or withdrawn.</p> <ul style="list-style-type: none"> <li>• If a Shareholder disposes of their Shares before they have held them for at least five years they will be subject to a clawback by HMRC of any income tax relief claimed.</li> </ul>
--	---

### Key Information on the Offer of Securities to the Public and/or Admission to Trading on a Regulated Market

Under which conditions and timetable can I invest in this security?	
<b>Amount of Offer</b>	The Offer is for up to £10,000,000 of Ordinary Shares together with an over-allotment facility for up to a further £40,000,000 of Ordinary Shares. The Ordinary Shares are payable by an Applicant in full upon application. The Minimum Subscription is £3,000,000, net of Offer costs.
<b>Offer Timetable</b>	The subscription for the Offer will open on 15 December 2023 and may close at any time thereafter but, in any event, not later than 3.00 p.m. on 28 March 2024, if subscribing by paper/pdf/scanned (offline) applications with cleared funds, and not later than 5.30 p.m. on 04 April 2024, if subscribing by an online application with cleared funds, in the case of the Offer in respect of the 2023/2024 tax year, and at 5.00 p.m. on 31 July 2024, if subscribing by paper/pdf/scanned (offline) applications with cleared funds, and if subscribing by an online application with cleared funds, in the case of the Offer in respect of the 2024/2025 tax year (unless, in either case, the Offer has been fully subscribed by an earlier date). The Closing Date of the Offer, and the deadline for receipt of applications for the final allotment with respect to the Offer in respect of the 2024/2025 tax year, may be extended by the Directors at their absolute discretion to a date no later than 1 December 2024. Subject to the Minimum Subscription being reached, it is expected that such admission will become effective and that trading will commence in respect of the Ordinary Shares on or before the Closing Date/or within 10 Business Days of their allotment.
<b>Admission to trading on a regulated market</b>	Application will be made to the FCA for the Ordinary Shares to be admitted to the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. It is expected that each such admission will become effective, and that dealings in the Ordinary Shares will commence, at any time on or before the Closing Date.
<b>Dilution</b>	There are no potentially dilutive securities in issue (other than 1 subscriber Ordinary Share and 50,000 redeemable preference shares of £1 each which are intended to be redeemed in full on reaching the Minimum Subscription), nor potentially dilutive transactions in contemplation.
<b>Expenses of the Offer</b>	<p>Total initial expenses of the Offer are up to 5.5% of the gross proceeds of the Offer.</p> <p><b>Commission</b></p> <p>Commission is permitted to be paid to authorised financial intermediaries in respect of execution only clients where no advice or personal recommendation has been given or where the intermediary has demonstrated to the promoter that the investor is a professional client of the intermediary. Commission of up to 3.0% of the amount payable in respect of Shares is permitted. Provided that the intermediary continues to act for the investor and the investor continues to be the beneficial owner of the Shares, the Investment Adviser may pay ongoing commission to intermediaries of up to 0.75% per annum of the amount subscribed</p>

by an investor, for a period of up to 6 years.

#### **Expenses Charged to the Investor**

The costs of the Offer to be met by the Company will vary depending on whether an investor has come direct ("**Direct investors**"), through an execution-only intermediary ("**Execution-only**") or through their financial adviser ("**Advised investors**"). These costs include the initial fees payable to Titan Alternatives Limited as sole promoter of the Offer (the "**Promoter**") by the Company (the "**Initial Fees**") as follows:

Investor	Initial Fee
Direct investors	5.5%
Execution-only investors	5.5%
Advised investors	3.0%

Initial Fees are calculated on the value of each application. In the case of investors who have invested into existing clients of Titan Alternatives Limited, or existing investors in the Investment Adviser's EIS or SEIS schemes, the Initial Fee will be waived which will increase the number of Ordinary Shares that will be allotted to such investors. The Initial Fee may otherwise be reduced or waived in respect of specific Investors by the Promoter at their discretion. Although all the above costs will be met by the Company and not an investor, the costs will determine the number of Shares to be issued to an investor (see further the section below entitled "Number of Shares to be issued").

#### **Adviser Charges**

A fee will usually be agreed between a financial adviser and an investor for the advice ("**Adviser Charge**"). This fee can either be paid directly by the investor or an amount (up to 4.5% of the amount subscribed by the investor) can be facilitated by the Company (i.e. paid by the Company on behalf of the investor). If the payment is to be facilitated by the Company, then the investor is required to specify this amount on the Application Form. The investor will be issued fewer Ordinary Shares (to the equivalent value of the Adviser Charge) through the pricing formula (see below).

#### **Management Fee**

The Investment Manager will provide investment management services in accordance with an investment management agreement for which it will receive a management fee of 2.0% of the Company's NAV per annum. The Investment Adviser will provide certain services to the Investment Manager in accordance with an investment adviser agreement.

#### **Performance Fee**

The Investment Manager will be incentivised through the payment of a performance fee (a "**Performance Fee**") to align the interests of the Investment Manager and Shareholders.

No Performance Fees will be payable in relation to the funds raised under this Offer.

However, Performance Fees will be payable in respect of future fund raises, subject to satisfying certain targets. Two conditions will need to be satisfied at the relevant time before a Performance Fee will be paid:

- the Company's cumulative realised investment gains will need to be greater than its cumulative realised investment losses (requiring all realised losses, past and future, to be recovered before a Performance Fee is paid); and
- in each financial year, the total return (NAV and historic dividends and other

	<p>distributions) exceeds 100p per Share increasing by 3.0p per annum (on a simple not compound basis) each year thereafter (such that for the year ending 31 March 2025 the hurdle will be 103p, for the year ending 31 March 2026 the hurdle will be 106p and so on).</p> <p>The relevant cumulative realised investment gains/losses will be as set out in the Company's relevant year-end or half-year financial statements.</p> <p>If the above conditions are met, a Performance Fee of 20% of the amount by which relevant cumulative realised investment gains exceed cumulative realised investment losses will be payable to the Investment Manager.</p> <p><b><u>Number of Shares to be issued</u></b></p> <p>The number of Shares to be issued to each Investor will be determined by the following Pricing Formula and rounded down to the nearest whole number of Shares:</p> <p><b>Number of Shares issued = application amount less (i) Initial Fee and (ii) Adviser Charges (if any) multiplied by the Offer Price</b> (being the NAV per Share, which is assumed to be 100p per Share or last published NAV per Share, if any, such revised NAV is announced during the Offer).</p> <p><b>For example, if an advised Investor subscribes £10,000 under the Offer, agrees a fee with their adviser of £100, and the NAV per Share at the time of allotment is £1, they will receive 9,600 Shares (i.e. £10,000 - (£300 + £100) =£9,600 divided by £1 = 9,600 Shares.</b></p> <p>The Initial Fee is up to 5.5% of the investment amount for applications received from direct investors or through execution only brokers, and up to 3.0% for applications introduced by a financial adviser.</p> <p>In the case of investors who have invested into existing clients of Titan Alternatives Limited, or existing investors in the Investment Adviser's EIS or SEIS schemes, the Initial Fee will be waived, which will increase the number of Ordinary Shares that will be allotted to such investors. The Initial Fee may otherwise be reduced or waived in respect of specific Investors by the Promoter at its discretion.</p>
<p><b>Why is this Prospectus being produced?</b></p>	<p>The reason for the Offer is to enable the Company to raise funds and then use a minimum of 80% of the proceeds of the Offer to acquire over a period not exceeding three accounting years (and subsequently maintain) a portfolio of VCT qualifying investments in accordance with its published investment policy.</p> <p>The Company is proposing to raise up to £10,000,000 pursuant to the Offer (and up to £50,000,000 if the over-allotment facility is fully utilised). The total expenses of the Offer (assuming full subscription with the over-allotment facility fully utilised and with all applications made by direct investors only and no discounts apply) will be 5.5% of the gross proceeds and the total net proceeds are, therefore, estimated to be £47,250,000.</p> <p>The Offer is not subject to an underwriting agreement. No conflict of interest is material to the Offer or to admission to trading on the London Stock Exchange's main market for listed securities.</p>

## RISK FACTORS

Prospective Investors should consider carefully the following material risk factors, as well as the other information in this Prospectus, before investing. Prospective Investors should read the whole of this Prospectus and not rely solely on the information in this section entitled "Risk Factors". The business and financial conditions of the Company could be adversely affected if any of the following risks were to occur and as a result the market price of the Ordinary Shares could decline and Investors could lose part or all of their investment.

Prospective Investors should be aware that the value of Ordinary Shares can fluctuate and that they may not get back the full amount they invest. In addition, there is no certainty that the market price of Ordinary Shares will fully reflect the underlying net asset value, that Shareholders will be able to realise their shareholding or that any dividends will be paid. An investment in the Company should be viewed as a higher risk, longer-term investment.

The Directors draw the attention of potential Investors to the following risk factors which may affect an investment, the Company's performance and/or the availability of tax reliefs. The Company and the Directors consider the following risks to be material for prospective Investors, but the risks listed below do not necessarily comprise all those associated with an investment in the Company. Additional risks and uncertainties currently unknown to the Company and the Directors (such as changes in legal, regulatory or tax requirements), or which the Company and the Directors currently believe are immaterial, may also have a materially adverse effect on the financial condition or prospects of the Company or on the market price of Ordinary Shares.

### Issuer Risks:

- As the Company has not yet commenced business it will take time to build up a portfolio of investments and generate returns for investors. Those investments will take time to mature before they increase in value and become attractive propositions for potential buyers and follow-on investors. Either of these factors could have an adverse effect on the future investment returns of the Company and the market value of the Shares.
- It is anticipated that interest rates will remain inflated over the near term, which may have an adverse effect on investee companies and, potentially, their value and have a negative impact on the NAV of the Company, which in turn may have an adverse effect on the future investment returns of the Company and the market value of the Shares.
- The current hostilities in the Middle East and Ukraine and, in respect of the latter, the resulting sanctions imposed on the Russian Federation by various countries around the world may have unforeseen, long term and far-reaching consequences for the global economy and the Company's portfolio of investments, which in turn may have an adverse effect on the future investment returns of the Company and the market value of the Shares. In particular, the rising present and future cost of energy could have an impact on investee company performances and/or consumer demand for their products and services.
- The Company will invest in early stage opportunities. By definition these are high-risk investments which, if unsuccessful, may result in a total loss of the investment but which, if successful, offer the potential of high returns.
- The Company may take minority positions in investee companies. As a minority investor, the Company may be less able, or unable, to materially influence the policies pursued by an investee company if there are majority investors who, by reason of their stake, have an effective veto on the investee company's affairs. This could also result in investee companies

developing in a manner not considered desirable by the Company and, accordingly, to the detriment of investors, as the value of those investee companies could be negatively impacted. In turn, this could have an adverse affect on the future investment returns of the Company and the market value of the Shares.

- The Company may be unable to maintain its VCT status, which could result in loss of certain tax reliefs for both the Company and Investors. There can be no guarantee that the Company will fulfil the conditions to obtain, or to enable it to maintain full VCT status. Tax legislation and HM Revenue & Customs practice are subject to change at any time and the VCT tax advantages may be amended or withdrawn. If the Company loses its approval as a VCT before Investors have held their Shares for five years, the 30% income tax relief obtained will have to be repaid by such Investors. Following a loss of VCT status, an Investor will be taxed on dividends paid by the Company, and in addition, a liability to capital gains tax may arise on any subsequent disposal of Shares.
- The market for shares in smaller companies is often less liquid than that for shares in larger companies, bringing with it potential difficulties in acquiring, valuing and disposing of such shares. There may also be constraints imposed on the realisation of investments to maintain the VCT tax status of the Company. All of these factors could also negatively affect the financial performance of the Company, and therefore, the Net Asset Value of the Company and the potential returns available to Investors.
- The return received by Shareholders will be dependent on the performance of the underlying investments of the Company. The companies in which the Company invests may not produce the expected returns and the value of such investments, and the interest income and dividends they generate, may fall and adversely affect the performance of the Company and the returns to Investors.
- The COVID-19 pandemic may continue to have a significant impact on the UK and global economy, affecting workers and businesses of all sizes. Despite the UK Government's fiscal measures and additional tax and other benefits to support small businesses, the Company's portfolio businesses may be adversely impacted by the ramifications of the pandemic. These factors could affect the financial performance of the Company and the returns for Investors.
- The "risk-to-capital" condition for Qualifying Investments, designed to focus investments towards earlier stage, growing businesses, and away from investments which could be regarded as lower risk, could affect the financial performance of the Company, and the returns for Shareholders. The Company may not make any prohibited non-qualifying investments, including those which breach the "risk-to-capital" condition, and the potential penalty for contravention of these rules can include loss of VCT status with a resultant clawback of VCT tax reliefs from investors. Whilst HMRC have stated that VCT status will not be withdrawn where an investment is ultimately found to be non-qualifying if, after taking reasonable steps including seeking advice, a VCT considers that an investment is qualifying, a breach of any of these conditions could result in the loss of VCT status by the Company or HMRC requiring rectification of the breach, which may mean the Company is forced to dispose of the investment at a loss and this could adversely affect investor returns.
- The tax rules, or their interpretation, in relation to an investment in the Company and/or the rates of tax may change during the life of the Company and may apply retrospectively, which may adversely affect an investment in the Company.
- The Company relies upon third party service providers to perform certain functions. In particular, the Investment Manager, Investment Adviser, Administrator and Registrar will

perform services that are integral to the Company's operations and financial performance. The Company is dependent on the skills of the Investment Manager and the Investment Adviser to manage its investments. If the Investment Manager ceases to act as investment manager or if key personnel cease to be employed by the Investment Manager or the Investment Adviser or be involved in the management of the Company's portfolio, there is no assurance that suitable replacements will be found. If this occurs, there may be an adverse effect on the performance of the Company and the value of the Ordinary Shares. The Company is also dependent on third party service providers to protect against breaches of legal and regulatory obligations of the Company, including those in relation to data protection. Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment, to exercise due care and skill, or to perform its obligations to the Company at all as a result of insolvency, fraud, breaches of cybersecurity, failures in business continuity plans or other causes, could have a material adverse effect on each of the Companies' operations and performance and on returns to Investors. The termination of any of the Company's relationships with any third-party service provider, or any delay in appointing a replacement for any such service provider, could materially disrupt the business of the Company and could have a material adverse effect on the Company's operations and performance and on returns to Investors.

- The Company, its future portfolio companies and its service providers are susceptible to operational and information security and related risks of cyber security incidents. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber security attacks include, but are not limited to, gaining unauthorised access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. Cyber security attacks also may be carried out in a manner that does not require gaining unauthorised access, such as causing denial-of-service attacks on website (i.e. efforts to make services unavailable to intended users). Cyber security incidents affecting any of the Company, its portfolio companies, Directors, Investment Manager, Investment Adviser and/or other service providers such as financial intermediaries have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, including by interference with the Company's ability to calculate its NAV, impediments to trading by portfolio companies, the inability of Shareholders to transact business with the Company, violations of applicable privacy, data security or other laws, regulatory fines and penalties, reputational damage, reimbursement or other compensation or remediation costs, legal fees or additional compliance costs. Similar adverse consequences could result in cyber security incidents affecting counterparties with which the Company or any of its portfolio companies engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies, and other financial institutions and other parties. Any such breaches of cybersecurity could have a material adverse effect on the Company's operations and performance and on returns to Investors.
- Many unquoted companies have small management teams and are highly dependent on the skill and commitment of a small number of individuals. The performance of investee companies may, therefore, be adversely affected by the departure or unavailability of certain key personnel. This could have a material adverse affect on the performance of the Company and on returns to investors.
- Each investee company may not have a trading history or only a limited one. Products and technologies developed by investee companies may prove not to be commercially or technically successful or may take some time to become commercially viable and profitable, each of which factors may affect the NAV of the Company and the potential returns available to investors.

## Securities Risks:

- Although it is anticipated that the Ordinary Shares issued pursuant to the Offer will be admitted to the premium segment of the Official List and will be traded on the London Stock Exchange's market for listed securities, the secondary market for VCT shares is generally illiquid due to the loss of the initial 30% VCT income tax relief on a disposal of Ordinary Shares within 5 years of their subscription and, therefore, there may be a limited market in the Ordinary Shares. Investors may, therefore, find it takes longer to realise their investment, or that they cannot obtain a price for their Shares that reflects the underlying NAV of the Ordinary Shares, or that they cannot realise their investment which may adversely impact the return to Investors.
- The Company is targeting paying a regular annual dividend commencing in the financial year beginning in 2027, equivalent to 4p per Share and, where appropriate, to pay special dividends from the proceeds of successful exits of portfolio companies that are not reinvested. The ability to pay the intended dividends may also be constrained by, in particular, the existence of realised profits, distributable reserves, legislative requirements and the available cash reserves of the Company and returns to Investors may be negatively impacted if the Company cannot pay the intended dividends.
- The value of an Ordinary Share depends on the performance of the Company's underlying assets and that value and the income derived from those assets may go down as well as up and an Investor may not get back the amount invested.
- Levels, bases of, and reliefs from taxation are subject to change, which could be retrospective. Where VCT tax relief is revoked, the value of the securities may be negatively affected as, for example, any future dividends would be subject to income tax and any future disposal of Shares could be subject to capital gains tax. Tax legislation and HM Revenue & Customs practice are subject to change at any time and the VCT tax advantages may be amended or withdrawn.
- If a Shareholder disposes of their shares within five years of issue they will be subject to a clawback by HMRC of any income tax relief claimed.
- Any purchaser of existing Shares in the secondary market will not qualify for the then (if any) available upfront VCT income tax relief afforded only to subscribers of Ordinary Shares on the amount invested.
- If the Company loses its approval as a VCT before Investors have held their shares for five years, the income tax relief obtained will have to be repaid by such Investors. Following a loss of VCT status, an Investor will be taxed on dividends paid by the Company and, in addition, a liability to capital gains tax may arise on any subsequent disposal of their Ordinary Shares.

## **IMPORTANT INFORMATION**

### **Forward Looking Statements**

Investors should not place undue reliance on forward-looking statements. This Prospectus includes statements that are (or may be deemed to be) "forward looking statements", which can be identified by the use of forward-looking terminology including the various terms "believes", "continues", "expects", "intends", "aims" "may", "will", "would", "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. Forward looking statements involve risk and uncertainty because they relate to future events and circumstances. Save in relation to statements concerning working capital adequacy, forward-looking statements contained in this Prospectus, based on past trends or activities, should not be taken as a representation that such trends or activities will continue in the future. These statements will be updated as and when required by the Prospectus Regulation Rules, the Listing Rules and the Disclosure Guidance & Transparency Rules.

### **Governing Law**

Unless otherwise stated, statements made in this Prospectus are based on the law and practice currently in force in England and Wales.

### **Non-Mainstream Pooled Investment Status and UK MIFID Laws**

As the Company is a closed-ended investment company, the Ordinary Shares will be "excluded securities" under the FCA's rules on non-mainstream pooled investments. Accordingly, the promotion of the Ordinary Shares is not subject to the FCA's restriction on the promotion of non-mainstream pooled investments. The Company intends to conduct its affairs so that its Ordinary Shares can be recommended by Financial Advisers to retail investors in accordance with the rules on the distribution of financial instruments under the UK MiFID Laws. The Directors consider that the Ordinary Shares should be considered "non-complex" for the purposes of the UK MiFID Laws.

### **Market Abuse Regulation**

UK MAR sets out requirements relating to insiders, director dealings and market soundings. In particular, directors, Persons Discharging Managerial Responsibilities (PDMRs) and Persons Closely Associated (PCAs) with them must notify the Company of any transaction in the Company's shares. There is also a restriction on dealing in the Company's shares during a closed period. UK MAR also stipulates that public disclosure of inside information by the Company must be done without delay (other than in limited circumstances). The FCA must be formally notified following the announcement of any delay.

The Directors are aware of their obligations under UK MAR and the Company will have a share dealing policy and a procedure to comply with the requirements set out in UK MAR.

### **Websites**

Without limitation, neither the contents of the Company's or the Investment Manager's website (or any other website referred to in this Prospectus) nor the content of any website accessible from hyperlinks on the Company's or the Investment Manager's website (or any other website referred to in this Prospectus) is incorporated into, or forms part of this Prospectus.



## **Withdrawal**

The Company may update the information provided in this Prospectus by means of a supplement if a significant new factor that may affect the evaluation by prospective investors occurs after the publication of this Prospectus or if this Prospectus contains any material mistake or substantial inaccuracy. Any such supplement will be subject to approval by the FCA and will be made public in accordance with the Prospectus Regulation Rules. In the event that the Company is required to publish a supplement prospectus prior to Admission, applicants who have applied for Ordinary Shares under the Offer shall have the right to withdraw their applications for Shares made prior to the publication of the supplement prospectus. Such withdrawal must be made within the time limits and in the manner set out in any such supplement prospectus (which shall be at least two clear Business Days following the publication of the relevant supplement prospectus). If the application is not withdrawn within the stipulated period, any offer to apply for Ordinary Shares under the Offer will remain valid and binding.

## **AIFM Disclosures**

The Prospectus contains the information required to be made available to investors in the Company before they invest pursuant to AIFMD.

## EXPECTED DETAILS, TIMETABLE AND STATISTICS OF THE OFFER

<b>Timetable of the Offer</b>	
Offer opens	15 December 2023
First allotment	as soon as practicable after the Minimum Subscription is reached
Share and tax certificates expected to be dispatched	within 10 Business Days of each allotment
Initial Closing Date for 2023/24 tax year allotment	no later than 5.30 p.m. on 28 March 2024, if subscribing by paper/pdf/scanned (offline) applications with cleared funds, and no later than 5.30 p.m. on 4 April 2024, if subscribing via an online application with cleared funds <sup>1</sup> .
Initial Closing Date for 2024/25 tax year allotment	no later than 5.00 p.m. on 31 July 2024, if subscribing by paper/pdf/scanned (offline) applications with cleared funds, and no later than 5.00 p.m. on 31 July 2024, if subscribing via an online application with cleared funds.
Dealings expected to commence	within 10 Business Days of allotment
<b>Statistics of the Offer</b>	
Price per Ordinary Share	100p
Estimated initial net asset value per Ordinary Share	94.5p <sup>2</sup>
Expected maximum number of Ordinary Shares in issue following close of the Offer assuming full subscription <sup>2</sup>	50,000,000 <sup>3</sup>
Estimated net proceeds of the Offer, assuming full subscription (with the over-allotment facility fully utilised)	£47,250,000 <sup>2</sup>
Minimum individual investment	£5,000
Estimated expenses of the Offer assuming full subscription (with the over-allotment facility fully utilised) <sup>2</sup>	£2,750,000

<sup>1</sup> The closing date is subject to the Offer not being fully subscribed or closed at the Directors' discretion at an earlier date. Closing dates may be extended to a date no later than 1 December 2024 or brought forward at the Directors' discretion, in which case the date of admission and commencement of dealings will be revised accordingly

<sup>2</sup> Assuming all subscriptions are through the introduction of an execution only broker and no discounts apply.

<sup>3</sup> Assuming the Offer is fully subscribed with the over-allotment facility fully utilised and all subscriptions are through the introduction of an execution only broker and no discounts apply.

## DIRECTORS AND ADVISERS

<p><b>Directors</b> (all non-executive)          Andrew Whitehouse (Chairman)          Stuart James Knight          Marc Ivor Rubinstein          Charles Elliott</p>	<p><b>Company Secretary</b>          The City Partnership (UK) Limited          The Mending Rooms          Park Valley Mills Meltham Road          Huddersfield          HD4 7BH</p>
<p><b>Investment Manager</b>          Sturgeon Ventures LLP          Unit D, Heathmans House          19 Heathmans Road          London          SW6 4TJ</p>	<p><b>Investment Adviser to the Investment Manager</b>          Fuel Ventures Limited          424 Margate Road          Westwood          Ramsgate          Kent          England          CT12 6SJ</p>
<p><b>Promoter of the Offer</b>          Titan Alternatives Limited          101 Wigmore Street          London          W1U 1QU</p>	<p><b>Sponsor</b>          Howard Kennedy Corporate Services          LLP          No.1 London Bridge          London          SE1 9BG</p>
<p><b>Auditor</b>          BDO LLP          55 Baker Street          London W1U 7EU</p>	<p><b>Solicitors</b>          Howard Kennedy LLP          No.1 London Bridge          London          SE1 9BG</p>
<p><b>VCT Tax Adviser</b>          Philip Hare &amp; Associates LLP          6 Snow Hill          London          EC1A 2AY</p>	<p><b>Registrar and Receiving Agents</b>          The City Partnership (UK) Limited          The Mending Rooms          Park Valley Mills Meltham Road          Huddersfield          HD4 7BH</p>
<p><b>Administrator</b>          The City Partnership (UK) Limited          The Mending Rooms          Park Valley Mills Meltham Road          Huddersfield          HD4 7BH</p>	

**PART 1**  
**LETTER FROM THE CHAIRMAN**

Fuel Ventures VCT plc  
The Mending Rooms  
Park Valley Mills  
Meltham Road  
Huddersfield  
HD4 7BH

15 December 2023

Dear Investor,

I would like to introduce you to Fuel Ventures VCT plc, a new VCT managed by Sturgeon Ventures LLP ("**Sturgeon**" or the "**Investment Manager**"). In sourcing, executing and managing investments on behalf of the Company, Sturgeon will be advised by Fuel Ventures Limited ("**Fuel**" or the "**Investment Adviser**"), as its investment adviser. The Investment Adviser is an experienced investment adviser in the types of investment that the Company will invest in, and act as advisers to £380 million of EIS and SEIS funds. Sturgeon is a London based specialist fund management company that manages a range of funds as an FCA small authorised (sub-threshold) UK Alternative Investment Fund Manager.

The objective of the Company is to invest in promising unquoted companies at an early stage that are Qualifying Investments for VCT purposes. The Company will invest in a diverse range of sectors predominantly in technology and digital businesses with a focus on marketplace, platform or software-as-a-service models.

The Investment Adviser is specialist investment firm company established in 2013. The Investment Adviser seeks to take a pro-active approach to growing early stage companies that demonstrate growth potential. Its primary focus is to identify entrepreneurs with business plans in innovative businesses/business sectors, assisting them to develop their business models, scale up those businesses quickly and develop any international growth potential. The Investment Adviser typically creates value in such businesses by taking a hands-on approach from an early stage, working closely in the development of those businesses. The Investment Adviser launched its first EIS fund in 2015 and its first SEIS fund in 2021 and has raised a total of £180 million. It now has now advised on some £380 million of EIS and SEIS funds, and invested in 156 portfolio companies. Of these, on investment, all would have fallen within the investment criteria of the Company. It has achieved some 2 profitable exits, achieving an average return on funds invested of 6.15 times and paying to investors exit proceeds of over £29 million. On the date of publication of this document, MI Capital Research Limited rated Fuel Ventures Scale Up EIS Fund as the number 1 EIS fund, and Fuel Ventures Follow-On EIS Fund as the number 2 EIS fund, in respect of all the top performing EIS funds in the market.

Sturgeon is a specialist fund management company based in London. From its origins in 1998 undertaking corporate finance activities, with clients across a full range of fund structures, then adding fund management and investment advisory services, as well as pioneering wholesale regulatory incubation services since 2006, Sturgeon is also an SEC registered investor adviser. Its core experienced team of 11 bring in lengthy previous capital markets, banking, fund management and brokerage senior expertise, and as at 30 September 2023 Sturgeon had over £266 million in assets under management.

## **The Offer**

The Offer is seeking to raise up to £10,000,000 (and up to £50,000,000 if the over-allotment facility is fully utilised) and will be open from 15 December 2023 until 31 July 2024, unless the Offer is fully subscribed before this date or the Directors (at their discretion) decide to bring forward the Initial Closing Date or unless the Directors (at their discretion) decide to extend the Initial Closing Date, in which case the Offer will be open until no later than 1 December 2024. It is expected that applications will be made for the Ordinary Shares of the Company allotted under the Offer to be listed on the premium segment of the Official List and to be traded on the London Stock Exchange's main market for listed securities shortly after the Minimum Subscription is reached.

## **Deal Flow**

The Company will have access to the Investment Adviser's extensive deal flow pipeline of growth companies. The Company may co-invest with Fuel Ventures SEIS Fund, the Fuel Ventures Scale Up EIS Fund and the Fuel Ventures Follow-On EIS Fund, as well as co-investing with other investors in growth stage companies.

## **The Tax Benefits**

Subscriptions for Ordinary Shares in the Company should attract income tax relief at the rate of 30% for eligible UK taxpayers. In addition, as long as the Company maintains its status as a VCT, the Company can make tax-free distributions to shareholders and gains made within the Company are free from capital gains tax. The availability of tax reliefs depends on the individual circumstances of investors and can be subject to change.

Prospective Investors should consult with their own independent financial adviser before making an investment in a VCT.

It is my belief that the UK is both geographically and opportunitywise in an advantageous position to build global businesses in the technology sector. To take advantage of this, the Company will seek to identify the most ambitious and scalable opportunities in the sector today and I believe that our investment strategy combined with our access to quality deals has the potential to deliver exceptional returns.

We will assist our investee companies to build products and services people want and need. In doing this, the Company will seek to invest in what I believe to be some of UK's most exciting early stage companies, helping them grow internationally and increase in value for potential sale or listing opportunities.

Yours faithfully,

Andrew Whitehouse  
Chairman  
Fuel Ventures VCT plc

## PART 2 THE OFFER

### Introduction

VCTs were introduced by the UK Government in 1995 to enable and encourage private individuals to invest in UK smaller companies. By purchasing shares in VCTs, individuals help fund a wide range of capital injection into domestic early stage companies; generating employment and helping meet the perceived equity gap for investments in growing UK businesses. The VCT sector is now a mature market with over £6 billion under management across 51 VCTs. Investor interest has increased over the years and, according to the Association of Investment Companies (AIC), VCTs raised over £1 billion of investment in the 2022/2023 tax year, a total which is second only to the 2021/2022 tax year. In his Autumn Statement last month, the Chancellor announced an extension to the VCT scheme until 5 April 2035, and legislation to this effect will be included in the next Finance Bill, subject to EU approval.

Although stock exchange fundraisings over the past few years have been poor, VCTs have been one of the few products which have continued to grow, marking them out as a sizeable contributor to the overall funds raised across the entire London Stock Exchange, and confirming VCTs status as a mainstream financial product for retail investors. As the cost of living crisis continues with high inflation and interest rates, and recently announced reductions in dividend and capital gains tax reliefs, VCT investment (with its exemptions from income tax on dividends and capital gains on disposals, along with 30% income tax relief on the amount invested, and regular tax free dividends) is becoming ever more appealing for investors.

The Company has been launched to offer investors the chance to invest in a diversified portfolio of promising unquoted companies at an early stage.

The Company is seeking to raise up to £10,000,000 (with an over-allotment facility of up to a further £40,000,000).

The Directors believe that the Company will be in a strong position to co-invest in follow-on rounds in businesses which have already received funding from the Fuel Ventures SEIS Fund; the Fuel Ventures Scale Up EIS Fund; and the Fuel Ventures Follow-On EIS Fund, all of which are managed by the Investment Adviser. The Company should, therefore, benefit from the extensive knowledge, experience and past data on these companies. In addition to this, the Investment Manager will be supported by the Investment Adviser, offering the significant expertise of both investment teams and providing the Company with a professional network of contacts that will help to ensure an ongoing pipeline of potential investment opportunities.

In future years, the Company expects to continue to back its most promising, high performing, portfolio companies through follow-on funding rounds, whilst continuing to invest in new opportunities.

Under current VCT legislation, the Company must hold at least 80% of its assets by value in Qualifying Investments by the start of the accounting period in which the third anniversary of the date the shares were issued falls. At least 30% of all new funds raised by the Company must be invested in Qualifying Investments within 12 months of the end of the accounting period in which the Company issued the Shares. It must also meet several other conditions to be classed as a VCT qualifying investment, further details of which are set out on page 28. The Company, through its Investment Manager and, by delegation, the

Investment Adviser, has identified a healthy pipeline of potential investee companies.

The Company will apply for the Ordinary Shares issued under the Offer to be listed on the Official List and to be admitted to trading on the London Stock Exchange's main market of listed securities. The Offer will open on 15 December 2023 until 3.00 pm on 31 July 2024. The Offer may close in advance of this date if the maximum subscription is reached or the Directors (at their discretion) decide to bring forward the Initial Closing Date. The closing date of the Offer, and the deadline for receipt of applications for the final allotment with respect to the Offer, may be extended by the Directors to a date no later than 1 December 2024.

### **Reasons for the Offer**

The Offer has been launched to provide Investors with the opportunity to invest in a company with exposure to high-growth portfolio companies with the benefit of VCT tax reliefs. The Company will use the proceeds of the Offer to invest in growing businesses in accordance with its stated investment policy, for general working capital purposes and to cover the costs of the Offer.

### **Board of Directors**

The Board has overall responsibility for the Company's affairs, including determining its investment policy and having overall control, direction and supervision of the Investment Manager. The Board comprises 4 non-executive directors, all of whom act independently of the Investment Manager and the Investment Adviser.

Andrew Whitehouse (Independent non-executive Chairman)

Andrew Whitehouse graduated from the University of Warwick with a First Class honours degree in Mathematics. He qualified at Price Waterhouse (now PWC) as a Chartered Accountant. After 11 years at Price Waterhouse, Andrew joined Legal & General, becoming Finance Director of their General Insurance and Healthcare subsidiary companies. He left to join esure Insurance to head up the Finance team in this new start joint venture with the Halifax Building Society. As Finance Director he saw the company through its regulatory approval, start-up launch, Management Buy-out from HBOS/Lloyds Bank and subsequently its flotation on the stock market in 2013. Following the float, he spent a year as the Chief Risk Officer before taking early retirement. Since that time he has undertaken a number of part-time consultancy, advisory, non-executive and charitable positions, including as a non-executive Treasurer trustee for KSAR since 2015.

Marc Rubinstein (Independent non-executive Director)

Marc has over 25 years' experience as a research analyst and portfolio manager in equity markets. Between 2006 and 2016 he worked at Lansdowne Partners, a London-based investment management firm. Throughout that period he worked as part of a team managing the Lansdowne Global Financials Fund, a fundamental long/short equity fund focused exclusively on the global financials sector. As well as sourcing investment opportunities among traditional bank and insurance sectors, the fund invested in technology-enabled financial companies, such as in the areas of payments and exchanges, in many cases from IPO.

Prior to his move to buy-side in 2006, Marc had been an Institutional Investor ranked analyst at a number of investment banks including Credit Suisse, where as managing director he headed the firm's European banks research team. Since winding up the Lansdowne Global

Financials Fund in 2016, Marc has worked with various funds and financial institutions in a research and consulting capacity with a particular focus on fintech. He is an active angel investor in fintech, a contributor to Bloomberg and author of the popular Net Interest newsletter. Marc holds a BA in Mathematics from the University of Oxford and holds an MSc from the London Business School.

Charles Elliott (Independent non-executive Director)

Charles has been with Inflection Point Investments since co-founding the firm with Sasha Karim in 2007. He has been investing in technology stocks through five major cycles since 1978. Charles has met with and analysed over 10,000 companies in Asia, North America, Europe and the UK, and developing contacts with their suppliers and retailers. He has been investing in private and public companies for over 40 years.

Prior to Inflection Point, Charles worked at Goldman Sachs for 23 years, as a sell-side equity analyst covering technology stocks in Europe (1991-2008), where he was ranked No.1 in the Institutional Investor poll and No. 2 in the Excel & Reuters poll. This work included advising on private investments, both at the inception and IPO stages. Prior to joining Goldman Sachs, Charles worked in Japan (1985-1991) where he was ranked the top foreign analyst in the Nikkei Poll. He had established and ran the Tokyo office of Rowe & Pitman (now UBS Securities) in the period 1979-1985, after starting his career at SG Warburg & Warburg Investment Management in 1977. Charles holds a degree in Modern History from the University of Oxford.

Stuart Knight (Independent non-executive Director)

Stuart has built up a wealth of experience in both public and private markets over the last 25 years. Within his role as co-founder of Titan Alternatives (previously known as Haibun Wealth) and having run a successful practice within a leading wealth manager for the past two decades, Stuart has focussed on the research and due diligence of opportunities within the listed fund sector, including long only hedge funds and credit funds, as well as the involvement and appraisal of companies within the VCT and EIS market.

Stuart has been personally investing and helping to facilitate investment into the venture space for the last 18 years, which has included into companies qualifying as Venture Capital Trusts and companies seeking EIS investment. Having invested in over 30 companies during that period, he has first-hand experience of meeting founders and managers across various sectors spanning technology, renewables, e-commerce, engineering and digital media. Stuart has relevant VCT experience for his role as a non-executive director of the Company having helped originate, and having been a key investor in, two successful VCTs, and has served on the board of Gresham House Renewable Energy VCT 2 plc. Stuart has an honours degree in Engineering from Loughborough University.

Since co-founding Haibun Wealth Limited (now Titan Alternatives), Stuart has been instrumental in the development of the firm and its standing in this specialised market.

The Directors are investing £675,000 in the Offer, on the same terms as Investors.

For more information on the Board of Directors, please see Part 4 of this document headed "Corporate Matters" on page 30.

### **The Investment Manager, Investment Adviser and Promoter**

Sturgeon was appointed as the Company's Investment Manager on 15 December 2023 and



is authorised and regulated by the Financial Conduct Authority.

Sturgeon is provided with Investment Advisory Services by the Investment Adviser and Sturgeon will use this investment advice in its negotiating, approving and implementing Investments. On behalf of the Company the Investment Manager will be pursuing an active investment strategy.

The Investment Adviser seeks to take a pro-active approach to growing great companies with big potential. Its primary focus is on assisting investee companies to build business models that have the ability to scale quickly and have international growth potential. The Investment Advisory Services provided by the Investment Adviser will enable the Investment Manager to seek to identify entrepreneurs with businesses that will define the next era of innovation. The Investment Adviser creates value by typically taking a hands-on approach from the outset, working with entrepreneurs to transform their vision into reality.

Titan Alternatives Limited (formerly Haibun Wealth Limited) ("**Titan Alternatives**") will be acting as Promoter under the terms set out in the Offer Agreement. Titan Alternatives was borne out of the need to cater for those investors with requirements outside of the more traditional forms of wealth management. Titan Alternatives's clients have invested over £650 million across a diverse range of investments and strategies and Titan Alternatives has, with its history and experience within the VCT sector, facilitated approximately £80m of investment into VCT offers to date.

For more information on the Investment Manager, Investment Adviser and Promoter, please see Part 5 of this document headed "Investment Manager, Investment Adviser, and Promoter".

### **VCT Tax Relief**

The Directors intend to manage the Company's affairs in order that it complies with the legislation applicable to VCTs from time to time. In this regard Philip Hare & Associates LLP has been appointed to advise on tax matters generally and, in particular, on VCT status. Provisional approval as a VCT was granted on 15 November 2023 but full approval will only be granted by HMRC once at least 80% by value of the Company's investments are represented by Qualifying Investments and the Company has complied with the other requirements relating to VCT qualification. Where requested, Philip Hare & Associates LLP (or other suitably qualified professional advisers) will assist the Investment Manager and the Investment Adviser (but report directly to the Board) on ascertaining the qualifying status of each investment as a Qualifying Investment or by seeking advance assurance from HMRC where appropriate and where requested will advise on the status of VCT approval. Once full VCT approval has been attained, the Company must continue to satisfy the requirements of HMRC in relation to VCTs, or it is likely to lose full VCT approval.

VCTs offer significant tax advantages to individual investors when compared to many other investment products. The income tax relief available on subscriptions for shares is currently 30% up to a maximum subscription of £200,000 invested per individual per tax year, meaning that a subscriber for £200,000 worth of Shares would receive £60,000 of income tax relief. The Shares in the VCT need to be held for a minimum of five years to maintain this initial tax relief (as well as the VCT itself maintaining its VCT status).

A summary of the tax reliefs for UK taxpayers who invest into a VCT are:

- Income tax relief of 30% of the amount subscribed for shares up to £200,000 per tax year, subject to a minimum holding period of five years;

- Dividends received by Investors from the VCT are tax free;
- Capital gains made upon the disposal of the shares are tax free.

VCT tax reliefs are available for investments of up to £200,000 per tax year and can be subject to change and are dependent on an individual's circumstances.

### **Dividend Policy**

The Company will target an annual dividend equivalent to 4p per Share as well as special dividends, where appropriate, from the proceeds of successful exits of portfolio companies that are not reinvested. It is envisaged that dividends will be paid in the financial year beginning in 2027 onwards, subject to the existence of realised profits, distributable reserves, legislative requirements and the available cash reserves of the Company. No forecast or projection is to be implied or inferred.

### **Share Liquidity**

It is anticipated that the Ordinary Shares will be admitted to the premium segment of the Official List and will be admitted to trading on the London Stock Exchange's market for listed securities. The secondary market for VCT shares is generally illiquid (which may be partly attributable to the fact that initial subscription tax reliefs are not available for VCT shares bought in the secondary market and because VCT shares typically trade at a discount to NAV per share). There may not, therefore, be a liquid market and Shareholders may find it difficult to realise their investment. Shareholders should not rely upon any share buyback policy to offer any certainty of selling their shares at prices that reflect the underlying NAV per Share. An investment in the Company should, therefore, be considered as a long-term investment.

### **Profile of Typical Investor**

A typical Investor for whom the Company is designed is a retail investor and/or sophisticated investor and/or high net-worth individual who is a UK tax resident with sufficient income and capital available to be able to commit to an investment for over 5 years and who is attracted by the expected income tax relief available for a VCT investment.

The Board is aware of the Investment Manager's obligations to comply with the FCA's new Consumer Duty rules and principles that came into force on 31 July 2023. Firms subject to the Consumer Duty must ensure they are acting to deliver good outcomes and that this is reflected in their strategies, governance, leadership and policies. The Company is not directly affected by the Consumer Duty. However, the Board will receive updates from the Investment Manager as to how it is meeting its obligations under the Consumer Duty.

The Investment Manager has carried out an assessment of the Company's target market and a "fair value assessment" of the Ordinary Shares, to comply with its responsibilities to deliver good outcomes for retail customers under the Consumer Duty.

## PART 3

### INVESTMENT POLICY AND INVESTMENT STRATEGY

#### Investment Strategy

The Company will seek to invest in a diversified portfolio of promising early stage unquoted companies. The Company will either i) make follow-on investments into top-performing Investment Adviser funds portfolio companies; ii) co-invest with an existing Investment Adviser fund into a new business; or iii) make independent investments.

The Company will focus on digital and technology businesses that have the following characteristics:

- exceptional founding team who have deep sector expertise and who have proof of execution;
- a business model that delivers value to the customer and has attractive gross margins;
- a multi-billion pound total addressable market in which the company can win market share;
- a business that requires a low amount of capital and can be scaled quickly; and
- initial signs of strong revenue growth.

#### Investment Decision Process

Outlined below is the Investment Manager and Investment Adviser's four-stage approach used in identifying a potential investee company.

- » **Identification:** building on research carried out by the Investment Manager's team and the Investment Adviser's team, utilising their existing high profile and network of alumni and contacts from previous investments, the Investment Adviser will identify early-stage start-ups primarily in the UK. All identified opportunities will be evaluated against investment criteria set by the Investment Adviser before moving to the discovery stage.
- » **Discovery:** The Company seeks to invest in people as much as ideas. The informal and subjective discovery process provides the opportunity to understand not only the company founders but also how the Investment Adviser will be able to support the growth of the company.
- » **Evaluation:** Once passed the discovery stage, the Investment Adviser's evaluation process tests the assumptions of the company plans. This is coupled with a due diligence process carried out by the Investment Adviser across key aspects of a potential investee's business and its key employees.
- » **Information to the Board:** The investment Adviser will provide detailed information on the potential company investment to the Board of the Company, who will review and provide comments, if any, of the proposal, which will be taken into account by The Investment Adviser.

- » **Investment:** Recommendation investment advice is presented by the Investment Adviser to the Investment Manager, in order to allow the Investment Manager and the Company, acting through its investment committee, to review and to decide on proposed Investments. Where approved and satisfactory investment terms are finalised with the relevant investee company, the Investment Manager will then instruct the Administrator to release the funds for investment.

## **Investment Policy**

### **(i) Overview**

The Company will seek to invest in promising unquoted companies at an early stage. The Company is seeking to invest in a diversified portfolio of businesses that the Investment Manager believes will provide the opportunity for value appreciation. The Company will focus on investments that are predominantly technology or digital businesses with an emphasis on marketplace, platform or software-as-a-service business models. The Company will invest in a diverse range of sectors. The Company will either i) make follow-on investments into top-performing Investment Adviser funds portfolio companies; ii) co-invest with an existing Investment Adviser fund into a new business; or iii) make independent investments.

The Company intends to invest the net proceeds of any fundraising in accordance with its stated investment policy. At least 30% of the funds raised will be invested in Qualifying Investments within 12 months of the end of the Company's accounting period in which the relevant shares were allotted, and at least 80% of its net assets will, by the start of the Company's accounting period in which the third anniversary of the date the relevant shares, in respect of any fundraising, are allotted falls and continuously thereafter, be invested in Qualifying Investments.

### **(ii) Qualifying Investments**

Qualifying Investments comprise investments in companies which are carrying out a qualifying trade (as defined under the relevant VCT legislation), and have a permanent establishment in the UK, although some may trade overseas. The Qualifying Companies in which investments are made must have no more than £15 million of gross assets immediately prior to the investment (or £16 million immediately after the investment), fewer than 250 employees (or fewer than 500 employees in the case of a Knowledge Intensive Company) and generally cannot have been trading for more than seven years (or ten years in the case of a Knowledge Intensive Company) at the time of the Company's investment. Several other conditions must be met for an investment to be classed as a VCT Qualifying Investment.

### **(iii) Non-Qualifying Investments**

Subject to the rules applicable to VCTs, funds not employed in Qualifying Investments will be invested in short term liquid instruments, principally other funds which can be easily exited (e.g. money market funds, corporate bonds, term deposits, equity funds) including those managed by the Investment Manager, to generate additional return for Investors and mitigate against a rise in value of competing companies. These must be easily liquidated as cash. Such investments are subject to market fluctuations.

### **(iv) Risk Diversification and Maximum Exposures**

It is intended that diversification will be achieved across both sector and stage by investing in a broad range of high-growth opportunities across many sectors in line with the Company's Investment Policy. The maximum amount invested in any one company (inclusive of any related group company) is limited to 15% of the value of the portfolio in accordance with the VCT legislation at the time of investment or addition to that investment.

#### **(v) Target Asset Allocation**

Initially, the majority of funds will be invested in Qualifying Investments. Whilst the Company will seek to also invest in Non-Qualifying Investments, the Company will ensure that, in accordance with VCT Rules, at least 80% of the Company's assets will be invested in Qualifying Investments within the timelines required by the VCT Rules.

#### **(vi) Borrowing Policy**

The Company has no present intention of utilising gearing as a strategy for improving or enhancing returns. Under the Company's Articles of Association, the borrowings of the Company will not, without the previous sanction of the Company in general meeting, exceed 25% of the aggregate total amount received from time to time on the subscription of Shares in the Company.

#### **Changes to the Investment Policy**

The Company will not make any material changes to its Investment Policy without Shareholder approval.

#### **Deal Flow**

The Company will have access to the Investment Adviser's extensive deal flow pipeline of growth companies. In accordance with the investment policy, the Company may co-invest with Fuel Ventures SEIS Fund, the Fuel Ventures Scale Up EIS Fund and the Fuel Ventures Follow-On EIS Fund, as well as co-investing with other investors in growth stage companies.

#### **Allocation Policy**

The Investment Adviser has agreed with the Company and the Investment Manager the following allocation rules to manage the relationship between the Company, the Investment Manager and the Investment Adviser in respect of the Fuel Ventures Funds that the Investment Adviser manages. All opportunities which meet the investment criteria of the Company and the Fuel Ventures Funds will be presented to them all at the same time. If the Company and the Fuel Ventures Funds have funds available for investment, each will be offered the opportunity to invest in the investment in proportion to their available funds. However, priority will be given to the Company if it requires to make investments to preserve its VCT status.

## **PART 4**

### **Corporate Matters**

#### **Board of Directors**

The Board has overall responsibility for the Company's affairs, including determining its investment policy and having overall control, direction and supervision of the Investment Manager. The Board comprises four non-executive directors, all of whom act independently of the Investment Manager or the Investment Adviser.

For further information on each director, see pages 23 and 24. The Board is made up of the individuals listed below:

- Andrew Whitehouse (Independent non-executive Chairman)
- Stuart Knight (Independent non-executive Director)
- Marc Rubinstein (Independent non-executive Director)
- Charles Elliott (Independent non-executive Director)

The Directors have committed to invest an aggregate of £675,000 under the Offer on the same terms as Investors.

#### **Audit Committee**

The Company has established an audit committee which comprises Andrew Whitehouse (Audit Chairman), Marc Rubinstein and Charles Elliott (all independent directors). The committee will meet at least twice a year. The Company's auditors may be required to attend such meetings. The Committee will prepare a report each year addressed to shareholders for inclusion in the Company's annual report and accounts. The duties of the committee are inter alia:

- to review and report to the Board on significant financial reporting issues and judgements which the financial statements, interim reports, preliminary announcements and related formal statements contain;
- to monitor, review and report to the Board on internal control and risk management systems;
- to consider the appointment of the external auditor, to monitor its independence and objectivity, the level of audit fees and to discuss with the external auditor the nature and scope of the audit; and
- to prepare a formal report to Shareholders on its activities to be included in the Company's annual report, which includes all information and requirements set out in the UK Corporate Governance Code.

The Company does not have a remuneration committee or a nomination committee.

#### **Allotment, dealings and settlement**

Application will be made to the Financial Conduct Authority for the Ordinary Shares to be

issued pursuant to the Offer to be admitted to the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities.

Subject to the receipt of the Minimum Subscription by the Company, it is intended that an initial allotment of Ordinary Shares will be made no later than 5 April 2024. Dealings may commence prior to notification.

Dealings are expected to commence within ten Business Days of each allotment.

Ordinary Shares will be issued in registered form and will be freely transferable in both certificated and uncertificated form and it is anticipated that definitive share certificates will be issued within 10 Business Days of each allotment.

Ordinary Shares will be capable of being transferred by means of the CREST system. Investors who wish to take account of the ability to trade their Ordinary Shares in uncertificated form (and who have access to a CREST account) may arrange through their professional adviser to convert their holding into dematerialised form.

The Offer may not be withdrawn after dealings in the Ordinary Shares have commenced. In the event of any requirement for the Company to publish a supplementary prospectus, Applicants who have yet to be entered into the Company's register of members will be given two days to withdraw from their subscription. Applicants should note, however, that such withdrawal rights are a matter of law that is yet to be tested in the courts of England and Wales and applicants should, therefore, rely on their own legal advice in this regard. In the event that notification of withdrawal is given by post, such notification will be effected at the time the Applicant posts such notification rather than at the time of receipt by the Company.

### **Venture Capital Trust Regulations**

In continuing to maintain its VCT status, the Company must comply with a number of regulations as set out in Part 6 of ITA. How the main regulations apply to the Company is summarised as follows:

- (i) the Company's ordinary share capital is listed on the main list of the London Stock Exchange or a regulated European market;
- (ii) the Company holds at least 80% (by value) of its investments in Qualifying Companies;
- (iii) at least 70% of the Company's Qualifying Investments (by value) are held in "eligible shares";
- (iv) at least 30% of all new funds raised by the Company must be invested in Qualifying Investments within 12 months of the end of the accounting period in which the Company issued the shares;
- (v) at least 10% of the Company's total investment in a Qualifying Company is held in "eligible shares" (broadly by value at time of investment);
- (vi) no investment constitutes more than 15% of the Company's portfolio (by value at time of investment or addition to that investment);
- (vii) the Company's income for each financial year is derived wholly or mainly from shares and securities;

- (viii) the Company distributes sufficient revenue dividends to ensure that no more than 15% of the income from shares and securities in any one year is retained;
- (ix) no investment can be made in a company which causes that company to receive more than £5 million of Risk Finance State Aid investment (including from VCTs) in the 12 months ending on the date of the Company's investment (no more than £10 million in the case of a Knowledge Intensive Companies);
- (x) no payment or distribution is made to any shareholder directly or indirectly from share capital or share premium account until after the third anniversary of the end of the accounting period in which the shares were issued (other than a buyback of shares issued in that period);
- (xi) no investment can be made in a company which causes that company to receive more than £12 million (£20 million if the company is deemed to be a Knowledge Intensive Company) of Risk Finance State Aid investment (including from VCTs) over the company's lifetime;
- (xii) no investment can be made by the Company in a company whose first commercial sale was more than 7 years (or 10 years in the case of a Knowledge Intensive Company) prior to date of investment, except where previous Risk Finance State Aid was received by the company within 7 years of it commencing to trade commercially or where the company is entering a new product market or a new geographic market and a 'turnover test' is satisfied (Knowledge Intensive Companies can choose whether to use the date of first commercial sale or the point at which annual turnover first reached £200,000 to determine when the 10-year period has begun);
- (xiii) a company which has received investment from the Company cannot use such investment to acquire shares in another company, another existing business or trade or part of a business or trade; and
- (xiv) the VCT must not make a non-Qualifying Investment other than those specified in section 274 ITA.

The requirements mentioned at (ii) and (iii) above apply throughout accounting periods which end no later than three years after a share issue.

In relation to Qualifying Investments:

- (i) to be a Qualifying Investment portfolio companies must have objectives to grow and develop over the long-term and there must be a significant risk that there could be a loss of capital to the investor of an amount greater than the net return; and
- (ii) the investment must be used for the purpose of growth and development of the company.

Failure to comply with these regulations could result in the loss of the Company's VCT status.

## **Corporate Governance**

The UK Corporate Governance Code published by the Financial Reporting Council in July 2018 (the "Code") applies to the Company. The Directors recognise that the Code acknowledges that it does not set out a rigid set of rules and that some provisions may have less relevance for investment companies and, in particular, some areas may be inappropriate given the size and nature of the business of the Company.



Accordingly, the Company will comply with all provisions of the Code save that: (i) the Company does not have a senior independent non-executive Director (although the Chairman is an independent director); (ii) the Company will not conduct on an annual basis a formal review as to whether there is a need for an internal audit function as the Directors do not consider that an internal audit would be an appropriate control for a VCT; (iii) as all of the Directors are non-executive, it is not considered appropriate to appoint a nomination or remuneration committee; and (iv) in light of the responsibilities delegated to the Investment Manager, the Investment Adviser, the Company's VCT status adviser and the company secretary, the Company has not appointed a chief executive or deputy chairman. The Directors will not be obliged to comply with the Code recommendation that they stand for re-election on an annual basis.

### **Listing Rules**

In accordance with the Listing Rules:

- (i) the Company may not invest more than 10%, in aggregate, of the value of its total assets at the time an investment is made in other listed closed-ended investment funds except listed closed-ended investment funds which have published investment policies which permit them to invest no more than 15% of their total assets in other listed closed-ended investment funds;
- (ii) the Company must not conduct any trading activity which is significant in the context of its group (if any) as a whole; and
- (iii) the Company must, at all times, invest and manage its assets in a way which is consistent with its objective of spreading investment risk and in accordance with its published investment policy as set out in this document. This investment policy is in line with Chapter 15 of the Listing Rules and Part 6 of ITA.

### **Market Abuse Regulation**

UK MAR sets out requirements relating to insiders, director dealings and market soundings. In particular, directors, Persons Discharging Managerial Responsibilities (PDMRs) and Persons Closely Associated (PCAs) with them must notify the Company of any transaction in the Company's shares. There is also a restriction on dealing in the Company's shares during a closed period. UK MAR also stipulates that public disclosure of inside information by the Company must be done without delay (other than in limited circumstances). The FCA must be formally notified following the announcement of any delay.

The Directors are aware of their obligations under UK MAR and the Company will have a share dealing policy and a procedure to comply with the requirements set out in UK MAR.

### **ISAs**

The Ordinary Shares will, following Admission, be "qualifying investments" for the stocks and shares component of an ISA (subject to applicable subscription limits) provided that they have been acquired by purchase in the market (which, for these purposes, will include any Ordinary Shares acquired directly under the Offer). Save where Ordinary Shares are being acquired using available funds in an existing ISA, an investment in Ordinary Shares by means of an ISA is subject to the usual annual subscription limits applicable to new investments into an ISA. Individuals wishing to hold their Ordinary Shares in an ISA should contact their professional advisers regarding their eligibility.

## Valuation Policy

Under the Investment Management Agreement, the level of annual management fees to be paid to the Investment Manager is determined based on the NAV of the Company. The NAVs are calculated using valuations of the investee companies which are based on recommendations from the Investment Adviser and the Investment Manager. In order to mitigate any potential conflict of interests, great care has been taken in designing a valuation policy which promotes independence and builds in robust controls.

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. In estimating fair value for an investment, the methodology applied shall be appropriate to the nature, facts and circumstances of the investment and its materiality based on reasonable assumptions and estimates. Such methodology, including earnings multiple, cost, cost less a provision or net assets, shall be applied consistently.

Unquoted investments will be valued at fair value in accordance with the IPEV Guidelines. Valuations are determined by the Board, based on the recommendations of the Investment Manager and the Investment Adviser. The Board comprises independent non-executive Directors, one of whom is a qualified accountant, and therefore believes that it is in a position to accurately assess the recommended valuations. Finally, valuations are reviewed by the auditors to the Company as part of the annual audit process. All of this seeks to ensure that the valuation process is independent, contains adequate controls and mitigates any potential conflict of interests that may arise insofar as the fees payable to the Investment Manager and Investment Adviser for providing investment management services and Investment Advisory Services, respectively, are determined by the NAV of the Company.

The Company's Net Asset Value will be calculated bi-annually and published on an appropriate regulatory information service.

The calculation of net asset value of each Company's investments will only be suspended in circumstances where the underlying data necessary to value the investments of that Company cannot readily, or without undue expenditure, be obtained. Shareholders will be notified of any suspension by an announcement published on a regulatory information service.

## Share Buyback Policy

The Shares will trade on the London Stock Exchange's main market for listed securities. There will be an illiquid market for such shares due mainly to the loss of VCT income tax relief on sale within 5 years. However, the Company intends to pursue an active buy back policy to improve the liquidity in the Shares where the Company may repurchase Shares which shareholders wish to sell at a discount of up to 5% to the latest published Net Asset Value per Share, subject to applicable regulations, market conditions at the time and the Company having both the necessary funds and distributable cash resources available for the purpose. The making and timing of any share buybacks will remain at the absolute discretion of the Board, and the Company is not expected to be in a position to offer this facility until at least April 2027. The Directors expect that there will be limited demand for share buybacks from Shareholders within the first five years because the only sellers are likely to be deceased Shareholders' estates and those Shareholders whose circumstances have changed (to such extent that they are willing to repay the 30% income tax relief in order to gain access to the net proceeds of the sale).

## Shareholder Reporting

Shareholders will either be sent or have access to a copy of the Company's annual report and accounts (expected to be published each July) and a copy of the Company's interim results (expected to be published each December). These will be made available on the website of the Company.

In order to reduce the administrative burden and cost of communicating with Shareholders, the Company intends to publish all notices, documents and information to be sent to Shareholders generally ("Shareholder Documents") on the website [www.fuel.ventures/vct-fund](http://www.fuel.ventures/vct-fund). Increased use of electronic communications will deliver significant savings to the Company in terms of administration, printing and postage costs, as well as speeding up the provision of information to Shareholders. The reduced use of paper will also have general environmental benefits. Shareholders will be notified when Shareholder Documents are published on the Company's and the Investment Manager's website.

Such notification will be delivered electronically (or by post where no email address has been provided for that purpose) and, unless Investors complete the relevant section of the Application Form to receive hard copy Shareholder Documents or, as Shareholders, they subsequently notify the Company of the same, Shareholders will not receive hard copies of the Shareholder Documents.

All Qualifying Subscribers will automatically be provided with certificates enabling them to claim their VCT income tax relief.

## **PART 5**

### **THE INVESTMENT MANAGER, INVESTMENT ADVISER AND PROMOTER**

#### **The Investment Manager: Sturgeon Ventures LLP**

Sturgeon is a specialist fund management company based in London. From its origins in 1998 undertaking corporate finance activities, it has provided fund management and advisory services since 2006, with clients across the full range of fund structures, as well as pioneering wholesale regulatory incubation services, with its sister company offering compliance services. It is also an SEC registered investor adviser. Sturgeon has a core team of 11, with senior members bringing lengthy previous capital markets, banking, fund management and brokerage senior expertise. Sturgeon had over £266 million total in assets under management as at end September 2023, of which over £173 million were in illiquid fund structures.

The Investment Manager will be supported by the Investment Adviser, offering the significant expertise of both investment teams and providing the Company with a professional network of contacts that will help to ensure an ongoing pipeline of potential investment opportunities.

#### **The Investment Manager's Investment Management Experts**

Seonaid Mackenzie founded Sturgeon Ventures LLP, beginning in 1998 as a single family office, incubating companies, then pioneering wholesale regulatory incubation for financial services firms and individuals. She acts as portfolio manager on all fund investment committees, and is on Sturgeon's finance and management committee. Seonaid's career in financial services started in 1983 spanning the early years as a US equity institutional stockbroker at well-known firms to launching the first paid independent research product in the UK in 1995. Seonaid has advised and managed numerous family office portfolios personally and has been involved in numerous investment committees, while also being a member of a number of external fund boards, both on and offshore. Seonaid will be joined by Sarah Whitehead on the Sturgeon investment committee.

Sarah Whitehead is a designated member of Sturgeon, a member of the Compliance and Risk Committee, the firm's internal counsel and Compliance Officer, and together with Seonaid Mackenzie sits as a member of the firm's management committee and in most closed ended fund committees. After working in Clifford Chance's investment funds department, including a year's secondment to Man Group's derivative funds team in Switzerland, Sarah then spent eleven years at ING Group, first as a trading floor lawyer, then in the capital markets team, and ultimately becoming head of debt capital markets for Russia and the CIS. Before joining Sturgeon in 2016, Sarah worked for five years at the Pemberton funds group, as an inhouse legal and compliance adviser.

Seonaid and Sarah will be assisted by Stephanie McClennan, a senior compliance analyst and a member of Sturgeon's portfolio management oversight team. With a degree in Economics, Stephanie has over 25 years' fund management experience, having previously managed international fixed income and currencies for institutional portfolios.

#### **The Investment Adviser: Fuel Ventures Limited**

The Investment Adviser is an Appointed Representative of Sapphire, which is authorised and regulated by the FCA. The Investment Adviser seeks to take a pro-active approach to growing great companies with big potential. Its primary focus is on assisting investee companies to build business models that have the ability to scale quickly and have

international growth potential. The Investment Advisory Services provided by the Investment Adviser will enable the Investment Manager to seek to identify entrepreneurs with businesses that will define the next era of innovation. The Investment Adviser creates value by typically taking a hands-on approach from the very beginning, working with entrepreneurs to transform their vision into reality.

The Investment Adviser seeks to work with entrepreneurs and their teams to support the companies and their growth. The Investment Adviser believes it has the expertise, experience and skill set to identify and help build valuable, innovative, and lasting businesses. By identifying and investing in such companies, the Investment Adviser believes it can deliver strong returns to Investors.

The Investment Adviser launched its first EIS fund in 2015 and its first SEIS fund in 2021 and has raised a total of £180 million. It now has some £380 million of EIS and SEIS funds under management invested in 156 portfolio companies. Of these, on investment, all would have fallen within the investment criteria of the Company. It has achieved some 2 profitable exits, achieving an average return on funds invested of 6.15 times and paying to investors exit proceeds of over £29 million. On the date of publication of this document, MI Capital Research Limited rated Fuel Ventures Scale Up EIS Fund as the number 1 EIS fund, and Fuel Ventures Follow-On EIS Fund as the number 2 EIS fund, in respect of all the top performing EIS funds in the market.

### **The Investment Adviser Team**

The Investment Adviser has an experienced and talented core team that will support the Company in making solid investment decisions and monitoring and supporting portfolio companies, each in accordance with the Company's published investment policy. This approach reduces reliance on a single individual, and ensures the experience to make high quality, well evidenced investment decisions that align with the published investment policy of the Company. The combined experiences of the Investment Manager's and the Investment Adviser's teams align with the published investment policy of the Company. The Investment Adviser's team consists of 23 full-time employees including, but not limited to, the following:

#### **Mark Pearson, Founder and Managing Director**

Mark has over 20 years of experience as an investor and grew MyVoucherCodes into the second biggest voucher code brand in Europe (by revenue and audience) where the network served over two million users in eight territories across Europe and South America and the business employed circa 100 staff. In 2014 Mark exited MyVoucherCodes to Monitise Plc (in a combined exit with Last Second Tickets) for a reported £55 million. In addition to this, Mark also built up a personal angel portfolio of several companies, and was one of the first investors in Paddle, a UK tech unicorn.

#### **Stan Williams, Partner**

Stan has been assisting early stage technology companies to raise finance and scale-up their operations since 2013, having previously worked as an investment associate at a leading London-based angel network. Stan joined the Investment Adviser in February 2018 to oversee deal origination, operations and follow-on investment. Stan was responsible for sourcing ContentCal and Capdesk, which provided successful exits for the EIS funds, further detail of which can be found below. He is now a partner and a director of the Investment Adviser, managing a team of five people.

### **Shiv Patel, Partner**

Shiv Patel is an Investment Director at the Investment Adviser. Shiv's experience spans various sectors, including technology, e-commerce, and digital media. Throughout his career to date, he has sourced, evaluated, and executed numerous investment opportunities for both entrepreneurs and investors alike. Furthermore, Shiv has gained extensive knowledge in guiding two companies through the exit process, having now been a part of 2 early acquisitions. He graduated with a Bachelor's degree in Economics and Finance from the University of Southampton. As an Investment Director at the Investment Adviser, Shiv co-manages the Fuel Ventures Scale Up EIS Fund and the Fuel Ventures Follow-On EIS Fund, overseeing the entire investment process from deal sourcing to due diligence and portfolio management. He actively engages with entrepreneurs, working closely with them to refine their business strategies, optimise operations, and unlock new growth opportunities.

### **Oliver Hammond, Partner**

Prior to joining the Investment Adviser's team, Oli graduated from the University of Kent, moving directly into the banking sector for a year post university. Oli then worked at a pre-seed company that he found on CrowdCube, Ideas Britain, providing support to the sales and marketing function wherever necessary. Whilst that business failed, it made Oli confident that his future was with early stage businesses. Oli then moved to SyndicateRoom where he spent 3.5 years within the due diligence team across approximately 40 investments a year. By the end of his post, he led a team of 4 DD Analysts. Oli has been with the Investment Adviser since July 2019, leading on investments such as: Volt, Peckwater Brands, Lunio and Abingdon Software. Oli sits on a number of boards on behalf of the Investment Adviser.

### **James D'Mello, Head of Strategic Partnerships**

James brings extensive financial services experience with his more recent focus in tax efficient investing. He previously worked for an EIS Fund. James heads up the strategic partnerships function of the Investment Adviser, building relationships with financial advisers, wealth managers and financial institutions.

### **Katie Hopkin, Strategic Partnerships Manager**

Katie has a number of years experience within financial services. Having completed the EIS Diploma in 2017 her more recent focus has been in tax efficient investments both at platforms and funds. Katie has joined the Investment Adviser to develop and manage relationships with financial advisers, wealth managers and financial institutions.

### **Katie Mathias, Investment Associate**

Katie currently works as an associate for the Investment Adviser's seed investment team. With a strong focus on deal sourcing and execution, she plays a pivotal role in identifying promising investment opportunities and ensuring their successful implementation. She also has experience on exiting companies through her work on the Capdesk acquisition after joining the Investment Adviser. Prior to her current position, Katie was a member of the investment team at Columbia Lake Partners, a leading European Venture Debt fund. Katie holds a Bachelor's degree in International Politics from Georgetown University's School of Foreign Service.

### **Titan Alternatives Limited**

Titan Alternatives (formerly Haibun Wealth) was borne out of the need to cater for those

investors with requirements outside of the more traditional forms of wealth management. Haibun Wealth was acquired by the Titan Group in 2022 and subsequently became Titan Alternatives. The move provides access to Titan’s infrastructure, wider research resources, greater client investment opportunities and the complementary experience and expertise of people within the Group.

Providing personalised portfolio diversification and tax-efficient investment solutions to high net worth, sophisticated and elective professional investors since 2005, the team have built a strong reputation for gaining access to often exclusive and wide-ranging opportunities, outside of those offered by mainstream wealth management firms.

Titan Alternatives’ clients have invested over £650 million across a diverse range of investments and strategies. With a history and experience within the VCT sector encompassing Titan Alternatives’ development and the introductions of significant capital, Titan Alternatives has facilitated approximately £80 million of investment into VCT offers to date.

### Example of Previous EIS Investments

The companies listed below have been invested in by the Investment Adviser through the Fuel Ventures SEIS Fund, the Fuel Ventures Scale Up EIS Fund and the Fuel Ventures Follow-On EIS Fund. The companies are representative of the type of potential investments that may be made by the Company. It is noted that these are examples only and do not represent actual investment opportunities for the Company and should not be regarded as an indication of the performance of future investments in the Company, or the Investment Manager and the Investment Adviser.

Company	Description	Valuation Uplift*
Volt io	Volt is a real-time payment network. It allows companies to accept open banking payments from customers globally. Volt raised its last round from IVP as part of a \$60m Series B at a US\$350 million+ valuation.	32x
Peckwater Brands	Peckwater Brands offers delivery franchises to kitchen operators. The start-up helps neighbourhood restaurants to sell virtual food brands on delivery platforms from their existing kitchens and top up revenues.	4.4x
Creoate	Creoate is an online B2B marketplace that aggregates wholesale brands and suppliers across Europe in one place, helping independent retailers find new and innovative makers and products for their stores whether they be traditional or online.	11x
Arbolus	Arbolus is a marketplace for independent consultants and businesses to efficiently find each other and work together. They have a number of blue-chip clients which include Bain, BCG, EY and PWC.	12x

Shift	Shift is an on-demand logistics platform for moving anything, anytime, anywhere. The platform uses a scalable network of independent shifters (self-employed drivers) to facilitate jobs on demand or scheduled through an online booking platform.	23x
OnBuy	OnBuy is a leading e-commerce marketplace that is offering buyers and sellers a fair and transparent approach. Unlike other market places, OnBuy does not hold stock or sell any of its own products which could compete with their sellers. In addition to having a completely seller centric view, OnBuy charges significantly lower commission fees between 5-9% on the value of the sale, which they have found is passed onto consumers by sellers, through lower prices. As a result, they have won some major global sellers such as The Hut Group, Unilever, AO.com and Proctor & Gamble.	14x
Runa	Runa is the digital value infrastructure that enables individuals and businesses to pay and get paid by anyone, anywhere, instantly. Their purpose-built network is unlocking the ability for businesses to send, issue, hold, and accept digital value for everyone, everywhere, enabling digital economies to thrive.	14x
Lunio	Lunio offers an all- in- one solution to defend from pay-per-click ("PPC") fraud. Existing solutions identify and block click fraud after the event, and it's ineffective. Lunio offers a real-time, wholly automated solution to monitor PPC ads in real time and determine if each individual click is legitimate or fraudulent, saving advertisers a significant portion of their advertising spend which can be re-invested in to acquiring more relevant, high quality traffic.	3.6x
Heroes	Heroes is a UK-based technology-driven eCommerce company that specialises in the acquisition and operation of small and medium-sized Amazon FBA brands predominantly operating on one or more European Amazon marketplaces. Heroes is specialised on brands operating in the following categories: Baby, Pets, Homeware, Kitchenware, DIY, Garden and Sports & Outdoors.	6.6x
ContentCal	ContentCal is a SaaS platform that powers thousands of companies' social media and content marketing presence. The business is part of a 'second generation' of marketing technology and differentiates itself through its user experience, powerful team	6.1x

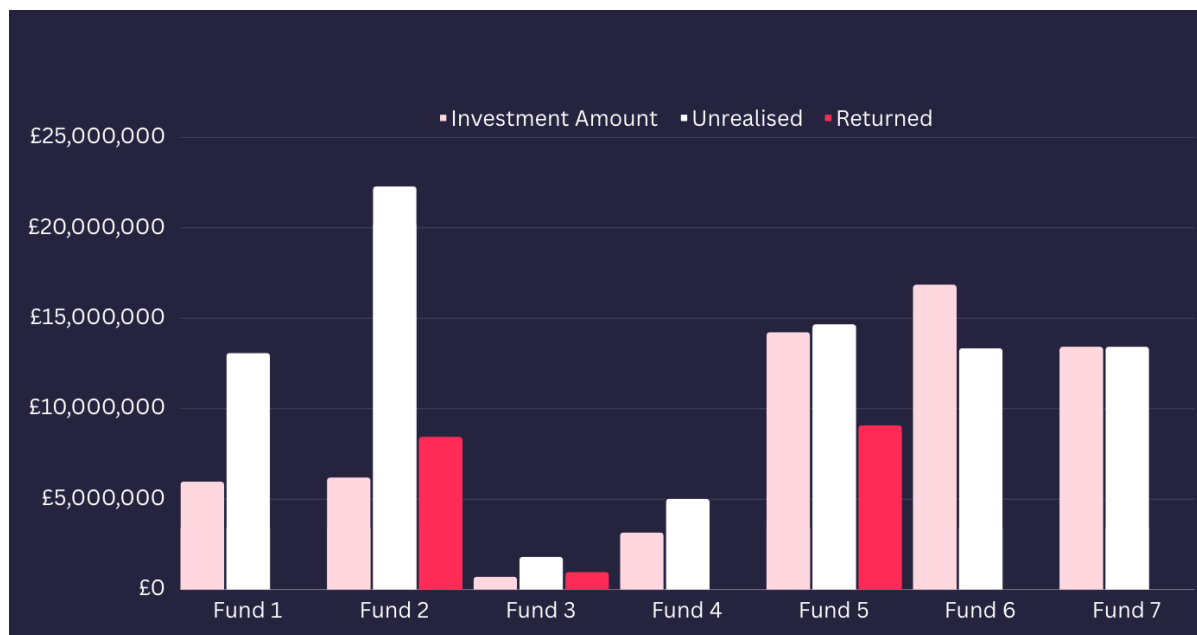


	collaboration functionality and its integrations with 1,500 publishing destinations online.	
Correcto	Correcto's a communication enhancement company for the Spanish language. Making communication easier for clients in any sector; in a complex, groundbreaking algorithm developed by experienced engineers through AI; algorithms learn rules and hidden patterns by analysing millions of sentences while you write.	6.5x
Capdesk	Capdesk is a cap table management platform that enables private companies to efficiently manage and automatically transact in equity by running controlled liquidity events. The platform helps stakeholders to understand the value of unlisted share ownership and easily report and transact shareholdings. Companies use Capdesk to manage the cap table, employee share plans, equity compliance and facilitate secondary transactions.	8.8x

### Follow-On Fund Track Record

The Investment Adviser has a strong follow-on track record over the past 5 years as demonstrated by the table and graph below:

	Fund 1	Fund 2	Fund 3	Fund 4	Fund 5	Fund 6	Fund 7
<b>Year Invested</b>	2019	2020	2020	2020/2021	2021	2022	2023
<b>Subscription Amount</b>	£5,975,650	£6,199,774	£712,996	£3,159,027	£14,234,739	£16,861,444	£13,428,214
<b>Unrealised Value</b>	£13,083,962	£22,296,014	£940,680	£5,021,695	£4,213,711	£13,345,357	£13,428,214
<b>Realised Returns</b>	£0.00	£8,446,400	£971,354	£0.00	£9,087,829	£0.00	£0.00
<b>Total Return</b>	£13,083,962	£28,355,261	£1,912,034	£4,213,711	£23,757,704	£13,345,357	£13,428,214
<b>Total Value Paid In</b>	2.19x	4.57x	2.68x	1.33x	1.67x	0.79x	1x



## Exited Investments

### (i) ContentCal

ContentCal was identified by the Investment Adviser in 2019 with the first investment made in January 2020. ContentCal was acquired by Adobe for \$110 million on 3<sup>rd</sup> December 2021. This sale led to the following returns for investors in the relevant Fuel Ventures Funds:

Investment Type	Date of Investment	Amount Invested	Amount Returned	Return Multiple
Initial	January 2020	£1,111,111	£8,362,830	7.9x
Follow-on	March 2020	£1,239,943	£7,207,682	6.1x
Follow-on	March 2021	£1,999,998	£9,087,829	4.7x

### (ii) Capdesk

The Investment Adviser first discovered Capdesk in early 2019 before making a first investment in March 2019. Capdesk was acquired by Carta, in a cash and equity deal, for \$85 million on 1<sup>st</sup> September 2022. This sale led to the following returns for investors in the relevant Fuel Ventures Funds:

Investment Type	Date of Investment	Amount Invested	Amount Returned	Return Multiple
Initial	March 2019	£1,004,923	£8,904,537	8.8x
Follow-on	March 2020	£1,239,750	£4,318,722	3.8x

## PART 6 CHARGES

### Commission

Commission is permitted to be paid to authorised financial intermediaries in respect of execution only clients where no advice or personal recommendation has been given or where the Intermediary has demonstrated to the Promoter that the Investor is a Professional Client of the Intermediary. Such authorised financial intermediaries who, acting on behalf of their clients, return valid Application Forms bearing their stamp and Financial Conduct Authority number will usually be entitled to an initial commission of up to 3.0% of the amount payable in respect of Shares allocated for each such Application Form. Provided that the intermediary continues to act for the Investor and the Investor continues to be the beneficial owner of the Shares, the Investment Adviser may pay ongoing commission to intermediaries up to 0.75% per annum of the amount subscribed by an investor, for a period of up to 6 years.

### Adviser Charge

Commission is generally not permitted to be paid to Financial Advisers who provide a personal recommendation to UK retail clients on investments in VCTs. Instead of commission being paid by the Company, a fee will usually be agreed between the Investor and their Financial Adviser for the advice and related services ("**Adviser Charge**"). This fee can either be paid directly by the Investor to the intermediary or, if it is a one-off fee, the payment of such fee may be facilitated by the Company and paid by the Investment Adviser on behalf of the Investor. The Investor will be issued fewer Ordinary Shares (to the equivalent value of the Adviser Charge) through the pricing formula (see below).

### Initial Fee

The Promoter will charge the Company an Initial Fee, for its role as promoter of the Offer, of:

- for direct Investors and Execution-only Investors, up to 5.5% (plus VAT, if applicable) of the monies subscribed for Shares under the Offer; and
- for Investors receiving financial advice, up to 3.0% of the monies subscribed for Shares under the Offer.

In the case of investors who have invested into existing clients of Titan Alternatives Limited, or existing investors in the Investment Adviser EIS or SEIS schemes, the Initial Fee will be waived, which will increase the number of Ordinary Shares that will be allotted to such investors. The Initial Fee may otherwise be reduced or waived in respect of specific Investors by the Promoter at its discretion.

The fee structure is based on the relevant applicable rules of the FCA and HMRC as they apply at the date of this document. In the event that there is a change in these rules that affect this fee structure, the Directors reserve the right to make amendments to the fee structure outlined in this document.

Although the Initial Fee will be met by the Company and not an Investor, the level of the Initial Fee will determine the number of Shares to be issued to an investor (see further the section below entitled "Number of Shares to be issued").

## Investment management

The Investment Manager will provide investment management services in accordance with Investment Management Agreement for which it will receive an annual management fee equal to 2% of Net Asset Value (plus VAT if applicable).

The Investment Manager is entitled to reimbursement of expenses incurred in performing its duties under the Investment Management Agreement.

The Company is responsible for its normal third-party costs including (without limitation) listing fees, audit and taxation services, legal fees, sponsor fees, registrars' fees, receiving agent fees, Directors' fees and other incidental costs. Assuming a fundraise of the full £10,000,000 under the Offer, the Directors anticipate that the total Annual Running Expenses will be approximately 3.5% of Net Asset Value per annum. The Investment Adviser has agreed to cap the total Annual Running Expenses (excluding any trail commission payments) to a maximum of 3.5% of Net Assets and any excess above this will be borne by the Investment Adviser.

A maximum of 75% of the Company's management expenses will be capable of being charged against capital reserves with the balance charged against revenues.

The Investment Adviser will provide certain services to the Investment Manager in accordance with a Investment Adviser Agreement.

## Transaction Fees

The Investment Manager is entitled to charge the underlying portfolio companies various introductory and transaction fees (for instance, arrangement, syndication, monitoring directors, consultancy and exit fees and commissions and, to the extent that other services are provided, additional fees as may be agreed). For the avoidance of doubt, these fees are not borne by the Company. Subject to FCA inducement and conflict of interest rules, fees may be paid to introducers in respect of the introduction of transactions.

## Performance Fee

The Investment Manager will be incentivised with a Performance Fee to align the interests of the Investment Manager and Shareholders. No Performance Fees will be payable in relation funds raised under the Offer. However, Performance Fees will be payable in respect of future fund raises, subject to satisfying certain targets.

Two conditions will need to be satisfied before a Performance Fee will be paid to the Investment Manager:

- the Company's cumulative realised investment gains will need to be greater than its cumulative realised investment losses (requiring all realised losses, past and future, to be recovered before a Performance Fee is paid); and
- in each financial year, the Total Return (NAV and historic dividends and other distributions) exceeds 100p per Share increasing by 3.0p per annum (on a simple not compound basis) each year thereafter (such that for the year ending 31 March 2025 the hurdle will be 103p, for the year ending 31 March 2026 the hurdle will be 106p and so on).

The relevant cumulative realised investment gains/losses will be as set out in the Company's relevant year-end or half-year financial statements.

If the above conditions are met, a Performance Fee of 20% of the amount by which relevant cumulative realised investment gains exceed cumulative realised investment losses will be payable to the Investment Manager.

### **Administration and Company Secretarial**

The Administrator will provide certain administration and company secretarial services to the Company with regard to the Company for an annual fee of between approximately £6,930 and £70,000 (both figures to also include VAT if applicable), depending on the amount raised under the Offer.

### **Number of Shares to be issued**

The number of Shares to be issued to each Investor will be calculated by reference to the Offer Price and determined by the following Pricing Formula (rounded down to the nearest whole number of Shares):

**Number of Shares = application amount less (i) Initial Fee and (ii) Adviser Charges (if any) multiplied by the Offer Price (being the NAV per Share, which is assumed to be 100p per Share or last published NAV per Share, if any, such revised NAV is announced during the Offer).**

For example, if a direct Investor or an execution-only Investor subscribes £10,000 under the Offer and the NAV per Share at the time of allotment is £1, they will receive 9,450 Shares (i.e. £10,000 - £550 = £9,450 divided by £1 = 9,450 Shares).

For example, if an advised Investor subscribes £10,000 under the Offer, agrees a fee with their adviser of £100, and the NAV per Share at the time of allotment is £1, they will receive 9,600 Shares (i.e. £10,000 - (£300 + £100) = £9,600 divided by £1 = 9,600 Shares).

## **PART 7 TAXATION**

The following information is only a summary of the current law concerning the tax position of individual Qualifying Subscribers in VCTs. Therefore, potential Investors are recommended to consult a duly authorised financial adviser (and, where appropriate, an accountant or tax adviser) as to the taxation consequences of an investment in the Company. All tax reliefs referred to in this document are UK tax reliefs dependent on companies maintaining their VCT qualifying status. Tax relief may be subject to change and will depend on individual circumstances.

### **Taxation of a VCT**

VCTs are exempt from corporation tax on chargeable gains, with no restriction on the distribution of realised capital gains by a VCT, subject to the requirements of company law. VCTs will be subject to corporation tax on their income (generally excluding dividends received from UK companies) after deduction of attributable expenses.

### **Qualification as a VCT**

To qualify as a venture capital trust, a company must be approved as such by HMRC. To maintain approval, the conditions summarised below must continue to be satisfied throughout the life of the VCT:

- i. (after its first accounting period) the VCT's income must have been derived wholly or mainly from shares and securities (in the case of securities issued by a company, meaning loans with a five-year or greater maturity period);
- ii. (after its first accounting period) no holding in a company (other than a VCT or a company which would, if its shares were listed, qualify as a VCT) by the VCT may represent more than 15%, by value, of the VCT's total investments at the time of investment;
- iii. (after its first accounting period) the VCT must not have retained more than 15% of the income derived from shares or securities in any accounting period;
- iv. the VCT must not be a close company. Its ordinary share capital must be listed on the main list of the London Stock Exchange or a regulated European market by no later than the beginning of the accounting period following that in which the application for approval is made;
- v. (from the beginning of the accounting period during which the third anniversary of the issue of Shares falls) at least 80%, by value, of its investments is represented by shares or securities comprising Qualifying Investments. Funds raised by a further share issue are disregarded in judging whether this condition has been met for accounting periods ending no later than three years after the new issue;
- vi. at least 30% of the funds from those share issues must be invested in qualifying holdings by the anniversary of the end of the accounting period in which those shares were issued;
- vii. (from the beginning of the accounting period during which the third anniversary of the issue of Shares falls) for funds included in the requirement at (v) above, at least 70%, by value, of the VCT's Qualifying Investments must be in "eligible shares", that is shares which carry no preferential rights to assets on a winding up and no rights to be redeemed although they may have certain preferential rights to dividends so long as those rights are non-cumulative and are not subject to discretion;
- viii. the VCT must not make an investment in a company which causes that company to receive more than £5 million of State Aid investment in the 12 months ending on the date of the investment (no more than £10 million for a Knowledge

- Intensive Company);
- ix. the VCT must not return capital to shareholders (or make any payment from share capital or share premium) before the third anniversary of the end of the accounting period during which the subscription for shares occurs;
  - x. no investment can be made by the VCT into a company which causes that company to receive more than £12 million (£20 million if the company is deemed to be a Knowledge Intensive Company) of State Aid investment (including from VCTs) over the company's lifetime. A subsequent acquisition by the company of another company that has previously received Risk Finance State Aid can cause the lifetime limit to be exceeded in certain circumstances;
  - xi. no investment can be made by the Company in a company whose first commercial sale was more than 7 years prior to date of investment (10 years from the first commercial sale or the end of the accounting period where revenue first exceeded £200,000 for a Knowledge Intensive Company) except where previous Risk Finance State Aid was received by the company within 7 years of it commencing to trade commercially (10 years from the first commercial sale or the end of the accounting period where revenue first exceeded £200,000 for a Knowledge Intensive Company) or where the company is entering a new product market or new geographic market and a turnover test is satisfied;
  - xii. no funds received from an investment into a company can be used to acquire shares in another company nor another existing business or trade nor any intellectual property or goodwill previously employed in a trade; and
  - xiii. the VCT must not make a non-Qualifying Investment other than those specified in section 274 ITA 2007.

"Qualifying Investments" comprise shares or securities (including some loans with a five year or greater maturity period but excluding guaranteed loans and securities) issued by unquoted trading companies which meet a financial health requirement and exist wholly or mainly for the purpose of carrying on one or more qualifying trades. Companies on the AIM market of the London Stock Exchange, or on another Qualifying Exchange, are treated as unquoted companies. The trade must be carried on by, or be intended to be carried on by, the investee company or a qualifying subsidiary at the time of the issue of the shares or securities to the VCT (and by such company or by any other subsidiary in which the investee company has not less than a 90% interest at all times thereafter). A company intending to carry on a qualifying trade must begin to trade within two years of the issue of shares or securities to the VCT and continue it thereafter. The definition of a qualifying trade excludes dealing in property, shares, securities, commodities or futures. It also, amongst other things, excludes banking, insurance, receiving royalties or licence fees in certain circumstances, leasing, the provision of legal and accounting services, farming and market gardening, forestry and timber production, property development, shipbuilding, coal and steel production, operating or managing hotels or guest houses, generation of any form of energy, production of fuel, nursing and residential care homes. The funds raised by the investment must be used for the purposes of the qualifying trade within certain time limits.

A qualifying investment can also be made in a company which is a parent company of a trading group where the activities of the group, taken as a whole, consist of carrying on one or more qualifying trades. Investee companies must have a permanent establishment in the UK and meet a financial health requirement. The investee company cannot receive more than £5 million (£10 million for a Knowledge Intensive Company) from VCTs or other State Aid investment sources during the 12-month period which ends on the date of the VCT's investment. The investee company's gross assets must not exceed £15 million immediately prior to the investment and £16 million immediately thereafter. The investee company must have fewer than 250 employees or 500 employees in the case of a Knowledge Intensive Company. Neither the VCT nor any other company may control the investee company, nor

can the investee company control any company which is not a qualifying subsidiary. The investee company cannot be in financial difficulty. At least 10% of the VCT's total investment in the investee company must be in eligible shares, as described above. The company cannot receive more than £12 million (£20 million if the company is deemed to be a Knowledge Intensive Company) of State Aid investment (including from VCTs) over the company's lifetime. The company's first commercial sale must be no more than 7 years (10 years from the first commercial sale or the end of the accounting period where revenue first exceeded £200,000 for a Knowledge Intensive Company) prior to the date of the VCT's investment, except where previous Risk Finance State Aid was received by the company within 7 years (10 years from the first commercial sale or the end of the accounting period where revenue first exceeded £200,000 for a Knowledge Intensive Company) or where the company is entering a new product market or new geographic market and a turnover test is satisfied. Funds received from an investment by a VCT cannot be used to acquire shares in another company nor another existing business or trade.

Companies whose shares are traded on AIM are treated as unquoted companies for the purposes of calculating qualifying investments. Shares in an unquoted company which subsequently becomes listed may still be regarded as a qualifying investment for a further five years following listing, provided all other conditions are met.

There is a risk-to-capital condition which requires that a Qualifying Company has long term growth plans and that the investment made by the VCT is at risk.

### **Tax reliefs for individual Investors**

In order to benefit from the tax reliefs outlined below, individuals who subscribe must be aged 18 or over.

#### **Relief from Income Tax**

Relief from income tax of 30% will be available on subscriptions for shares in a VCT, subject to the Qualifying Limit (currently £200,000 in each tax year). The relief, which will be available in the year of subscription, cannot exceed the amount which reduces the income tax liability of the Qualifying Subscriber in that year to nil. Relief may not be available if there is a loan linked with the investment. Relief will not be available, or, where given, will be withdrawn, either in whole or in part, where there is any disposal (except on death) of the shares (or of an interest in them or right over them) before the end of the period of five years beginning with the date on which the shares were issued to the Qualifying Subscriber.

Relief is restricted or not available where a Subscriber disposes of shares in the same VCT (or in another VCT which is known to be merging with the VCT) within six months of their subscription, whether the disposal occurs before or after the subscription.

Income tax relief is available on the Investment Amount (including the amounts used to pay the Initial Fee but not including the amount of the Adviser Charge settled by the Company through the Receiving Agent prior to subscription for Shares), subject to VCT Rules, personal circumstances and changes in the availability of tax reliefs.

#### **Dividend Relief**

Any Qualifying Subscriber, who has acquired shares in a VCT of a value of no more than £200,000 in any tax year, will not be liable for UK income tax on any dividends paid out on those shares by the VCT. There is no withholding tax on dividends.



## Capital Gains Tax Relief

A disposal by a Qualifying Subscriber of his or her shares in a VCT will give rise to neither a chargeable gain nor an allowable loss for the purposes of UK capital gains tax. This relief is limited to the disposal of shares acquired within the £200,000 limit for any tax year.

## Loss of Tax Reliefs

Relief from corporation tax on capital gains will be withdrawn should a company that has been granted approval or provisional approval as a VCT fails to maintain the conditions required to keep its qualifying status. After such a status is lost, all gains will fail to benefit from tax exemption.

For investors, loss of VCT status could result in:

- claw-back of the 30% tax relief previously obtained on the subscription for new VCT shares;
- any payments of dividends made by the company during the accounting period in which the company loses VCT status, and thereafter, being subject to income tax; and
- a liability to tax on capital gains as would normally occur on the disposal of shares, except for any part of the gain that could be attributed to the time when the company had VCT status.

Qualifying Investors investing in a company that has provisional approval as a VCT, but fails to obtain full unconditional approval as a VCT may experience the following consequences:

- claw-back of the 30% tax relief previously obtained on the subscription for new VCT shares and interest on any overdue tax;
- any payments of all dividends by the company being subject to income tax; and
- any gain from the disposal of any shares being subject to capital gains tax and losses on the shares being allowable losses for capital gains tax purposes.

## The impact of the death of an investor

### Initial Income Tax

Should any investor die having made an investment in a VCT, the transfer of shares on his or her death will not be viewed as a disposal of shares and so there will not be any claw-back of the income tax relief obtained on the subscription for those shares. However, the shares transferred will become part of the estate of the deceased for inheritance tax purposes.

### Tax implications for the beneficiary

The beneficiary of any VCT shares inherited from a deceased investor will continue to be entitled to tax-free dividends and tax-relief on disposal, provided the beneficiary is at least 18 years of age and acquires the shares within their annual £200,000 limit but will not be entitled to any initial income tax relief because they have not subscribed for those shares.

### The impact of a transfer of shares between spouses

As it is not deemed a disposal of shares, any transfer of shares between spouses will continue to benefit from all tax reliefs.

## **General**

### **Investors not residing in the UK**

Investors who are not resident in the UK or who may become a non-resident 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.

### **Stamp Duty and Stamp Reserve Tax**

No stamp duty or stamp duty reserve tax is payable on the issue of shares. The transfer on the sale of shares is usually liable to ad valorem stamp duty or stamp duty reserve tax. Such duties would be payable by the individual who purchases the shares from the original subscriber.

### **Purchasing shares after listing**

Any qualifying purchaser of existing VCT shares, rather than new VCT shares, will not qualify for income tax relief on investments, but may be able to receive exemption from tax on dividends and capital gains tax on disposal of his or her VCT shares if those shares are acquired within the investor's annual £200,000 limit.

The information in this Part 7 is based on current legislation, including taxation legislation. The tax legislation of the UK and of any other jurisdiction to which an Investor is subject may have an impact on the income received from the securities. The tax reliefs described are those currently available. Levels and bases of, and relief from taxation are subject to change and such change could be retrospective.

## PART 8 ADDITIONAL INFORMATION

### 1. The Company

- 1.1 The Company was incorporated and registered in England and Wales on 25 October 2023 under the name Fuel Ventures VCT plc with registered number 15236513 as a public company limited by shares under the Act. The principal legislation under which the Company operates, and under which the Ordinary Shares have been created, is the Act and the regulations made thereunder. The legal and commercial name of the Company is Fuel Ventures VCT plc.
- 1.2 On 21 November 2023 the Registrar of Companies issued the Company with a certificate under section 761 of the Act. On 16 November 2023 the Company gave notice to the Registrar of Companies of its intention to carry on business as an investment company under section 833 of the Act.
- 1.3 The Company has not traded since incorporation. The Company is domiciled in England. The LEI of the Company is 984500B43BFE4DF77187.

### 2. Share capital

- 2.1 The Company was incorporated with two ordinary shares issued fully paid to the subscribers to the memorandum of the Company (the "**Subscriber Shares**") which are held by Stephen Heinemann and HK Nominees Limited.
- 2.2 By ordinary and special resolutions passed on 8 December 2023:

#### Ordinary Resolution

- 2.2.1 the Directors were generally and unconditionally authorised in accordance with section 551 of the Act to exercise all the powers of the Company to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company. This power was limited to the allotment of relevant securities up to an aggregate nominal amount of £550,000.

Such authority was to expire on the later of 15 months from the date of the resolution or the next annual general meeting of the Company (unless previously revoked, varied or extended by the Company in general meeting);

#### Special Resolutions

- 2.2.2 that, subject to the passing of the resolution referred to in paragraphs 2.2.1 above, the Directors were empowered (pursuant to section 570(1) of the Act) to allot or make offers or agreements to allot equity securities (as defined in section 560(1) of the Act) for cash pursuant to the authority referred to in paragraph 2.2.1 above as if section 561 of the Act did not apply to any such allotment, such power to expire at the conclusion of the Company's next annual general meeting, or on the expiry of 15 months following the passing of the resolution, whichever was the later (unless previously renewed or extended by the Company in general meeting). This power was limited to the

allotment of equity securities in connection with:

- 2.2.2.1 the Offer for subscriptions of up to £55,000,000;
  - 2.2.2.2 an offer of equity securities by way of rights; and
  - 2.2.2.3 otherwise than pursuant to paragraphs 2.2.2.1 and 2.2.2.2, an offer of equity securities up to an aggregate nominal amount of 20% of the issued ordinary share capital of the Company immediately following closing of the Offer.
- 2.3 On 30 October 2023, 50,000 Redeemable Preference Shares in the Company were allotted and issued to Titan Alternatives and paid up as to one-quarter so as to enable the Company to obtain a certificate under section 761 of the Act. Once fully paid up, the Redeemable Preference Shares will be redeemed by the Company out of the proceeds of the Offer. Each of the Redeemable Preference Shares which is redeemed shall automatically be cancelled.
- 2.4 Save as disclosed in paragraphs 2.1 and 2.3, since the date of its incorporation, no share or loan capital of the Company or any subsidiary has been issued or agreed to be issued, or (except pursuant to the Offer) is now proposed to be issued, for cash or any other consideration. No commissions, discounts, brokerages, or other special terms have been granted by the Company in connection with the issue or sale of any share or loan capital since its incorporation.
- 2.5 No share or loan capital of the Company is under option or has been agreed conditionally or unconditionally to be put under option.
- 2.6 The Shares will be in registered form and temporary documents of title will not be issued. The ISIN of the Ordinary Shares is GB00BP2RHT10 and the SEDOL code is BP2RHT1.
- 2.7 The issued share capital of the Company, assuming full subscription under the Offer with the over-allotment facility fully utilised, an Offer Price of 100p per Ordinary Share and that all subscriptions are through the introduction of an execution only broker and no discounts apply, will be as follows:

Issued Ordinary Shares of £0.01 each	
Number	Nominal Value
47,250,002	£472,500

- 2.8 The Company will be subject to the continuing obligations of the FCA and the London Stock Exchange with regard to the issue of securities for cash and the provisions of section 561 of the Act (which confers on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash) will apply to the Company to the extent any such issues are not subject to the dis-application referred to in sub-paragraph 2.2.2 above.

### 3. Articles of Association

- 3.1 The Articles of the Company provide that its principal object is to carry on the

business of a Venture Capital Trust and that the liability of members is limited.

3.2 The Articles of the Company, which were adopted on incorporation on 25 October 2023, contain, inter alia, provisions to the following effect:

3.2.1 Voting Rights

Subject to any disenfranchisement as provided in paragraph 3.2.5 below and subject to any special terms as to voting on which any Shares may be issued, on a show of hands every member present in person (or being a corporation, present by authorised representative) shall have one vote and, on a poll, every member who is present in person or by proxy shall have one vote for every Share of which he is the holder. The Shares shall rank *pari passu* as to rights to attend and vote at any general meeting of the Company.

3.2.2 Rights Attaching to the Redeemable Preference Shares

Each of the Redeemable Preference Shares carries the right to a fixed, cumulative, preferential, dividend of 0.1% per annum (exclusive of any imputed tax credit available to shareholders) on the nominal amount thereof, but confers no right to vote except as otherwise agreed by the holders of a majority of the Shares. On a winding-up, the Redeemable Preference Shares confer the right to be paid the nominal amount paid on such shares. The Redeemable Preference Shares are redeemable at any time by the Company and by the holder at any time after the Minimum Subscription is raised under the Offer. Each Redeemable Preference Share which is redeemed, shall, thereafter, be cancelled without further resolution or consent.

3.2.3 Transfer of Shares

The Ordinary Shares are in registered form and will be freely transferable. All transfers of Ordinary Shares must be effected by a transfer in writing in any usual form or any other form approved by the Directors. The instrument of transfer of an Ordinary Share shall be executed by or on behalf of the transferor and, in the case of a partly paid share by or on behalf of the transferee. The Directors may refuse to register any transfer of a partly paid Share, provided that such refusal does not prevent dealings taking place on an open and proper basis and may also refuse to register any instrument of transfer unless:

3.2.3.1 it is duly stamped (if so required), is lodged at the Company's registered office or with its registrars or at such other place as the Directors may appoint and is accompanied by the certificate for the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;

3.2.3.2 it is in respect of only one class of share; and

3.2.3.3 the transferees do not exceed four in number.

### 3.2.4 Dividends

The Company may in general meeting by ordinary resolution declare dividends in accordance with the respective rights of the members, provided that no dividend shall be payable in excess of the amount recommended by the Directors. The Directors may pay such interim dividends as appear to them to be justified. No dividend or other monies payable in respect of an Ordinary Share shall bear interest as against the Company. There are no fixed dates on which entitlement to a dividend arises.

All dividends unclaimed for a period of twelve years after being declared or becoming due for payment shall be forfeited and shall revert to the Company.

### 3.2.5 Disclosure of Interest in Ordinary Shares

If any member or other person appearing to be interested in Shares of the Company is in default in supplying within 42 days (or 28 days where the Shares represent at least 0.25% of its entire issued share capital) after the date of service of a notice requiring such member or other person to supply to the Company in writing all or any such information as is referred to in section 793 of the Act, the Directors may, for such period as the default shall continue, impose restrictions upon the relevant shares.

The restrictions available are the suspension of voting or other rights conferred by membership in relation to meetings of the Company in respect of the relevant shares and additionally in the case of a shareholder representing at least 0.25% by nominal value of any class of shares of the Company then in issue, the withholding of payment of any dividends on, and the restriction of transfer of, the relevant shares.

### 3.2.6 Distribution of Assets on Liquidation

On a winding-up, any surplus assets of the Company will be divided amongst the holders of its Shares according to the respective numbers of Shares held by them in the Company and in accordance with the provisions of the Act, subject to the rights of any shares which may be issued with special rights or privileges. The Articles provide that the liquidator may, with the sanction of a resolution and any other sanction required by the Act, divide amongst the members in specie the whole or any part of the assets of the Company in such manner as it may determine.

### 3.2.7 Changes in Share Capital

3.2.7.1 Without prejudice to any rights attaching to any existing shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine or in the absence of such determination, as the Directors may determine. Subject to the Act, the Company may issue shares, which are, at the option of the Company or the holder, liable to be redeemed.

3.2.7.2 The Company may by ordinary resolution increase its share capital, consolidate and divide all or any of its share capital

into shares of larger amount, sub-divide its shares or any of them into shares of smaller amounts, or cancel or reduce the nominal value of any shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount so cancelled or the amount of the reduction.

3.2.7.3 Subject to the Act, the Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account, and may also, subject to the Act (and by resolution of the holders of the shares repurchased where such shares are convertible shares), purchase its own shares.

### 3.2.8 Variation of Rights

Whenever the capital of the Company is divided into different classes of shares, the rights attached to any class may (unless otherwise provided by the terms of issue of that class) be varied or abrogated either with the consent in writing of the holders of not less than 75% of the nominal amount of the issued shares of that class or with the sanction of a resolution passed at a separate meeting of such holders.

### 3.2.9 Directors

Unless and until otherwise determined by the Company in general meeting, the number of Directors shall not be less than two nor more than ten. The continuing Directors may act notwithstanding any vacancy in their body, provided that, if the number of the Directors be less than the prescribed minimum, the remaining Director or Directors shall forthwith appoint an additional Director or additional Directors to make up such minimum or shall convene a general meeting of the Company for the purpose of making such appointment.

Any Director may in writing under his hand appoint (a) any other Director, or (b) any other person who is approved by the Board of Directors as hereinafter provided, to be his alternate. A Director may at any time revoke the appointment of an alternate appointed by him. Every person acting as an alternate Director shall be an officer of the Company, and shall alone be responsible to the Company for his own acts and defaults, and he shall not be deemed to be the agent of or for the Director appointing him.

Subject to the provisions of the Act, the Directors may from time to time appoint one or more of their body to be Managing Director or Joint Managing Directors of the Company, or to hold such other executive office in relation to the management of the business of the Company as they may decide.

A Director of the Company may continue to be or become a director or other officer, servant or member of any company promoted by the Company or in which it may be interested as a vendor shareholder, or otherwise, and no such Director shall be accountable for any remuneration or other benefits derived as director or other officer, servant or member of such company.

The Directors may from time to time provide for the management and transaction of the affairs of the Company in any specified locality, whether at home or abroad, in such manner as they think fit.

### 3.2.10 Directors' Interests

3.2.10.1 A Director who is in any way, directly or indirectly, interested in a transaction or arrangement with the Company shall, at a meeting of the Directors, declare, in accordance with the Act, the nature of his interest.

3.2.10.2 Provided that he has declared his interest in accordance with paragraph 3.2.10.1, a Director may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is otherwise interested and may be a director or other officer or otherwise interested in any body corporate promoted by the Company or in which the Company is otherwise interested. No Director so interested shall be accountable to the Company, by reason of his being a Director, for any benefit that he derives from such office or interest or any such transaction or arrangement.

3.2.10.3 A Director shall not vote nor be counted in the quorum at a meeting of the Directors in respect of a matter in which he has any material interest otherwise than by virtue of his interest in shares, debentures or other securities of, or otherwise in or through the Company, unless his interest arises only because the case falls within one or more of the following paragraphs:

- (a) the giving to him of any guarantee, security or indemnity in respect of money lent or an obligation incurred by him at the request of or for the benefit of the Company or any of its subsidiary undertakings;
- (b) the giving to a third party of any guarantee, security or indemnity in respect of a debt or an obligation of the Company or any of its subsidiary undertakings for which he has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
- (c) any proposal concerning the subscription by him of shares, debentures or other securities of the Company or any of its subsidiary undertakings or by virtue of his participating in the underwriting or sub-underwriting of an offer of such shares, debentures or other securities;
- (d) any proposal concerning any other company in which he is interested, directly or indirectly, whether as an officer or shareholder or otherwise, provided that he and any persons connected with him do not (to his knowledge) hold an interest in shares representing



1% or more of any class of the equity share capital of such company or of the voting rights available to members of the company;

- (e) any proposal relating to an arrangement for the benefit of the employees of the Company or any subsidiary undertaking which does not award to any Director as such any privilege or advantage not generally awarded to the employees to whom such arrangement relates; and
- (f) any arrangement for purchasing or maintaining for any officer or auditor of the Company or any of its subsidiaries, insurance against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, breach of duty or breach of trust for which he may be guilty in relation to the Company or any of its subsidiaries of which he is a director, officer or auditor.

3.2.10.4 When proposals are under consideration concerning the appointment of two or more Directors to offices or employment with the Company, or any company in which the Company is interested, the proposals may be divided and considered in relation to each Director separately and (if not otherwise precluded from voting) each of the Directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.

### 3.2.11 Remuneration of Directors

3.2.11.1 The ordinary remuneration of the Directors shall be such amount as the Directors shall from time to time determine (provided that, unless otherwise approved by the Company in general meeting, the aggregate ordinary remuneration of such Directors, including fees from the Company, shall not exceed £200,000 per year) to be divided among them in such proportion and manner as the Directors may determine. The Directors shall also be paid by the Company all reasonable travelling, hotel and other expenses they may incur in attending meetings of the Directors or general meetings or otherwise in connection with the discharge of their duties.

3.2.11.2 Any Director who, by request of the Directors, performs special services for any purposes of the Company may be paid such reasonable extra remuneration as the Directors may determine.

3.2.11.3 The emoluments and benefits of any executive director for his services as such shall be determined by the Directors and may be of any description, including membership of any pension or life assurance scheme for employees or their

dependants or, apart from membership of any such scheme, the payment of a pension or other benefits to him or his dependants on or after retirement or death.

#### 3.2.12 Retirement of Directors

A Director shall retire from office at or before the third annual general meeting following the annual general meeting at which he last retired and was re-elected. A retiring Director shall be eligible for re-election. A Director shall be capable of being appointed or re-appointed a Director despite having attained any particular age.

#### 3.2.13 Borrowing Powers

Subject as provided below, the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital.

The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control over its subsidiary undertakings (if any) so as to secure that the aggregate amount at any time outstanding in respect of money borrowed by the group, being the Company and its subsidiary undertakings for the time being (excluding intra-group borrowings), shall not, without the prior sanction of an ordinary resolution of the Company, exceed a sum equal to 25% of the aggregate total amount received from time to time on the subscription of Shares of the Company.

#### 3.2.14 Uncertificated Shares

CREST, a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument, was introduced in July 1996. The Company's Articles are consistent with CREST membership and allow for the holding and transfer of shares in uncertificated form pursuant to the Uncertificated Securities Regulations 2001.

The Company anticipates that it will enter the CREST system on admission of the Shares to the London Stock Exchange.

#### 3.2.15 General Meetings

The Company shall, within 6 months of a company's financial year end, at such time and place as may be determined by the Directors, hold a general meeting as its annual general meeting in addition to any other meetings in that year.

The Directors may, whenever they think fit, convene a general meeting of the Company, and general meetings shall also be convened on such requisition or in default may be convened by such requisitions as are provided by the Act. Any meeting convened under this Article by requisitions shall be convened in the same manner as near to as possible as that in which meetings are to be convened by the Directors.

An annual general meeting shall be called by not less than twenty-one days' notice in writing, and all other general meetings of the Company

shall be called by not less than fourteen days' notice in writing. The notice shall be exclusive of the day on which it is given and of the day of the meeting and shall specify the place, the day and hour of meeting, and, in the case of special business, the general nature of such business. The notice shall be given to the members (other than those who, under the provisions of the Articles or the terms of issue of the shares they hold, are not entitled to receive notice from the Company), to the Directors and to the Auditors. A notice calling an annual general meeting shall specify the meeting as such and the notice convening a meeting to pass a special resolution or an ordinary resolution as the case may be shall specify the intention to propose the resolution as such.

In every notice calling a meeting of the Company or any class of the members of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him, and that a proxy need not also be a member.

If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened by or upon the requisition of members, shall be dissolved. In any other case it shall stand adjourned to such time (being not less than fourteen days and not more than twenty-eight days hence) and at such place as the Chairman shall appoint. At any such adjourned meeting the member or members present in person or by proxy and entitled to vote shall have power to decide upon all matters which could properly have been disposed of at the meeting from which the adjournment took place. The Company shall give not less than seven clear days' notice of any meeting adjourned for the want of a quorum and the notice shall state that the member or members present as aforesaid shall form a quorum.

The Chairman may, with the consent of the meeting (and shall, if so directed by the meeting) adjourn any meeting from time to time and from place to place. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

### 3.2.16 Duration of the Company

The Board shall procure that at the later of (i) the Annual General Meeting of the Company held in 2033 and (ii) the Annual General Meeting of the Company held after the fifth anniversary of the last allotment of shares (from time to time) in the Company (and at five yearly intervals thereafter) an ordinary resolution will be proposed to the effect that the Company shall continue in being as a venture capital trust. If at any such meeting, such resolution is not passed, the Board shall within four months of such meeting convene a General Meeting of the Company at which a special resolution for the re-organisation or reconstruction of the Company will be proposed and, if this special resolution shall not be passed, a special resolution requiring the Company to be wound-up voluntarily will be proposed.

## 4. Directors and Other Interests in the Company

4.1 Neither the Company nor the Directors are aware of any person who, immediately

after the close of the Offer (assuming full subscription with the over-allotment facility fully utilised), will hold (for the purposes of rule 5 of the Disclosure Guidance and Transparency Rules (“DGTR 5”)), directly or indirectly, voting rights representing 3% or more of the issued share capital of the Company to which voting rights are attached or who could, directly or indirectly, jointly or severally, exercise control or ownership over the Company.

- 4.2 The interests of the Directors (and their immediate families) in the share capital of the Company, all of which are beneficial, as they are expected to be following the close of the Offer, and of persons connected to the Directors (and their immediate families) and the existence of which is known to, or could with reasonable diligence, be ascertained by that Director, will be as set out below together with the percentages which such interests represent of the Shares in issue if the Offer is fully subscribed (assuming the over-allotment facility fully utilised, an Offer Price of 100p per Ordinary Share and that all subscriptions are through the introduction of an execution only broker and no discounts apply):

Name	Number of Ordinary Shares	Percentage of total Ordinary Shares
Andrew Whitehouse	75,000	0.16%
Charles Elliott	Nil	0.00%
Marc Rubinstein	200,000	0.42%
Stuart Knight	400,000	0.85%

- 4.3 The Company and the Directors are not aware of any arrangements, the operation of which may at a subsequent date result in a change of control of the Company.
- 4.4 The Company’s major Shareholders do not have different voting rights.
- 4.5 Save for Stuart Knight’s interests as a director of Titan Alternatives, a party to the Offer Agreement referred to in paragraph 5.1 below, no Director is or has since the period from the Company’s incorporation been interested in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company and which was effected by the Company and remains in any respect outstanding or unperformed.
- 4.6 No loans made or guarantees granted or provided by the Company to or for the benefit of any director are outstanding.
- 4.7 There are no service contracts in existence between the Company and any of its Directors nor are any such contracts proposed. The services of the Directors are provided to the Company pursuant to letters of appointment dated 8 December 2023, each of which is terminable upon 6 months’ notice given by the Company at any time after the first anniversary of their appointment. All the Directors are non-executive directors. Save in respect of these letters of appointment, no member of any administrative, management or supervisory body has a service contract with the Company.
- 4.8 There are no family relationships between any of the Directors or members of the Investment Manager.

- 4.9 During the five years immediately prior to the date of this document, the Directors have been members of the administrative, management or supervising bodies or parties of the entities specified below (excluding subsidiaries of any company of which he is also a member of the administrative, management or supervisory body):

**Andrew Whitehouse** (Chairman):

Current Directorships/Partnerships

Casablanca Solutions Limited

Past Directorships/Partnerships

Tradex Insurance Company Limited

**Marc Rubinstein:**

Current Directorships/Partnerships

Clarence Bridge Capital Limited

Fordington Advisors Limited

ForwardInnovation Limited

Inside Track 1 LLP

Inside Track 2 LLP

Lansdowne Partners Management LLP

Rachmarc Properties

Past Directorships/Partnerships

MyIsrael

Turf to Table Limited\*

**Charles Elliott:**

Current Directorships/Partnerships

Inflection Point Investments LLP

Pacla Medical Limited

Reliance Venture Company Limited

Past Directorships/Partnerships

-

**Stuart Knight:**

Current Directorships/Partnerships

Haibun Partners LLP  
Inside Track 2 LLP  
Inside Track 3 LLP  
Portbury Wealth Management Limited  
Titan Alternatives Limited

Past Directorships/Partnerships

Rungasamy Associates Limited (dissolved\*\*)  
Knight Wealth Advisers Ltd (dissolved\*\*)  
Gresham House Renewable Energy VCT 1 PLC  
TwoFold First Services LLP

\* in members' (solvent) voluntary liquidation

\*\* dissolved following voluntary strike-off

- 4.10 None of the Directors in the five years prior to the date of this Prospectus:-
- 4.10.1 save as set out in paragraph 4.9 above, is currently a director of a company or a partner in a partnership or has been a director of a company or a partner in a partnership;
- 4.10.2 has any unspent convictions in relation to fraudulent offences;
- 4.10.3 save as set out in paragraph 4.9 above, has had any bankruptcies, receiverships or liquidations or administrations through acting in the capacity of a member of any administrative, management or supervisory bodies or as a partner, founder or senior manager of any partnership or company; and
- 4.10.4 save as set out in paragraph 4.9, has had any official public incriminations and/or sanctions by any statutory or regulatory authority (including any designated professional body) nor has ever been disqualified by a Court from acting as a member of the administrative management or supervisory bodies of any company or firm acting, or in the management or conduct of the affairs of, any company or firm.
- 4.11 Subject to paragraph 4.2, no Shares are being reserved for allocation to existing Shareholders, Directors or employees.
- 4.12 The Company has taken out directors' and officers' liability insurance for the benefit of the Directors.
- 4.13 The estimated aggregate remuneration for the Company, including benefits in kind, to be paid to the Directors in the financial period ending 31 March 2025, based on the arrangements currently in place with each Director, will not exceed approximately £90,000.
- 4.14 No Director or member of the investment management team has any potential conflict of interest between their duties to the Company and their private interests or other duties.

- 4.15 There are no restrictions agreed by any Director or member of the Investment Manager on the disposal within a certain time period of their holdings in the Company's securities.
- 4.16 There are no amounts set aside or accrued by the Company to provide pension, retirement or similar benefits to the Directors.
- 4.17 None of the Directors or members of the Investment Manager or Investment Adviser have any service contract with the Company providing for benefits upon termination of employment. See paragraph 5.3 below which refers to the Directors' Letters of Appointment.
- 4.18 The audit committee of the Company comprises Andrew Whitehouse, Marc Rubinstein and Charles Elliott and will meet at least twice a year. The Company's auditors may be required to attend such meetings. The Committee shall prepare a report each year addressed to the shareholders for inclusion in the Company's annual report and accounts. The duties of the Committee are, inter alia:
- 4.18.1 to review and approve the half yearly and annual results of the Company and the statutory accounts before submission to the Board;
  - 4.18.2 to review management accounts;
  - 4.18.3 to review internal control and risk management systems;
  - 4.18.4 to consider the appointment of the external auditor, to monitor its independence and objectivity, the level of audit fees and to discuss with the external auditor the nature and scope of the audit; and
  - 4.18.5 to consider matters of corporate governance as may generally be applicable to the Company and make recommendations to the Board in connection therewith as appropriate.
- 4.19 The Company does not have a remuneration committee or a nomination committee.

## 5. **Material Contracts**

The following constitutes a brief summary of the principal contents of each material contract entered into by the Company, otherwise than in the ordinary course of business, since incorporation. There are no other contracts, not being contracts entered into in the ordinary course of business, entered into by the Company which contain any provision under which the Company has an obligation or entitlement which is material to the Company as at the date of this document:

### 5.1 Offer Agreement

An agreement (the "**Offer Agreement**") dated 15 December 2023 and made between the Company (1), the Directors (2), the Investment Adviser (3), the Promoter (4) and the Sponsor (5), pursuant to which the Sponsor has agreed to act as sponsor to the Offer and the Promoter has undertaken, as agent of the Company, to use its reasonable endeavours to procure subscribers for Ordinary Shares under the Offer. Under the Offer Agreement, the Company will pay the Promoter a commission of either 5.5% or 3.0% of the value of each accepted application for Ordinary Shares received pursuant to the Offer (plus VAT, if applicable). In the case of investors who have invested into existing clients of Titan Alternatives Limited, or

existing investors in the Investment Adviser EIS or SEIS schemes, such commission will be waived, and the Promoter may otherwise reduce or waive such commission in respect of specific Investors at the Promoter's discretion.

The Promoter will be responsible for the payment of initial and trail commission to authorised financial intermediaries in respect of execution only clients.

Under the Offer Agreement, which may be terminated by the parties in certain circumstances, the Company, the Directors, the Promoter and the Investment Adviser have given certain warranties and indemnities. Warranty claims must be made by no later than 30 days after the date of the publication of the audited accounts of the Company for the financial year ending 31 March 2025; or (if earlier) by the date the Company is subject to a takeover. The warranties and indemnities are in usual form for a contract of this type and the warranties are subject to limits of one year's director fees for each Director. The Company has also agreed to indemnify the Sponsor in respect of its role as Sponsor and under the Offer Agreement. The Offer Agreement may be terminated, inter alia, if any statement in the Prospectus is untrue, any material omission from the Prospectus arises or any breach of warranty occurs.

## 5.2 Investment Management Agreement

An agreement (the "**Investment Management Agreement**") dated 15 December 2023 and made between the Company and the Investment Manager whereby the Investment Manager will, with effect from the first date on which Shares issued under the Offer are first listed (the "Effective Date"), be appointed as the Company's AIFM to provide discretionary investment management services to the Company in respect of its portfolio of Qualifying Investments and Non-Qualifying Investments and valuations of its portfolio interests.

The Investment Manager will receive an annual management fee equal to 2% of the Net Asset Value (plus VAT if applicable) payable quarterly in arrears. The Investment Manager is entitled to reimbursement of expenses incurred in performing its duties under the agreement, and will also be entitled to receive and retain transaction and introductory fees, directors' fees, monitoring fees, consultancy fees, corporate finance fees, syndication fees, exit fees and commissions in relation to portfolio companies.

The Investment Manager will also be entitled to a Performance Fee, but two conditions will need to be satisfied before a Performance Fee is paid:

- the Company's cumulative realised investment gains will need to be greater than its cumulative realised investment losses (requiring all realised losses, past and future, to be recovered before a Performance Fee is paid); and
- in each financial year, the Total Return (NAV and historic dividends and other distributions ) exceeds 100p per Share increasing by 3.0p per annum (on a simple not compound basis) each year thereafter (such that for the year ending 31 March 2025 the hurdle will be 103p, for the year ending 31 March 2026 the hurdle will be 106p and so on).

The relevant cumulative realised investment gains/losses will be as set out in the Company's relevant year-end or half-year financial statements.



If the above conditions are met, a Performance Fee of 20% of the amount by which relevant cumulative realised investment gains exceed cumulative realised investment losses will be payable to the Investment Manager.

No Performance Fees will be payable in relation to the funds raised under the Offer. However, Performance Fees will be payable in respect of future fund raises, subject to satisfying certain targets.

The appointment of the Investment Manager in relation to the investment services will commence on the Effective Date and will continue unless and until terminated by either party giving to the other not less than 12 months' notice in writing, such notice not to take effect before the end of the fifth anniversary following the last allotment of Shares pursuant to an offer for subscription made by the Company. The Investment Management Agreement is subject to earlier termination by either party in certain circumstances, particularly on written notice from the Investment Adviser that they have been granted the relevant FCA authorisations and wish to become the new investment manager.

All securities purchased through the Investment Manager will be registered (except for bearer stocks) in the name of the Company, to hold all or any of the Company's assets and documents of title or certificates evidencing title on behalf of the Company.

Transactions undertaken by the Investment Manager for the Company shall correspond with the provisions of the Investment Manager's written execution policy, and the Investment Manager shall manage any conflicts of interest, disclosing to the Board the nature of any material interest which the Investment Manager may have in any proposed transaction to which the Company is, or is to be, a party, the Investment Manager not causing the Company to become a party to any such contract or transaction except with the prior approval of those members of the Board who are independent of the Investment Manager (such prior approval not to apply to the allocation of investment opportunities governed by the Investment Management Agreement).

The provision by the Investment Manager of discretionary investment is subject to the overall control, direction and supervision of the Directors

### 5.3 Directors' Letters of Appointment

Each of the Directors entered into an agreement with the Company dated 8 December 2023 whereby he or she is required to devote such time to the affairs of the Company as the Board reasonably requires consistent with their role as non-executive director. Charles Elliott is entitled to receive an annual fee of £24,000 (plus VAT if applicable), Marc Rubinstein is entitled to receive an annual fee of £24,000 (plus VAT if applicable), Andrew Whitehouse is entitled to receive an annual fee of £24,000 (plus VAT if applicable) and Stuart Knight is entitled to receive an annual fee of £nil. Each party can terminate the agreement by giving to the other at least three months' notice in writing to expire at any time after the date 12 months from the respective commencement dates. No benefits are payable on termination.

### 5.4 Administration Agreement

An administration agreement (the "Administration Agreement") dated 15 December

2023 and made between the Company and the Administrator, whereby Administrator will provide certain administration services and company secretarial services to the Company with regard to all the investments of the Company, for an annual fee of between approximately £6,930 and £70,000 (both figures to also include VAT if applicable), depending on the amount raised under the Offer.

The Administration Agreement will commence from the date on which the Minimum Subscription is raised under the Offer and thereafter is terminable by either party giving 6 months' written notice but is subject to early termination in certain circumstances.

#### 5.5 Investment Adviser Agreement

An agreement (the "Investment Adviser Agreement") dated 15 December 2023 and made between the Investment Adviser and the Investment Manager whereby the Investment Adviser will, with effect from the date on which Shares issued under the Offer are first Listed (the "Effective Date"), be appointed as investment adviser in respect of the Company's portfolio of Qualifying Investments and Non-Qualifying Investments. The Investment Adviser will be entitled to receive from the Investment Manager the fees referred to in 5.2 above less 0.3 per cent of Net Asset Value per annum, up to £12,000,000 of Net Asset Value, and 0.1 per cent in respect Net Asset Value in excess of £12,000,000 of Net Asset Value, in each case plus VAT if applicable and payable quarterly in arrears. The appointment of the Investment Adviser will commence on the Effective Date and will continue unless and until terminated by either party giving to the other not less than 12 months' notice in writing, such notice not to take effect before the end of the fifth anniversary following the last allotment of Shares pursuant to an offer for subscription made by the Company.

#### 5.6 Indemnity

The Investment Adviser has agreed to indemnify the Company by such amount as is equal to the excess by which the Annual Running Costs of the Company exceeds 3.5% of the Net Asset Value, calculated on an annual basis.

### 6. General

6.1 The registered office of the Company is at The Mending Rooms, Park Valley Mills, Meltham Road, Huddersfield, United Kingdom, HD4 7BH. The telephone number of the Company is 020 3927 7730 and its website address is: [www.fuel.ventures/vct-fund](http://www.fuel.ventures/vct-fund). The information on the website does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus. The Company has no subsidiaries or associated companies.

6.2 There are and have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the previous 12 months which may have, or have had in the recent past, significant effect on the Company's financial position or profitability.

6.3 The Company does not have, nor has it had since incorporation, any employees and it neither owns nor occupies any premises.

6.4 The Sponsor will be entitled to receive a fee from the Company in connection

with the Offer. The Promoter will be entitled to receive a fee from the Company in connection with the Offer as described in paragraph 5.1 above. The Investment Manager and Investment Adviser will receive fees and other payments from the Company as described in paragraphs 5.2 and 5.5 above. Save as disclosed in this paragraph, no amount or benefit has been paid or given to the Promoter and none is intended to be paid or given.

- 6.5 The Company's accounting reference date is 31 March in each year.
- 6.6 The Investment Manager is Sturgeon Ventures LLP, a limited liability partnership registered in England and Wales and incorporated pursuant to the Act on 09 May 2006 under company number OC319614, which is authorised and regulated by the Financial Conduct Authority and whose registered office is at 2nd Floor, Heathmans House, 19 Heathmans Road, London, England, SW6 4TJ. The principal legislation under which it operates is the Act. The investment Manager is domiciled in England and its legal and commercial name is Sturgeon Ventures. The telephone number of the Investment Manager is 020 3167 4625 and its website is [www.sturgeonventures.com](http://www.sturgeonventures.com). The information on their website does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus.
- 6.7 The Offer is not underwritten.
- 6.8 The expenses of and incidental to the Offer and the listing of the Shares, including registration and listing fees, printing, advertising and distribution costs, legal and accounting fees and expenses, are payable by the Promoter and the Investment Adviser. If the maximum of £50,000,000 is raised under the Offer (assuming the over-allotment facility is fully utilised and all Investors are direct with no discounts applied), the net proceeds will amount to approximately £47,250,000.
- 6.9 Save in connection with the Offer, Ordinary Shares have not been marketed to and are not available to the public. Market makers will not be offered the opportunity to subscribe for Ordinary Shares under the Offer.
- 6.10 BDO LLP was appointed as auditor of the Company on 24 October 2023. It is registered to carry out audit work by the Institute of Chartered Accountants of England and Wales. The Company shall take all reasonable steps to ensure that its auditor is independent of it and has obtained written confirmation from its auditor that it complies with guidelines on independence issued by its national accountancy and auditing body.
- 6.11 The Company has given notice to the Registrar of Companies, pursuant to section 833 of the Act, of its intention to carry on business as an investment company, which will enhance its ability to pay dividends out of income. If and when capital profits are realised which the Directors consider it appropriate to distribute by way of dividend (for example on the disposal of a successful investment), the Directors would anticipate revoking this status.
- 6.12 There have been no related party transactions since the incorporation of the Company.
- 6.13 There are no material potential conflicts of interest which a service provider to the Company may have as between their duty to the Company and duties owed by them to third parties and their other interests. Although not a service provider to the Company, the Investment Adviser has adopted an allocation policy to manage the relationship between it and the Investment Manager and investment opportunities which meet the investment criteria of the Company and any other funds it manages or advises (for further details see page 29).

- 6.14 Since the date of its incorporation, the Company has not commenced operations. No financial statements have been made up as at the date of this document.
- 6.15 The Company is of the opinion that, subject to the receipt of the Minimum Subscription, the working capital available to the Company is sufficient for its present requirements, that is for at least the next 12 months following the date of this document. When calculating the working capital available to it, the Company has assessed whether it is able to access cash and other available liquid resources in order to meet its liabilities as they fall due. The net proceeds of the Offer, at the Minimum Subscription level, have been taken into account in calculating the working capital available to the Company. When calculating its present requirements, the Company has taken into account the terms of its investment strategy and investment policy.
- 6.16 The Offer will not proceed if the Minimum Subscription is not reached. Once the Minimum Subscription is reached the redeemable preference shares will be paid up in full and then redeemed in full out of the proceeds of the Offer.
- 6.17 The capitalisation of the Company as at the date of this document is shareholders' equity of £50,000.02 comprising 50,000 redeemable preference shares of £1 each paid up as to one quarter and 2 Ordinary Shares of £0.01 paid up in full.
- 6.18 As at the date of this Prospectus, the Company did not have loan capital outstanding, any other borrowings nor guaranteed, unguaranteed, secured and unsecured indebtedness, including indirect and contingent indebtedness.
- 6.19 The Company does not assume responsibility for the withholding of tax at source.
- 6.20 The Company has to satisfy a number of tests to qualify as a VCT and will be subject to various rules and regulations in order to continue to qualify as a VCT, as set out under the heading "Taxation" in Part 7 of this document. In addition, the following restrictions are imposed upon the Company under the rules relating to admission to the Official List:
- 6.20.1 it, or any of its subsidiaries, must not conduct any trading activity which is significant in the context of the group as a whole;
- 6.20.2 it must not invest more than 10% in aggregate of the value of its total assets (at the time the investment is made) in other listed closed-ended investment funds except listed closed-ended investment funds which themselves have published investment policies to invest no more than 15% of their total assets in other closed-ended investment funds; and
- 6.20.3 it must manage and invest its assets in accordance with the investment policy set out on page 27 of this Prospectus, which contains information about the policies which it will follow relating to asset allocation, risk diversification and gearing and which includes maximum exposure.
- 6.21 The Investment Manager has given, and has not withdrawn, its written consent to the issue of this document with the inclusion of its name in this document and the information in those sections in Parts 2, 3, and 5 of this document for which it is stated to accept responsibility (as being the stated source of such information) in each case in the form and context in which they appear. The Investment Manager has authorised the inclusion of such information, and

- accepts responsibility for that information, and declares that, to the best of the knowledge of the Investment Manager, such information is in accordance with the facts and makes no omission likely to affect its import. The full name and address of the Investment Manager is set out on page 19, together with details of its material interests in the Company at paragraph 5.2 of this Part 8.
- 6.22 The Investment Adviser has given, and has not withdrawn, its written consent to the issue of this document with the inclusion of its name in this document and the information in those sections in Parts 2, 3 and 5 of this document for which it is stated to accept responsibility (as being the stated source of such information) in each case in the form and context in which they appear. The Investment Adviser has authorised the inclusion of such information, and accepts responsibility for that information, and declares that, to the best of the knowledge of the Investment Adviser, such information is in accordance with the facts and makes no omission likely to affect its import. The full name and address of the Investment Adviser are set out on page 19.
- 6.23 The Offer has been sponsored by Howard Kennedy whose offices are at No.1 London Bridge, London SE1 9BG and which is authorised and regulated by the Financial Conduct Authority. The Sponsor has given, and has not withdrawn, its written consent to the issue of this document with the inclusion of its name in the form and context in which it is included.
- 6.24 The Offer is being promoted by Titan Alternatives, which is an Appointed Representative of Sturgeon Ventures LLP which is authorised and regulated by the Financial Conduct Authority (FRN 452811). The Promoter has given, and has not withdrawn, its written consent to the issue of this document with the inclusion of its name in the form and context in which it is included.
- 6.25 There have been no significant changes in the financial or trading position of the Company since it was incorporated.
- 6.26 Shareholders will be informed, through a Regulatory Information Service announcement, if the investment restrictions which apply to the Company as a VCT detailed in this document are breached.
- 6.27 The results of the Offer will be announced through a Regulatory Information Service within 3 Business Days of the closing of the Offer.
- 6.28 **Mandatory takeover bids:** The City Code on Takeovers and Mergers (the "City Code") applies to all takeover and merger transactions in relation to the Company and operates principally to ensure that shareholders are treated fairly and are not denied an opportunity to decide on the merits of a takeover and that shareholders of the same class are afforded equivalent treatment. The City Code provides an orderly framework within which takeovers are conducted and the Panel on Takeovers and Mergers (the "Panel") has now been placed on a statutory footing. The Takeovers Directive was implemented in the UK in May 2006 and since 6 April 2007 has effect through the Act. The Takeovers Directive applies to takeovers of companies registered in an EU member state and admitted to trading on a regulated market in the EU or the EEA States.
- 6.29 The City Code is based upon a number of General Principles which are essentially statements of standards of commercial behaviour. General Principle One states that all holders of securities of an offeree company of the same class must be afforded equivalent treatment and if a person acquires control of a company the other holders of securities must be protected. This is reinforced by Rule 9 of the City Code which requires that a person, together with persons acting in concert with him, who acquires shares carrying voting rights which amount to 30% or more

of the voting rights to make a general offer. "Voting rights" for these purposes means all the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting. A general offer will also be required where a person, who, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights, acquires additional shares which increase his percentage of the voting rights. Unless the Panel consents, the offer must be made to all other shareholders, be in cash (or have a cash alternative) and cannot be conditional on anything other than the securing of acceptances which will result in the offeror and persons acting in concert with him holding shares carrying more than 50% of the voting rights.

- 6.30 There are not in existence any current mandatory takeover bids in relation to the Company.
- 6.31 **Squeeze out:** Section 979 of the Act provides that if, within certain time limits, an offer is made for the share capital of a company, the offeror is entitled to acquire compulsorily any remaining shares if it has, by virtue of acceptances of the offer, acquired or unconditionally contracted to acquire not less than 90% in value of the shares to which the offer relates and in a case where the shares to which the offer relates are voting shares, not less than 90%, of the voting rights carried by those shares. The offeror would effect the compulsory acquisition by sending a notice to outstanding shareholders telling them that it will compulsorily acquire their shares and then, six weeks from the date of the notice, pay the consideration for the shares to the relevant company to hold on trust for the outstanding shareholders. The consideration offered to shareholders whose shares are compulsorily acquired under the Act must, in general, be the same as the consideration available under the takeover offer.
- 6.32 **Sell out:** Section 983 of the Act permits a minority shareholder to require an offeror to acquire its shares if the offeror has acquired or contracted to acquire shares in a company which amount to not less than 90% in value of all the voting shares in the company and carry not less than 90%, of the voting rights. Certain time limits apply to this entitlement. If a shareholder exercises its rights under these provisions, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.
- 6.33 The Shares will usually trade at a discount to their underlying net asset value. Shares in VCTs are inherently illiquid and there may be a limited market in the Ordinary Shares primarily because the initial tax relief is only available to those subscribing for newly issued Ordinary Shares which may, therefore, adversely affect the market price of the Ordinary Shares and the ability to sell them.
- 6.34 The Company and the Directors consent to the use of the Prospectus by financial intermediaries, from the date of the Prospectus until the close of the Offer, for the purpose of subsequent resale or final placement of securities by financial intermediaries for Shares until the close of the Offer, and accept responsibility for the information contained therein for such purpose. The Offer is expected to close on or before 3.00 p.m. on 31 July 2024, unless previously extended by the Directors to a date no later than 1 December 2024. There are no conditions attaching to this consent. Financial intermediaries may use the Prospectus only in the UK.
- 6.35 **In the event of an offer being made by a financial intermediary, information on the terms and conditions of the offer will be given to Investors by the financial intermediaries at the time that the offer is introduced to investors. Any financial intermediary using the Prospectus must state on its website that it is using the Prospectus in accordance with the consent set out in paragraph 6.34 above.**

- 6.36 The maximum number of Ordinary Shares which are the subject of this Prospectus is 50,000,000 Ordinary Shares.
- 6.37 Any forward looking statements in this Prospectus do not in any way seek to qualify the working capital statement in paragraph 6.15 of this Part 8 and will be updated as required by the Prospectus Regulation Rules, the Listing Rules and the Disclosure Guidance & Transparency Rules, as appropriate.
- 6.38 The Prospectus has been approved by the Financial Conduct Authority, as competent authority under the UK Prospectus Regulation. The FCA only approves the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval shall not be considered as an endorsement of the Company that is, or the quality of the Ordinary Shares that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Ordinary Shares.
- 6.39 The information contained in this document sourced from third parties has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published by the relevant third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Where such information has been included in this document, the source of that information has been identified.
- 6.40 The Company is an alternative investment fund for the purposes of AIFMD and has appointed the Investment Manager as its registered AIFM. The Company is not otherwise regulated.
- 6.41 The Investment Manager currently manages some 10 funds, 5 of which it is managing under delegation.
- 6.42 The Investment Manager, as the AIFM, holds professional indemnity insurance to address professional liability risks.
- 6.43 The Investment Manager, as the AIFM, has a Conflicts of Interest Policy that sets out the arrangements it has in place to ensure the fair treatment of investors. In summary, potential conflicts of interest are identified and mitigating strategies are deployed within an overarching internal governance framework. Where necessary conflicts are disclosed to investors.
- 6.44 The information required under FUND 3.2.5R and FUND 3.2.6R will be disclosed to investors within the periodic performance reports produced by the Company, as the AIF, or through a Regulatory News Service.
- 6.45 Shareholders will not be covered by the Financial Compensation Scheme.
- 7. Documents for Inspection**
- 7.1 The Company's articles of association are available for inspection at the offices of Howard Kennedy LLP, No.1 London Bridge, London SE1 9BG, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this document until closing of the Offer and may also be inspected at the Company's website address at [www.fuel.ventures/vct-fund](http://www.fuel.ventures/vct-fund).

Dated: 15 December 2023

## DEFINITIONS

The following definitions are used throughout this document and, except where the context requires otherwise, have the following meanings.

<b>Act</b>	Companies Act 2006, as amended
<b>Administrator</b>	the City Partnership (UK) Limited of The Mending Rooms, Park Valley Mills Meltham Road Huddersfield HD4 7BH
<b>Admission</b>	admission of the Ordinary Shares to the Official List of the Financial Conduct Authority and to trading on the London Stock Exchange's main market for listed securities
<b>Adviser Charge</b>	fees agreed between an Investor and his or her Financial Adviser for being given a personal recommendation to subscribe for Shares in the Company
<b>AIFM</b>	an alternative investment fund manager within the meaning of AIFMD
<b>AIFMD</b>	the European Union's Alternative Investment Fund Managers Directive (No. 2011/61/EU) and all legislation made pursuant thereto (as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018
<b>AIM</b>	the AIM market of the London Stock Exchange
<b>Annual Running Expenses</b>	the ordinary running costs of the Company, including Directors' fees, the annual investment management fee and the administration fee but excluding transaction related fees and expenses, any performance incentive, costs relating to the establishment of the Company and any annual trail commissions payable.
<b>Applicant</b>	an applicant for Shares under the Offer
<b>Application Form</b>	the application form for use in respect of the Offer
<b>Appointed Representative</b>	a person who is a party to a contract with an FCA authorised person which permits or requires them to carry on certain FCA regulated activities
<b>Articles</b>	the articles of association of the Company
<b>AQSE Trading</b>	AQSE's secondary trading market for listed securities admitted to trading on other EU markets
<b>Aquis Stock Exchange or AQSE</b>	a Recognised Investment Exchange under FSMA and a Recognised Stock Exchange under section 1005(1)(b) ITA, operated by Aquis Exchange PLC
<b>Business Days</b>	any day (other than Saturday or Sunday or public holiday in the UK) on which clearing banks in London are open for normal banking business



<b>Closing Date</b>	the Initial Closing Date or, if later, such date as the Directors have at their discretion selected as the Closing Date
<b>Company</b>	Fuel Ventures VCT plc (with registered number 15236513)
<b>Company Secretary or Secretary</b>	the City Partnership (UK) Limited of The Mending Rooms, Park Valley Mills Meltham Road Huddersfield HD4 7BH
<b>CREST</b>	the computerised settlement system to facilitate the transfer of title to securities in uncertificated form operated by Euroclear UK & Ireland Limited
<b>Directors, Board of Directors or Board</b>	the directors of the Company whose names appear on pages 23 and 24 of this document
<b>DGTR or Disclosure Guidance &amp; Transparency Rules</b>	disclosure guidance and transparency rules, being the rules published by the FCA from time to time and relating to the disclosure of information in respect of financial instruments
<b>EEA States</b>	the member states of the European Economic Area
<b>EIS</b>	the Enterprise investment scheme, as set out in Part 5 of the Income Tax Act 2007 and Schedule 5B of the Taxation of Chargeable Gains Tax Act 1992
<b>FCA Handbook</b>	the FCA's handbook of rules and guidance
<b>Financial Compensation Scheme</b>	the UK's statutory deposit insurance and investors compensation scheme for customers of authorised financial services firms, the rules of which can be found in the FCA Handbook
<b>Financial Conduct Authority or FCA</b>	the United Kingdom Financial Conduct Authority
<b>Financial Adviser</b>	a natural or legal person which is authorised and regulated by the FCA to give advice to its clients on investments
<b>FSMA</b>	financial Services and Markets Act 2000, as amended
<b>Fuel Ventures Funds</b>	Fuel Ventures SEIS Fund, Fuel Ventures SEIS Fund and Fuel Ventures Follow-On EIS Fund
<b>Fuel Ventures SEIS Fund</b>	the Fuel Ventures SEIS Fund, an alternative investment fund for the purposes of the AIFMD. The Fuel Ventures SEIS Fund is not a legal entity and is a group of individual bare trusts to enable subscription monies to be held on behalf of investors under a nominee arrangement
<b>Fuel Ventures SEIS Fund</b>	the Fuel Ventures Scale Up EIS Fund, an alternative investment fund for the purposes of the AIFMD. The Fuel Ventures Scale Up EIS Fund is not a legal entity and is a group of individual bare trusts to enable subscription monies to be held on behalf of investors under a nominee arrangement
<b>Fuel Ventures Follow-On</b>	the Fuel Ventures Follow-On EIS Fund, an alternative investment

<b>EIS Fund</b>	fund for the purposes of the AIFMD. The Fuel Ventures Follow-On EIS Fund is not a legal entity and is a group of individual bare trusts to enable subscription monies to be held on behalf of investors under a nominee arrangement
<b>FUND 3.2.5R</b>	section 3.2.5R of the the UK AIFM Regime as set out in Chapter 3.2 of the Investment Funds Sourcebook of the FCA Handbook
<b>FUND 3.2.6R</b>	section 3.2.6R of the the UK AIFM Regime as set out in Chapter 3.2 of the investment funds sourcebook of the FCA Handbook
<b>Gross Proceeds</b>	the total funds raised under the Offer
<b>HMRC</b>	HM Revenue and Customs
<b>Howard Kennedy or Sponsor</b>	Howard Kennedy Corporate Services LLP, which is authorised and regulated by the Financial Conduct Authority
<b>Initial Closing Date</b>	such date as the Directors shall in their absolute discretion determine that the Offer is closed, being not later than 31 July 2024
<b>Initial Fee</b>	the fee, as described on page 43, payable to the Promoter in connection with the Offer
<b>Investment Adviser or Fuel</b>	Fuel Ventures Limited (FRN 723915), acting as investment adviser to the Investment Manager, Fuel is an Appointed Representative of Sapphire
<b>Investment Adviser Agreement</b>	the investment adviser agreement between, the Investment Manager and the Investment Adviser dated 15 December 2023, a summary of which is set out in Part 8 of this document
<b>Investment Advisory Services</b>	the services provided by the Investment Adviser under the Investment Adviser Agreement
<b>Investment Management Agreement</b>	the investment management agreement between the Company and the Investment Manager dated 15 December 2023, a summary of which is set out in Part 8 of this document
<b>Investment Manager or Sturgeon</b>	Sturgeon Ventures LLP, authorised and regulated by the Financial Conduct Authority, the manager of the Company's portfolios of Qualifying Investments and Non-Qualifying Investments
<b>Investment Policy</b>	the investment policy as set out in Part 3 of this document
<b>Investor(s)</b>	an individual(s) aged 18 or over who subscribes for Shares under the Offer
<b>IPEV Guidelines</b>	International Private Equity and Venture Capital Valuation Guidelines
<b>ITA</b>	Income Tax Act 2007, as amended
<b>Knowledge Intensive</b>	a company satisfying the conditions in Section 331(A) of Part 6 ITA

<b>Company</b>	
<b>Listed</b>	admitted to the premium segment of the Official List of the Financial Conduct Authority and to trading on the London Stock Exchange's main market for listed securities
<b>Listing Rules</b>	listing rules issued by the Financial Conduct Authority and made under Part VI of the FSMA
<b>London Stock Exchange</b>	London Stock Exchange plc
<b>Market Abuse Regulation or UK MAR</b>	the UK version of the EU Market Abuse Regulation which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time including by the Market Abuse (Amendment) (EU Exit) Regulations 2019
<b>Minimum Subscription</b>	subscriptions under the Offer of at least £3,000,000 (net of Offer costs)
<b>ML Regulations</b>	the Money Laundering Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, as amended
<b>Net Asset Value or NAV</b>	the aggregate of the gross assets of the Company less its gross liabilities
<b>Non-Qualifying Investment</b>	those investments as non-qualifying specified in section 274 ITA
<b>Offer</b>	the offer for subscription of up to £10,000,000 of Shares as described in this document, together with an over-allotment facility of up to a further £40,000,000 of Shares
<b>Offer Agreement</b>	the agreement dated 15 December 2023 between the Company, the Directors, the Promoter, the Investment Adviser and the Sponsor relating to the Offer, a summary of which is set out in paragraph 5.1 in Part 8 of this document
<b>Offer Price</b>	the price per Share calculated by reference to the NAV per Share (on the basis that the NAV per Share on the first allotment under the Offer will be 100p per Share and all subsequent allotments will utilise the last published NAV per Share, if any, thereafter), in accordance with the Pricing Formula which is set out on page 45 of this document
<b>Official List</b>	the Official List of the Financial Conduct Authority
<b>Ordinary Shares or Shares</b>	ordinary shares of £0.01 each in the capital of the Company
<b>PCA</b>	as defined in Article 3(1)(26) of UK MAR and further clarified by section 131AC of FSMA, namely: <ul style="list-style-type: none"> <li><input type="checkbox"/> a spouse or civil partner;</li> <li><input type="checkbox"/> a child, including a stepchild, who is under the age of 18 years, is unmarried and does not have a civil partner;</li> </ul>

	<p>□ a relative who has shared the same household for at least one year on the date of the transaction concerned; or</p> <p>a legal person, trust or partnership, the managerial responsibilities of which are discharged by a PDMR or by a person referred to in any of the bullet points above, which is directly or indirectly controlled by such a person, which is set up for the benefit of such a person, or the economic interests of which are substantially equivalent to those of such a person.</p>
<b>PDMR</b>	<p>a person discharging managerial responsibilities being:</p> <p>(i) a member of the administrative, management or supervisory body of the Company; or</p> <p>(ii) a senior executive who is not a member of the above bodies but who has regular access to inside information relating directly or indirectly to the Company and who has power to make managerial decisions affecting the future development and business prospects of the Company</p>
<b>Portfolio Company</b>	a company in which the Company invests
<b>Pricing Formula</b>	the mechanism by which the number of Shares issued to an Investor may be adjusted according to the level of the Initial Fee and Adviser Charge (if any)
<b>Promoter</b>	Titan Alternatives Limited (FRN 974252), which is an Appointed Representative of Sturgeon Ventures LLP (FRN 452811) which is authorised and regulated by the Financial Conduct Authority.
<b>Prospectus</b>	this document which describes the Offer in full
<b>Prospectus Regulation Rules</b>	the Prospectus Regulation Rules issued by the and made under Part VI of FSMA
<b>Qualifying Company</b>	a company satisfying the conditions in Chapter 4 of Part 6 ITA, as described in Part 7 of this document (and Qualifying Companies shall be construed accordingly)
<b>Qualifying Exchange</b>	an exchange that is not a Recognised Stock Exchange by HMRC under S1005 ITA 2007
<b>Qualifying Investment</b>	an investment in an unquoted company or stocks which are quoted on the AIM market of the London Stock Exchange or on the AQSE Trading or the AQSE Growth Market of the Aquis Stock Exchange market which satisfy the requirements of Chapter 4 of Part 6 ITA, as described in Part 7 of this document
<b>Qualifying Investor</b>	an individual aged 18 or over who satisfies the conditions of eligibility for tax relief available to investors in a VCT
<b>Qualifying Limit</b>	a total amount of £200,000 per individual investor
<b>Qualifying Purchaser</b>	an individual who purchases Shares from an existing Shareholder

	and is aged 18 or over and satisfies the conditions of eligibility for tax relief available to investors in a VCT
<b>Qualifying Subscriber</b>	an individual who subscribes for Shares under the Offer and is aged 18 or over and satisfies the conditions of eligibility for tax relief available to investors in a VCT
<b>Qualifying Subsidiary</b>	a subsidiary company which falls within the definition of Qualifying Subsidiary contained in Section 298 ITA, as described in Part 2 of this document
<b>Qualifying Trade</b>	a trade complying with the requirements of Section 300 ITA
<b>Redeemable Preference Shares</b>	redeemable preference shares of £1 each in the capital of the Company
<b>Receiving Agent or Registrar</b>	the City Partnership (UK) Limited, of The Mending Rooms, Park Valley Mills Meltham Road Huddersfield HD4 7BH
<b>Regulatory Information Service</b>	a regulatory information service that is on the list of regulatory information services maintained by the FCA
<b>Risk Finance State Aid</b>	state aid received by a company as defined in Section 280B (4) of ITA
<b>Sapphire</b>	Sapphire Capital Partners LLP (FRN 565716) which is authorised and regulated by the Financial Conduct Authority
<b>Shareholders</b>	holders of Ordinary Shares
<b>Titan or Titan Alternatives</b>	Titan Alternatives Limited, being the Promoter of the Offer
<b>Total Return</b>	NAV per Share, together with all dividends or other distributions, share buybacks, proceeds on a sale or liquidation of the Company and any other proceeds or value received or deemed to have been received by Shareholders, net of performance incentive fees paid but excluding Performance Fee provisions
<b>Total Return Hurdle</b>	in each financial year, the Total Return (based on the year-end or half-year financial statements), commencing at 100p thereafter increasing by 3.0p per annum (on a simple not compound basis) such that for the year ended 31 March 2025 the Hurdle will be 103p, for the year ending 31 March 2026 the Hurdle will be 106p, and so on.
<b>UK AIFM Regime</b>	the AIF and collective investment scheme rules and other rules in the FCA Handbook which, when made, implemented AIFMD, the AIFMD level 2 regulation, and the AIFMD UK regulation.
<b>UK MIFID Laws</b>	(1) the Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (SI 2017/701), The Data Reporting Services Regulations 2017 (SI 2017/699) and the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2017 (SI 2017/488), and any other implementing measure which operated to transpose EU MiFID II into UK law before 31 January 2020 (as amended and supplemented from time to time including by: (1) Markets in

	Financial Instruments (Amendment) (EU Exit) Regulations 2018; (2) The Financial Regulators' Powers (Technical Standards etc.) and Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2019 (SI 2019/576); (3) The Financial Services (Miscellaneous) (Amendment) (EU Exit) Regulations 2019; and (4) The Financial Services (Electronic Money, Payment Services and Miscellaneous Amendments) (EU Exit) Regulations 2019; and (ii) the UK version of Regulation (EU) No 600/2014 of the European Parliament, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time including by: (a) Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2018; (b) The Financial Regulators' Powers (Technical Standards etc.) and Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2019 (SI 2019/576); (c) The Financial Services (Miscellaneous) (Amendment) (EU Exit) Regulations 2019; and (d) The Financial Services (Electronic Money, Payment Services and Miscellaneous Amendments) (EU Exit) Regulations 2019
<b>UK PRIIPs Laws</b>	the UK version of the EU Packaged Retail Investment and Insurance Products Regulations which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time including by the Packaged Retail and Insurance-based Investment Products (Amendment)(EU Exit) Regulations 2019 and the Cross-Border Distribution of Funds, Proxy Advisors, Prospectus and Gibraltar (Amendment) (EU Exit) Regulations 2019
<b>VCT Rules</b>	Part 6 ITA and every other statute (including any orders, regulations or other subordinate legislation made under them) for the time being in force concerning VCTs
<b>Venture Capital Trust or VCT</b>	a company approved as a venture capital trust under Section 274 ITA by the board of HMRC

## TERMS AND CONDITIONS OF THE APPLICATION

1. In these terms and conditions of application, the expression "Prospectus" means this document dated 15 December 2023. The expression "Application Form" means the application form for use in accordance with these Terms and Conditions of application completed and either submitted online via [www.fuel.ventures/vct-fund](http://www.fuel.ventures/vct-fund) or posted (or delivered by hand during normal business hours) to The City Partnership (UK) Limited, The Mending Rooms, Park Valley Mills, Meltham Road, Huddersfield HD4 7BH or as otherwise indicated in this document or the Application Form.
2. The right is reserved to reject any application in whole or part only or to accept any application in whole or part only. Multiple applications are permitted. If any application is not accepted, or if any contract created by acceptance does not become unconditional, or if any application is accepted for fewer Shares than the number applied for, or if in any other circumstances there is an excess paid on application, the application monies or the balance of the amount paid or the excess paid on application will be returned without interest returned by bank transfer to the remitting bank account provided on the relevant Application Form at the risk of the applicant. In the meantime application monies will be retained in a designated bank account in the name of the Receiving Agent.
3. You may pay for your application for Shares by cheque submitted with the Application Form, or by way of electronic bank transfer. Application Forms accompanied by a post-dated cheque will not be processed until the cheque can be presented and will not be treated as being received by the Receiving Agent until that date. Please reference your payment, whether by bank transfer or cheque, using your initials and telephone number (alphanumeric, no spaces) as provided in Section 2 of the Application Form.
4. The Offer is not underwritten.
5. By completing and submitting or delivering an Application Form, you:
  - i) offer to subscribe for the amount specified on your Application Form or any smaller sum for which such application is accepted at the Offer Price, on the terms and subject to the Prospectus, these Terms and Conditions of application and the Articles of the Company;
  - ii) acknowledge that, if your subscription is accepted, you will be allocated such number of Ordinary Shares as determined by the Pricing Formula;
  - iii) authorise the Registrar of the Company to send a document of title for, or credit your account in respect of, the number of Shares for which your application is accepted and/or return by bank transfer to the remitting bank account provided on the relevant Application Form any funds required to be refunded at your risk;
  - iv) agree that your application may not be revoked and that this paragraph constitutes a collateral contract between you and the Company which will become binding upon dispatch by post or delivery of your duly completed Application Form to the Company or to your financial adviser or upon submission of an Application Form online via [www.fuel.ventures/vct-fund](http://www.fuel.ventures/vct-fund);
  - v) warrant that your remittance will be honoured on first presentation and agree that if it is not so honoured you will not be entitled to receive share certificates in respect of the Shares applied for until you make payment in cleared funds for such Shares and such payment is accepted by or on behalf of the Company in its absolute discretion (which acceptance shall be on the basis that you indemnify it, the Sponsor, and the Registrar against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of your remittance to be honoured on first presentation) and you agree that, at any time prior to the unconditional acceptance by or on behalf of the Company of such late payment, the

Company may (without prejudice to its other rights) avoid the agreement to subscribe such Shares and may issue or allot such Shares to some other person, in which case you will not be entitled to any payment in respect of such Shares, other than the refund to you, at your risk, of the proceeds (if any) of the cheque accompanying your application, without interest;

- vi) agree that if, following the issue of all or any Ordinary Shares applied for pursuant to the Offer, your remittance is not honoured on first presentation, those Ordinary Shares may, forthwith upon payment by the Promoter of the Offer Price of those Ordinary Shares to the Company, be transferred to the Promoter or such other person as the Promoter may direct at the relevant Offer Price per Ordinary Share and any director of the Company is hereby irrevocably appointed and instructed to complete and execute all or any form(s) of transfer and/or any other documents in relation to the transfer of those Ordinary Shares to the Promoter or such other person as the Promoter may direct and to do all such other acts and things as may be necessary or expedient, for the purpose of or in connection with, transferring title to those Ordinary Shares to the Promoter, or such other person, in which case you will not be entitled to those Ordinary Shares or any payment in respect of such Ordinary Shares;
- vii) agree that all cheques 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 verification of identity required by the ML Regulations and that such monies will not bear interest;
- viii) 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 Sponsor) to ensure compliance with the ML Regulations;
- ix) agree that, in respect of those Shares for which your application has been received and is not rejected, your application may be accepted at the election of the Company either by notification to the London Stock Exchange of the basis of allocation or by notification of acceptance thereof to the Registrar;
- x) agree that all documents in connection with the Offer and any returned monies will be sent at your risk and will be returned by bank transfer to the remitting bank account provided on the relevant Application Form;
- xi) agree that having had the opportunity to read the Prospectus, you shall be deemed to have had notice of all the information and representations including the risk factors contained therein;
- xii) confirm that (save for advice received from your financial adviser) in making such an application you are not relying on any information and representation other than those contained in the Prospectus and you accordingly agree that no person responsible solely or jointly for the Prospectus or any part thereof or involved in the preparation thereof will have any liability for any such other information or representation;
- xiii) agree that all applications, acceptances of applications and contracts resulting therefrom 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 or the Sponsor to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or any Court of competent jurisdiction;
- xiv) irrevocably authorise the Registrar and/or the Sponsor or any person authorised by either of them, as your agent, to do all things necessary to effect registration of any Shares subscribed by or issued to you into your name and authorise any representative of the



Registrar or of the Sponsor to execute any documents required therefor and to enter your name on the register of members of the Company;

- xv) agree to provide the Company with any information which it 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) including without limitation satisfactory evidence of identity to ensure compliance with the ML Regulations;
- xvi) 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 Registrar and/or the Sponsor acting in breach of the regulatory or legal requirements of any territory in connection with the Offer of your application;
- xvii) warrant that you are not currently targeted by any form of UK, US or EU sanctions or restrictive measures including blocking; asset freezes; restrictions on dealings, issuing, or trading in debt, equity, derivatives, or other securities; or any other prohibition or restriction on exercising any rights or performing any obligations you may have in connection with any third party and that you will inform the Company and Receiving Agent/Registrar immediately of any circumstances or changes whilst you are an applicant or a Shareholder that could impact this warranty;
- xviii) confirm that you have read and complied with paragraph 6 below;
- xix) confirm that you have reviewed the restrictions contained in paragraph 7 below;
- xx) warrant that you are not under the age of 18 years;
- xxi) warrant that, if the laws of any territory or jurisdiction outside the United Kingdom are applicable to your application, you have complied with all such laws and none of the Registrar and/or the Sponsor will infringe any laws of any such territory or jurisdiction directly or indirectly as a result of in consequence of any acceptance of your application;
- xxii) agree that the Receiving Agent and/or the Sponsor are acting for the Company in connection with the Offer and for no-one else and that they will not treat you as their customer by virtue of such application being accepted or owe you any duties or responsibilities concerning the price of Shares or concerning the suitability of Shares for you or be responsible to you for the protections afforded thereunder;
- xxiii) 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 in ink by a solicitor or bank with the Application Form and where an Application Form has been submitted online, the power of attorney under which such Application Form was submitted, or a copy thereof duly certified in ink by a solicitor or bank must be sent by post to the Receiving Agent;
- xxiv) warrant that you are not subscribing for the Shares using a loan which would not have been given to you or any associate or not have been given to you on such favourable terms, if you have not been proposing to subscribe for the Shares;
- xxv) warrant that the Shares are being acquired for bona fide commercial 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. Obtaining tax reliefs given under the applicable VCT legislation is not itself tax avoidance;

- xxvi) warrant that you are not a "US Person" as defined in the United States Securities Act of 1933 ("Securities Act") (as amended), nor a resident of Canada and that you are not applying for any Shares on behalf of or with a view to their offer, sale or delivery, directly or indirectly, to or for the benefit of any US Person or a resident of Canada;
  - xxvii) warrant that: (i) you do not have a standing instruction(s) to pay amounts in your bank account to a US bank account, (ii) you do not have a current power of attorney or signatory authority granted to a person with a US address, and (iii) you do not have an in-care-of or hold mail address that is the sole address you have provided to us;
  - xxviii) warrant that the information contained in the Application Form is accurate; and
  - xxix) agree that if you request that Shares are issued to you on a specific date, and such Shares are not issued on such date, that the Company and its agents and Directors will have no liability to you arising from the issue of such Shares on a different date.
6. 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 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 regulations or other legal requirements. It is the responsibility of any person outside the United Kingdom wishing to make an application to satisfy him or herself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.
  7. The Shares have not been and will not be registered under the Securities Act, 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. The Investment Manager will not be registered under the United States Investment Advisers Act of 1940, as amended. No application will be accepted if it bears an address in the USA.
  8. This application is addressed to the Receiving Agent. The rights and remedies of the Receiving Agent and the Sponsor 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 the others.
  9. The dates and times referred to in these Terms and Conditions of application may be altered by the Company with the agreement of the Sponsor.
  10. The section headed Application Procedures forms part of these Terms and Conditions of application.
  11. Investors should be aware of, and hereby agree to comply with, the Money Laundering Notice set out below on page 83, which forms part of these Terms and Conditions of application
  12. Your electronic transfer or cheque must be drawn in Sterling on an account at a branch (which must be in the United Kingdom, the Channel Islands or the Isle of Man) of a bank which is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited, a member of the Scottish Clearing Banks Committee or the Belfast Clearing Committee

or which has arranged for its cheques to be cleared through facilities provided for members of any of those companies or associations and must bear the appropriate sorting code in the top right hand corner. Cheques should be drawn on the personal account to which you have sole or joint title to such funds. Third party cheques will not be accepted. The account name from which any electronic transfer is made or from which any cheque is drawn should be the same as that shown on the application and should be in the sole name or joint name of the applicant. Post-dated cheques will not be processed until the cheque can be presented and will not be treated as being received by the Receiving Agent until that date. Cheques will be presented for payment upon receipt. The Company reserves the right to instruct The City Partnership (UK) Limited (the "Receiving Agent") to seek special clearance of cheques to allow the Company to obtain value for remittances at the earliest opportunity. If you wish to pay by electronic transfer, please use the account details provided. The right is reserved to reject any Application Form in respect of which the cheque has not been cleared on first presentation.

13. Applications will generally be accepted on a "first-come, first-served" basis, subject always to the discretion of the Board. For these purposes, "first-come, first-served" shall be assessed based on the date and time of receipt of a fully completed valid Application Form, subject to receipt of Application monies (in full) in cleared funds within five Business Days thereafter to retain the Applicant's priority position. If Application monies are not received within such time, the relevant date and time shall be when the Applicant's application monies are received in cleared funds. An Application may not be considered eligible for allotment until identity verification is complete and/or, where relevant, information or supporting evidence required for the Application is no longer outstanding. The right is reserved to reject in whole or in part and/or scale down and/or ballot any application or any part thereof including, without limitation, where applications in respect of which any verification of identity (which the Company or the Receiving Agent consider may be required for the purposes of the ML Regulations) has not been satisfactorily supplied. Dealings prior to the issue of certificates for Shares will be at the risk of Applicants. A person so dealing must recognise the risk that an application may not have been accepted to the extent anticipated or at all. 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.
14. The application of the subscription proceeds is subject to the absolute discretion of the Directors.
15. Intermediaries who have not provided personal recommendations or advice to UK retail clients on the Ordinary Shares being applied for and who, acting on behalf of their clients, return valid Application Forms bearing their FCA number may be entitled to commission on the amount payable in respect of such Shares allocated for each such Application Form. Intermediaries may agree to waive part or all of their initial commission in respect of an application for Ordinary Shares under the Offer. If this is the case, then the charges to be deducted under the Pricing Formula will be adjusted. Intermediaries should keep a record of Application Forms submitted bearing their stamp to substantiate any claim for their commission.

### **Money Laundering Notice**

In accordance with the Money Laundering Regulations, an Applicant's identity must be verified before allotting new Shares under the Offer. Verification of identity is a routine step associated with the application process. It ensures that Applicants (i) are who they say they are, (ii) that they have not acquired the application monies illegally, and (iii) that they are not attempting to use the Company or the Receiving Agent as part of criminal activity.

**Please note that the Company cannot allot new Shares to an Applicant whose identity cannot be verified.**

**For Applications made through a financial intermediary**, the intermediary should complete verification of the Applicant's identity. By signing the Application Form, the financial intermediary confirms that they have

verified the identity of the Applicant to the standard required by the Money Laundering Regulations within the guidance for the UK financial sector issued by the Joint Money Laundering Steering Group, and that if the Company, Manager and/or the Receiving Agent request additional information in connection with that verification, they will provide it within two Business Days of receiving the request.

**For direct Applications**, the Receiving Agent will use the Applicant's personal information from the Application Form to verify their identity through Veriphy, a specialist anti-money laundering ("AML") compliance solution provider. Veriphy's AML checks include identity and UK address validation as well as integral mortality, departure, sanction, and politically exposed person searches. **Veriphy's checks have no impact on an Applicant's credit score or their ability to obtain credit.**

In the small number of cases where Veriphy is unable to verify the Applicant's identity sufficiently, the Receiving Agent will need the Applicant to supply evidence of their identity and will contact the Applicant (or their financial intermediary, if applicable) to request copies of the relevant documents (typically, an original or certified copy of a passport or driving licence, as well as a recent bank statement or utility bill) and explain how they should be provided. Please note that failure to provide satisfactory evidence following such a request may result in a delay in processing an Application or, at the point of the Offer closing to Applications, the Application being treated as invalid. The Company will return monies ( without interest ) associated with an invalid Application.

Note: The Company and the Receiving Agent may, in their absolute discretion, and regardless of the Application amount and/or the involvement of a financial intermediary, require identity verification.

### **Privacy Notice**

An investor's personal data will be used by the Investment Manager and the Investment Adviser, The City Partnership (UK) Limited, the Company and any other third-party advisers or intermediaries to:

- process an Investor's application and verify their identity, including performing online anti-money laundering checks;
- keep an Investor updated on the progress of their investment;
- allot Shares and provide the relevant documentation in connection with an Investor's shareholding if their application is successful;
- pay dividends, administer the dividend reinvestment scheme and process other corporate actions as necessary;
- provide an Investor with any reports or information required by law; and
- provide an Investor's financial intermediary with reports and information to help them manage and monitor an investment in the Company.

The Company's Privacy Policy can be found at [www.fuel.ventures/privacy-policy](http://www.fuel.ventures/privacy-policy).

If the Company relies on an Investor's consent as its legal basis for processing an Investor's personal information, an Investor has the right to withdraw that consent at any time by contacting the Company by telephone on 020 3927 7730, by email at [Investors@fuel.ventures](mailto:Investors@fuel.ventures) or in writing to Fuel Ventures VCT PLC at The Mending Rooms, Park Valley Mills, Meltham Road, Huddersfield, United Kingdom, HD4 7BH.

The Company will not share your data with any other party other than those listed above unless required to do so.

## APPLICATION PROCEDURES

Before making an application for Shares, Investors should consider whether to (i) consult an independent financial adviser authorised under FSMA, (ii) submit their Application through an 'execution only' intermediary or (iii) apply directly.

The Offer will open on 15 December 2023 and may close at any time thereafter, but, in any event, not later than 28 March 2024, if subscribing by paper/pdf/scanned (offline) applications with cleared funds, and not later than 5.30 p.m. on 04 April 2024, if subscribing by an online application with cleared funds, in the case of the Offer in respect of the 2023/2024 tax year, and 3.00 p.m. on 31 July 2024, in the case of the Offer in respect of the 2024/2025 tax year (unless, in either case, the Offer has been fully subscribed by an earlier date or extended at the discretion of the Directors to a date not later than 1 December 2024).

Once the Offer opens, you may complete and submit your Application Form online via [www.fuel.ventures/vct-fund](http://www.fuel.ventures/vct-fund).

From a speed of processing perspective and to reduce the Offer's carbon footprint, the Company recommends the use of the online Application Form and to remit monies by bank transfer.

Alternatively, once the Offer opens, you may request a PDF copy of the Application Form by contacting [investors@fuel.ventures](mailto:investors@fuel.ventures). Please complete and send your PDF Application Form by email to [fuelventuresvct@city.com](mailto:fuelventuresvct@city.com) or by post/hand delivery to the Receiving Agent:

Fuel Ventures VCT plc Offer  
The City Partnership (UK) Ltd  
The Mending Rooms  
Park Valley Mills  
Meltham Road  
Huddersfield  
HD4 7BH

It is recommended that you use Royal Mail Special Delivery or Tracked Mail and allow at least two working days for delivery.

If you send a soft copy of your Application Form to the Receiving Agent, please do not send a hard copy in the post.

Applications will be accepted on a "first-come, first-served" basis, subject always to the discretion of the Board. For these purposes, "first-come, first-served" will be assessed based on the date and time of receipt of a fully completed Application Form, subject to receipt of application monies (in full) in cleared funds within five Business Days thereafter to retain the Applicant's priority position.

If application monies are not received within such time, the relevant date and time will be when the Applicant's application monies are received in cleared funds. An application may not be considered eligible for allotment until identity verification is complete and/or, where relevant, information or supporting evidence required for the application is no longer outstanding.

### Nominee Applications

If you are a nominee applying on behalf of beneficial owners, you must complete and submit an Application Form for each beneficial owner with the relevant nominee details (CREST or otherwise). Subject to the number of beneficial owners within the nominee, the Receiving Agent may configure an online Application Form pre-filled with the nominee's details to expedite the subscription process. Nominees should contact the Receiving Agent regarding the remittance of the associated subscription monies to ensure compliance with the Money Laundering Regulations.

### Payment Instructions

Payment can be made by bank transfer or cheque, and the associated instructions can be found in the

Application Form and in the Notes on the Application Form, both of which will be published when the Offer opens to Applications on 15 December 2023.

### **Tracking the Status of Your Application Form & Monies**

In addition to email/post communications from the Receiving Agent concerning receipt of your Application and associated monies, you may use the Receiving Agent's online tracking service to track the status of your Application Form and download a PDF copy of your Application Form.

For any new shares for which your application is accepted, the Receiving Agent will issue an email notification concerning the availability of the associated allotment letter and income tax relief certificate for download via the online tracking service within 3 working days following the allotment. The Receiving Agent will issue the associated allotment correspondence by post within 10 working days following the allotment for applicants who do not provide an email address. The Registrar will issue the related share certificate (where applicable) by post within 10 working days following the allotment.

The Receiving Agent's online tracking service is at <https://cityora.uk.com/offers/fuel-2324/tracking>.

To access the service, you need to provide (i) your unique Application reference number (starting "FUEL-2324-"), which will be noted on the Receiving Agent's correspondence to you, (ii) your date of birth, and (iii) your National Insurance number or Unique Taxpayer Reference, as provided in your Application Form.

### **Administrative Queries**

If you have any administrative questions regarding the completion and return of the Application Form, please contact the Receiving Agent, The City Partnership (UK) Limited, on 01484 240 910 (Monday to Friday excluding public holidays, 9.00 am - 5.30 pm) or at [fuelventuresvct@city.uk.com](mailto:fuelventuresvct@city.uk.com). No investment, legal, regulatory, or tax advice can be given.

[WWW.FUEL.VENTURES/VCT-FUND](http://WWW.FUEL.VENTURES/VCT-FUND)

---

**FUEL  
VENTURES  
VCT PLC**