

This document constitutes a registration document (the "Registration Document") relating to Hargreave Hale AIM VCT plc (the "Company"). Additional information relating to the Company is contained in a securities note issued by the Company (the "Securities Note"). This, Registration Document, the Securities Note and a summary ("Summary") constitute a prospectus issued by the Company dated 2 September 2020. This Registration Document has been approved by the Financial Conduct Authority (the "FCA"), as competent authority under Regulation (EU) 2017/1129. The FCA only approves this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by EU Regulation 2017/1129. Such approval shall not be considered as an endorsement of the issuer that is the subject of this Registration Document. This Registration Document has been drawn up as part of a simplified prospectus in accordance with Article 14 of Regulation (EU) 2017/1129. This document will be made available to the public in accordance with the Prospectus Regulation Rules by being made available at www.hargreaveaimvcts.co.uk.

The Directors of the Company, whose names appear on page 4 of this Registration Document, and the Company each accept responsibility for the information contained in this document. To the best of the knowledge of the Directors and the Company, the information contained in this Registration Document is in accordance with the facts and this Registration Document makes no omission likely to affect its import.

HARGREAVE HALE AIM VCT PLC

*(Incorporated in England and Wales under the Companies Act 1985 with
registered number 05206425)*

Offer for Subscription of Ordinary Shares in Hargreave Hale AIM VCT plc to raise up to £20 million, together with an Over-allotment Facility to raise up to a further £10 million

The existing Shares issued by the Company are listed on the premium segment of the Official List of the FCA and traded on the London Stock Exchange's main market for listed securities. Application will also be made to the FCA and the London Stock Exchange for the Offer Shares to be admitted to the premium segment of the Official List of the FCA and to trading on the London Stock Exchange's main market for listed securities. It is expected that such admission will become effective and that dealings will commence within 10 business days of each allotment in respect of the Offer Shares. The Offer will open on 2 September 2020 and may be closed at any time thereafter but, in any event, not later than 12.00 p.m. on 1 April 2021 for the 2020/21 tax year and 12.00 p.m. on 20 August 2021 for the 2021/22 tax year, unless closed prior to that date. All subscription monies will be payable in full in cash on application.

The distribution of this document in jurisdictions other than the UK may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any of these restrictions. Any failure to comply with any of those restrictions may constitute a violation of the securities laws of any such jurisdiction. Accordingly, no person receiving a copy of this document in any territory other than the UK may treat the same as constituting an offer or invitation to him to subscribe for or purchase Offer Shares unless, in such territory, such offer or invitation could lawfully be made.

The offer and sale of the Offer Shares is not being made, directly or indirectly, in or into, or by the use of the mails, or by any means or instrumentality (including, without limitation, facsimile transmission, telex and telephone) of interstate or foreign commerce, or of any facility of a national securities exchange, of the United States, Canada, Australia, Japan, the Republic of South Africa or any other Restricted Jurisdiction. Accordingly, copies of this document are not being, and must not be,

directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from, or to any resident of, the United States, Canada, Australia, Japan, the Republic of South Africa or any other Restricted Jurisdiction and persons receiving this document (including custodians, nominees and trustees) must not mail or otherwise distribute or send it in, into or from such jurisdictions. The Offer Shares have not been, and will not be, registered under the US Securities Act or under any of the relevant securities laws of, or with any securities regulatory authority of, any state of the United States or of Canada, Australia, Japan or the Republic of South Africa. Accordingly, unless an exemption under such act or laws is applicable, the Offer Shares may not be offered, sold or delivered, directly or indirectly, in or into the United States, Canada, Australia, Japan or the Republic of South Africa or to, or for the account or benefit of, any resident of the United States, Canada, Australia, Japan or the Republic of South Africa. The Company has not been and will not be registered under the US Investment Company Act and recipients of this document and investors will not be entitled to the benefits of that Act.

2 September 2020

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RISK FACTORS

The risk factors set out below are those which the Directors consider to be material but are not the only risks relating to the Company. There may be additional risks that the Directors do not currently consider to be material, or which are not presently known to the Directors. Before making an investment in the Company, potential investors should consult their stockbroker, bank manager, solicitor, accountant or other suitably qualified and independent financial adviser authorised under the FSMA if they are in the United Kingdom or, in the case of a potential investor who is located outside the United Kingdom, another appropriately authorised financial adviser.

Potential investors should carefully consider all the information in the Prospectus, including the following material risk factors in relation to the Company, before deciding to invest in the Company.

Risks relating to VCTs

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

Any change of governmental, economic, fiscal, monetary or political policy, in particular any changes to taxation, tax reliefs and changes to the VCT Rules, could materially affect, directly or indirectly, the operation and/or the performance of the Company (and the portfolio companies in which it invests), the value of and returns from Shares and/or the ability of the Company to achieve or maintain VCT status.

Loss of tax reliefs

The information, including references to tax rules, contained in this document is based on existing legislation. The tax rules or their interpretation in relation to an investment in the Company and/or the rates of tax, or other statutory provisions to which the Company is subject, may change during the life of the Company and such changes could be retrospective. While it is the intention of the Directors that the Company will be managed so as to continue to qualify as a VCT, there can be no guarantee that this status will be maintained. A failure to meet the qualifying requirements could result in the loss of tax reliefs previously obtained, resulting in adverse tax consequences for investors, including a requirement to repay the income tax relief obtained, and could also cause the Company to lose its exemption from corporation tax on capital gains.

State Aid

As a result of the tax status of VCTs, investments by VCTs in underlying portfolio companies are regarded as State Aided investments. Where the European Commission believes that State Aid has been provided which is not in accordance with the Risk Finance Guidelines, they may require that the UK Government recovers that State Aid. There is currently no mechanism in place for this, but recovery may be from the investee company, the VCT or the VCT's investors.

Brexit

On 31 January 2020 the UK left the EU in a process commonly referred to as "Brexit". The UK Government is currently negotiating the terms of the UK's future relationship with the EU. It is unknown at this time what terms will emerge, whether changed regulatory control affecting VCTs will increase or decrease or how the eventual terms will affect positively or negatively the business model, business operations and financial results or impact sales demand, material and labour costs, availability and cost of finance for the Company or an underlying investee company. In particular, it is not clear if State Aid rules will apply to the UK going forward.

Finance Act 2018

The provisions of the Finance Act 2018 include a "risk-to-capital" condition for Qualifying Investments, designed to focus investments towards earlier stage, growing businesses, and away from investments in more established businesses which could be regarded as lower risk. 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 claw back of VCT tax reliefs from Investors. Over time, as the Company's portfolio is brought in to line with the amended VCT Rules, Shareholder returns and dividends payable by the Company may take longer to generate and the levels of those returns may be more volatile due to the nature of investing in earlier stage companies.

Specific risks relating to the Company

The portfolio

The primary focus of the Company's qualifying portfolio is on investments in AIM-traded companies. Investment in AIM-traded companies, by its nature, may involve a higher degree of risk than investment in companies traded on the main market of the London Stock Exchange. In particular, AIM-traded companies are often smaller companies which may have limited product service lines, markets or financial resources and may be dependent for their management on a smaller number of key individuals. The fact that a share is traded on AIM does not guarantee its liquidity. The valuation of the portfolio and opportunities for the Company to realise AIM-traded investments within the portfolio may also depend on market conditions.

Although the primary focus of the Company's qualifying portfolio is on investments in AIM-traded companies, the Company has built a portfolio of investments in unlisted private companies and will make further investments in unlisted private companies if the Investment Manager identifies attractive investment opportunities. It is unlikely that there will be a liquid market for the shares and other securities that the Company holds in unlisted investee companies and, therefore, it may be difficult for the Company to realise such investments. The value of unlisted stock is often more difficult to predict than the value of stock in listed companies. In addition, as unlisted companies tend to have less mature businesses, less depth of management and a higher risk profile, the risk of insolvency in unlisted companies is higher than in listed investments.

In addition, valuations of the unquoted investments may be based on unaudited information and may be subject to limited verification or other due diligence. If the realised value of an unquoted investment or other asset held by the Company is less than its valuation this may have a material

adverse effect on future Shareholder returns.

Realisation of investments

Investments in AIM-traded companies are likely to be more illiquid than investments in companies traded on the main market of the London Stock Exchange. Investments may not be able to be realised within a reasonable timeframe or at all. Such illiquidity may affect the ability of the Company to vary its portfolio or dispose of investments in a timely fashion and at satisfactory prices in response to changes in economic or other conditions. This could have an adverse effect on the financial condition and results of operations of the Company as it could reduce the profits and proceeds expected to be realised from such investments by the Company.

Third party service providers

The Company has no employees and all of the Directors have been appointed on a non-executive basis. The Company relies upon third party service providers to perform certain functions. In particular, the Investment Manager, 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 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 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 Shares.

The Company is also dependent on those service providers to protect against breaches of the Company's legal and regulatory obligations, 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 the Company's operations and performance and on returns to Shareholders. The termination of the Company's relationship 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 performance and returns to Shareholders.

COVID-19 pandemic

The COVID-19 pandemic and the measures taken to control the outbreak have led to volatility and a substantial downturn in the UK's economy and the economies of many overseas countries. The future development and the long-term impacts of the outbreak are unknown and it remains to be seen how and when economies will recover from the impact of the pandemic and what effect any secondary outbreaks may have on economies and financial markets. It is unknown at this time whether the COVID-19 pandemic will have a material adverse impact on the future investment returns of the Company, the price of the Ordinary Shares and the ability of the Investment Manager to find and realise suitable investments.

DIRECTORS, INVESTMENT MANAGER AND ADVISERS

Directors

David Brock, Chairman
Sir Aubrey Brocklebank
Oliver Bedford
Ashton Bradbury
Angela Henderson

all Directors are non-executive and in all cases
of:
41 Lothbury
London
EC2R 7AE

Investment manager

Hargreave Hale Limited
c/o 41 Lothbury
London
EC2R 7AE

Administrator, Company Secretary, Custodian and Receiving Agent

Canaccord Genuity Wealth Limited
c/o Talisman House
Boardmans Way
Blackpool
FY4 5FY

Registrars

Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA

VCT taxation advisers

Philip Hare & Associates LLP
Hamilton House
1 Temple Avenue
London
EC4Y 0HA

Brokers to the Company

Nplus 1 Singer Advisory LLP
1 Bartholomew Lane
London
EC2N 2AX

Promoter

Portunus Investment Solutions Limited
Suite 416
83 Victoria Street
London
SW1H 0HW

Sponsor and solicitor to the Offer

Dickson Minto W.S.
Broadgate Tower
20 Primrose Street
London
EC2A 2EW

Auditors

BDO LLP
55 Baker Street
London
W1U 7EU

PART 1

A. THE DIRECTORS

The Company has an experienced board consisting of five non-executive directors, four of whom are independent of the Investment Manager. The duties of the Board include:

- overseeing delivery of the investment strategy;
- monitoring compliance with VCT Rules;
- maintaining corporate governance standards; and
- overseeing the production of reports and accounts for Shareholders.

At the annual general meeting of the Company held on 4 February 2020, Sir Aubrey Brocklebank stepped down as Chairman of the Board and the role was taken over by David Brock. Aubrey has taken on the role of chairman of the audit committee, which was previously held by David Brock, until a new Director with the skills necessary to undertake this role has been appointed. Following a transition period, Aubrey intends to retire from the Board fully at the next annual general meeting of the Company, expected to be held in February 2021.

David Brock (Chairman)

An experienced company chairman in both private and public companies and a former main board director of MFI Furniture Group plc and Kitwave Limited, David joined the Board in September 2010. David is chairman of Draper Esprit VCT plc, Episys Group Ltd, Primrose Group Ltd and Honest Brew Ltd and a non- executive director of Puma VCT 12 plc.

Oliver Bedford

Oliver sits on the Board as part of his role as lead manager at the Investment Manager in relation to the Company.

Sir Aubrey Brocklebank

After qualifying as a chartered accountant and following a career in corporate finance and venture capital, Aubrey assumed his first role within the VCT industry in 1997. Since then he has gone on to become one of the most experienced directors within the industry. Aubrey maintains a wide range of business interests and has been a director of six AIM-traded companies. He is chairman of Downing VCT 4 plc and a director of Edge Performance VCT.

Ashton Bradbury

Ashton Bradbury has previously held roles at Charterhouse Tilney, Hill Samuel Investment Management and HSBC Asset Management Europe and was, until 2014, a fund manager with Old Mutual Global Investors where he established its UK small and mid-cap equities team. Ashton is currently a non-executive director of Standard Life UK Smaller Companies Trust PLC and is a director of Golf Union of Wales Limited.

Angela Henderson

Angela Henderson was appointed on 29 October 2019. Angela is a non-executive director at Credit Suisse Asset Management Ltd. She was European legal counsel for Citco Fund Services before working in the equities divisions of Deutsche Bank and Barclays from 2000 to 2015. She has invested in and held board seats at small UK companies in the technology and financial services sectors and is a trustee of CW+, a hospital charity. Angela is a graduate (LLB Fr Hons) of the University of Leicester and solicitor of the Supreme Court of England and Wales.

B. THE INVESTMENT MANAGER AND THE ADMINISTRATOR

Hargreave Hale

Hargreave Hale was founded in 1897. It has been part of the Canaccord Genuity Wealth group of companies since September 2017. The Investment Manager is a leading UK small cap fund manager with a team of 16 fund managers and analysts and with more than £4.1 billion of funds under management across six unit trusts and the Company, including £3.0 billion invested in small UK companies.

The lead manager at the Investment Manager in relation to the Company is Oliver Bedford supported by Lucy Bloomfield, Giles Hargreave, Anna Salim and Barbara Walshe.

The Board has been notified of Giles Hargreave's intention to step back from his role as Co-manager of the Company's portfolio, with effect from 31 December 2020. Since 1 July 2019, Giles Hargreave has primarily supported the delivery of the Company's Non-Qualifying Investment strategy. Although he will no longer hold a formal portfolio management role, it is the Board's expectation that he will continue to support the Company's fund management team.

Canaccord Genuity Wealth Limited

Canaccord Genuity Wealth Limited ("CGWL") is a subsidiary of Canaccord Genuity Inc., a full service financial services company listed on the Toronto Stock Exchange. CGWL has provided administration, company secretarial and custodian services to the Company since June 2019.

Custody arrangements

The Administrator also acts as custodian to the Company and, in that capacity, is responsible for ensuring safe custody and dealing with settlement arrangements in respect of the Company's equity and fixed income assets, and certain cash deposits. All other assets, including cash, are held by the Company directly.

Fees and expenses

The Annual Running Costs of the Company are capped at 3.5 per cent. of the net assets of the Company. The Investment Manager has agreed to indemnify the Company in relation to all costs that exceed this cap, such costs shall exclude any VAT payable on the Annual Running Costs of the Company.

Under the Management Agreement, the Investment Manager receives an annual management fee of 1.7 per cent. of the Net Asset Value of the Company. A maximum of 75 per cent. of the annual

management charge will be chargeable against capital reserves, with the remainder being chargeable against revenue. The Company does not pay the Investment Manager a performance fee. As the Investment Manager to the Company and investment advisor to the Marlborough Special Situations Fund (in which the Company may invest), the Investment Manager adjusts the fee it receives under the Management Agreement to ensure that the Company is not charged twice for its services.

Following analysis of the due diligence and transactional services costs paid by the Company, the Investment Manager has expanded its team to allow due diligence and transactional services on potential investments to be carried out internally. Upon completion of an investment, the Investment Manager is permitted under the Management Agreement to charge private investee companies a fee equal to 1.5 per cent. of the investment amount. This fee is subject to a cap of £40,000 per investment and is payable directly from the investee company to the Investment Manager. The Investment Manager may recover due diligence and transactional services costs directly from private investee companies. It is expected that these charges will generate a reduction in transaction costs paid by the Company.

The Administrator charges the Company an annual aggregate fee of £212,000 (plus VAT) in relation to the provision of administration and company secretarial services. In addition, the Administrator receives a fee of £30,000 per annum in relation to its appointment as the Company's custodian.

Conflicts of interest

The Investment Manager and its officers and employees may be involved in other financial, investment or professional activities that may on occasion give rise to conflicts of interest with the Company. In particular, the Investment Manager may provide investment management, investment advice or other services in relation to a number of funds that may have similar investment policies to that of the Company.

The Investment Manager will have regard to its obligations under the Management Agreement or otherwise to act in the best interests of the Company, so far as is practicable having regard to its obligations to other clients or funds, should potential conflicts of interest arise.

Both the Investment Manager and the Administrator have established internal control frameworks to provide reasonable assurances as to the effectiveness of the internal control systems operated on behalf of their respective clients. The Administrator reports to the Board, on a quarterly basis, with regard to the compliance oversight reviews that have taken place in the previous quarter so far as they affect the Company.

The Administrator also reports, on a quarterly basis, any breaches of law and regulation and any operational errors. This enables the Board to address any issues with regard to the management of the Company as and when they arise and to identify any known internal control failures.

Oliver Bedford is an employee of Hargreave Hale Limited, and, therefore, has an interest in the arrangements between the Company and the Investment Manager. Oliver Bedford is also a Director of the Company and as such there may be a potential conflict of interest between his duties owed to the Company and to the Investment Manager in relation to these arrangements.

David Brock was appointed as chairman of Honest Brew Ltd, which is an investee company of the Company, on 25 July 2019. David sits on the board of Honest Brew Ltd as the Investment Manager's representative. David is also a shareholder in Honest Brew Ltd, however he does not control the entity.

C. INVESTMENT OBJECTIVES AND POLICY OF THE COMPANY

Investment objectives

The investment objectives of the Company are to generate capital gains and income from its portfolio and to make distributions from capital or income to Shareholders whilst maintaining its status as a Venture Capital Trust.

Investment policy

The Board has been working with the Investment Manager to update the Company's investment policy whilst also making it clearer for investors to follow. The investment policy set out below is the updated investment policy which is subject to Shareholder approval at the General Meeting.

The Company intends to achieve its investment objectives by making Qualifying Investments in companies listed on AIM, private companies and companies listed on AQSE Growth Market, as well as Non-Qualifying Investments as allowed by the VCT Rules.

Qualifying Investments

The Investment Manager will maintain a diversified portfolio of Qualifying Investments which may include equities and fixed interest securities as permitted by the VCT Rules. Investments will primarily be made in companies listed on AIM but may also include private companies that meet the Investment Manager's criteria and companies listed on the AQSE Growth Market. These small companies will be UK based or have a UK presence and, whilst of high risk, will have the potential for significant capital appreciation.

To maintain its status as a VCT the Company must have 80 per cent. of all funds raised from the issue of Shares invested in Qualifying Investments throughout accounting periods of the VCT beginning no later than three years after the date on which those Shares are issued. To provide some protection against an inadvertent breach of this rule, the Investment Manager targets a threshold of approximately 85 per cent.

Non-Qualifying Investments

The Non-Qualifying Investments must be permitted by the VCT Rules and may include equities and exchange traded funds listed on the main market of the London Stock Exchange, fixed income securities, bank deposits that are readily realisable and the Marlborough Special Situations Fund. Subject to the investment controls below, the allocation to each of these investment classes will vary to reflect the Investment Manager's view of the market environment and the deployment of funds into Qualifying Companies. The market value of the Non-Qualifying Investments (excluding bank deposits) will vary between nil and 50 per cent. of the net assets of the Company. The value of funds held in bank deposits will vary between nil and 30 per cent. of the net assets of the Company.

Investment controls

The Company may make co-investments in investee companies alongside other funds, including other funds managed by the Investment Manager.

Other than bank deposits, no individual investment shall exceed 10 per cent. of the Company's net assets at the time of investment.

Borrowings

The Articles permit the Company to borrow up to 15 per cent. of its adjusted share capital and reserves (as defined in the Articles). However, it is not anticipated that the Company will have any borrowings in place and the Directors do not intend to utilise this authority.

To the extent that any future changes to the Company's investment policy are considered to be material, Shareholder consent to such changes will be sought. Such consent applies to the formal investment policy described above and not the investment process set out below.

Investment process and strategy

The Investment Manager follows a stock specific investment approach based on fundamental analysis of the investee company.

The Hargreave Hale fund management team has significant reach into the market and meets with large numbers of companies each week. These meetings provide insight into investee companies, their end markets, products and services, or the competition. Investments are monitored closely and the Investment Manager usually meets or engages with their senior leadership team at least twice each year. Where appropriate the Company may co-invest alongside the other funds managed by the Investment Manager.

The key selection criteria used in deciding which investments to make include, *inter alia*:

- the strength and depth of the management team;
- the business strategy;
- a prudent approach to financial management and forecasting;
- a strong balance sheet;
- profit margins, cash flows and the working capital cycle;
- barriers to entry and the competitive landscape; and
- the balance of risk and reward over the medium and long term.

Qualifying Investments

Investments are made to support the growth and development of a Qualifying Company. The Investment Manager will maintain a diversified portfolio that balances opportunity with risk and liquidity. Qualifying Investments will primarily be made in companies listed on AIM but may also include private companies and companies listed on the AQSE Growth Market. Seed funding is rarely provided and only when the senior leadership team includes proven business leaders known to the Investment Manager.

Working with advisers, the Investment Manager will screen opportunities, often meeting management teams several times prior to investment to gain a detailed understanding of the company. Investments will be sized to reflect the risk and opportunity over the medium and long term. In many cases, the Investment Manager will provide further funding as the need arises and the investment matures. When investing in private companies, the Investment Manager will shape the investment to meet the investee company's needs whilst balancing the potential for capital appreciation with risk management.

Investments will be held for the long term unless there is a material adverse change, evidence of structural weakness, or poor governance and leadership. Partial realisations will be made where necessary to balance the portfolio or, on occasion, to capitalise on significant mispricing within the stock market.

Non-Qualifying Investments

The Hargreave Hale VCT team works closely with the wider Hargreave Hale fund management team to deliver the investment strategy when making Non-Qualifying Investments, as permitted by the VCT Rules. The Investment Manager will vary the exposure to the available asset classes to reflect its view of the equity markets, balancing the potential for capital appreciation with risk management, liquidity and income.

The Non-Qualifying Investments will typically include a focused portfolio of direct investments in companies listed on the main market of the London Stock Exchange. The portfolio will mix long term structural growth with more tactical investment to exploit short term mispricing within the market.

The use of the Marlborough Special Situations Fund enables the Company to maintain its exposure to small UK companies whilst the Investment Manager identifies opportunities to invest the proceeds of fundraisings into Qualifying Companies.

The Investment Manager may use certain exchange traded funds listed on the main market of the London Stock Exchange to gain exposure to asset classes not otherwise accessible to the Company.

D. ENVIRONMENTAL, SOCIAL AND GOVERNANCE CONSIDERATIONS

Environmental, social and governance considerations

The Investment Manager is actively seeking to strengthen its current approach to environmental, social and governance ("ESG") issues and will integrate a review of ESG issues as part of its investment decision-making process for investments in Qualifying Companies. The Investment Manager has already begun to implement its review of ESG issues in its due diligence process for Qualifying Investments in private companies and seeks to identify material issues in the following areas:

- role, structure and operation of the board;
- treatment of employees;

- robustness of accounting and internal controls; and
- environmental and/or social impacts of the business.

The Investment Manager will seek to engage and influence private companies on any areas of improvement identified through due diligence and, for both public and private companies, material ESG issues that arise during the term of the investment.

As a signatory to the UK Stewardship Code 2020, the Investment Manager is developing a stewardship policy and a reporting structure to comply with the requirements of the UK Stewardship Code 2020, which has introduced a requirement to take ESG factors (including climate change) into account in the investment process and ongoing engagement with investee companies.

E. CO-INVESTMENT POLICY

The Investment Manager manages other funds that can invest in the same companies as the Company, including the Marlborough Special Situations Fund and the Marlborough UK Micro Cap Growth Fund. Therefore, in appropriate circumstances, the Company will invest alongside other funds managed by the Investment Manager. Where the Company is co-investing alongside other funds managed by the Investment Manager, the Investment Manager will take into account factors such as the risk profile and investment strategy of the participating funds when deciding how much each fund will invest.

Investments through a new issue of shares or securities must be made on the same terms as any other fund(s) managed by the Investment Manager unless the investment is approved by the Board. Subject to any constraints relating to the availability of VCT qualifying shares, any scaling back of applications made by the Investment Manager on behalf of the different funds it manages will be on a pro rata basis to the amount originally requested for each fund.

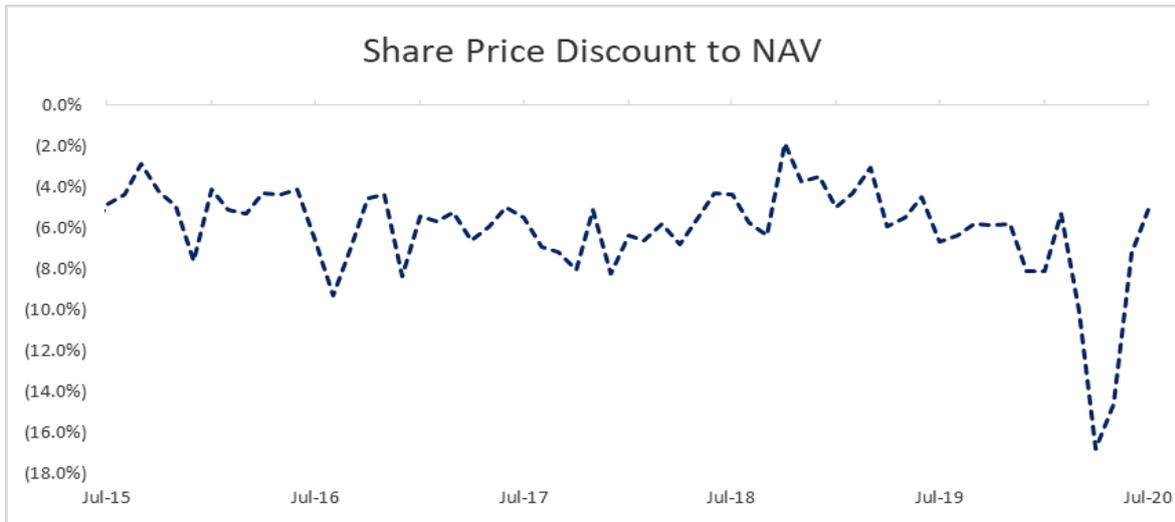
If the Investment Manager intends to invest through a new issue of shares or securities in a company in which another fund managed by the Investment Manager has an existing position, but is not intending to participate in the issue, then the Investment Manager must give due consideration to any potential conflict of interest and, where necessary, refer the matter to the Board for approval.

The Investment Manager provides details of all co-investments made by the Company to the Board on a quarterly basis.

F. DISCOUNT CONTROL POLICY AND MANAGEMENT OF SHARE LIQUIDITY

The Company aims to improve liquidity and to maintain a discount of approximately 5 per cent. to the last published NAV per Share (as measured against the mid-price) by making secondary market purchases of its Shares in accordance with parameters set by the Board.

This policy is non-binding and at the discretion of the Board. Its operation depends on a range of factors including the Company's liquidity, Shareholder permissions, market conditions and compliance with all laws and regulations. These factors may restrict the effective operation of the policy and prevent the Company from achieving its objectives.



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G. DIVIDENDS

Dividend policy

The Company's dividend policy is to target a tax free dividend yield equivalent to 5 per cent. of the year end Net Asset Value.

The Company has a well established track record of paying out tax free dividends to Shareholders. Whether a Shareholder qualifies to receive tax free dividends from the Company or not, will depend on the personal circumstances of each individual Shareholder. If an Investor is uncertain as to their tax position they should consult their accountant or financial adviser.

The Company aims to pay an interim dividend in July each year and a final dividend in February. Special dividends may also be paid by the Company following significant realisations of investments.

The ability to pay dividends is also dependent on the Company's available reserves and cash resources, the Act, the Listing Rules and the VCT Rules. The policy is non-binding and at the discretion of the Board. Dividend payments may vary from year to year in both quantum and timing. The level of dividend paid each year will depend on the performance of the Company's portfolio. In years where there is strong investment performance, the Directors may consider a higher dividend payment, including the payment of special dividends. In years where investment performance is not as strong, the Directors may reduce or even pay no dividend.

In common with many other VCTs, the Company has revoked its status as an investment company to allow it to pay dividends out of capital profits.

VCTs can distribute realised capital profits from the sale of underlying investments and income by way of dividends, which are free of income tax to Investors (subject to each individual Investor's personal circumstances). The Directors intend that the Company will take advantage of this by distributing some or all of its realised capital profits from time to time. The distribution of realised capital profits will have a negative impact on the Company's NAV per Share.

Dividend history

The table below shows the cumulative dividend distributions paid to date to holders of Ordinary Shares. The yields listed are calculated with reference to the closing Net Asset Value per Share in the financial year to which the dividends relate.

Financial Year	Dividends Paid	Year End NAV Yield	Cumulative Total	Comments
2005/06	5p	4.7%	5p	First full financial year
2006/07	5p	4.8%	10p	
2007/08	5p	7.6%	15p	
2008/09	2p	3.1%	17p	No final dividend was paid in January 2010 in respect of the financial year ended 30 September 2009
2009/10	4p	6.4%	21p	
2010/11	4p	6.5%	25p	
2011/12	3.25p	5.3%	28.25p	
2012/13	3.75p	5.2%	32p	
2013/14	4.25p	5.3%	36.25p	
2014/15	4p	5.4%	40.25p	
2015/16	4p	5.3%	44.25p	
2016/17	4p	4.9%	48.25p	
2017/18	5.40p	6.2%	53.65p	Including special dividend of 1 penny.
2018/19	3.75p	5.3%	57.40p	
2019/20	2.75p	-	60.15p	Special dividend of 1.75 pence paid on 28 November 2019 and an interim dividend of 1 penny paid on 24 July 2020. A final dividend will be considered at the year end.

H. RISK MANAGEMENT

The structure of the Company's investment portfolio and its investment strategy, has been developed to mitigate risk where possible.

- The Company has a broad portfolio of investments to reduce stock specific risk.
- Flexible allocations to non-qualifying equities, exchange traded funds listed on the main market of the London Stock Exchange, fixed income securities, bank deposits that are readily realisable and the Marlborough Special Situations Fund allow the Investment Manager to adjust portfolio risk without compromising liquidity.
- Regular meetings with investee companies aid the close monitoring of investments to identify potential risks and allow corrective action where possible. In order to address the additional risks posed by the current COVID-19 pandemic on smaller businesses, the Investment Manager has increased the number and frequency of meetings that it is holding with investee companies.

- Regular board meetings and dialogue with the Directors, along with policies to control conflicts of interests and co-investment with the Marlborough fund mandates, support strong governance.

Category of typical investor

A typical investor for whom the Offer is designed is an individual who is a UK income tax payer over 18 years of age with an investment range of between £5,000 and £200,000 per tax year who considers the investment policy as detailed in Paragraph C of Part 1 of this document to be attractive and can accept the high level of risk associated with an investment into a VCT. Investment in a VCT will not be suitable for every type of investor and should be considered as a medium to long term investment with a minimum holding period of five years.

Before deciding whether to subscribe for Offer Shares, Investors are strongly encouraged to consult an independent adviser authorised under FSMA and to carefully consider the suitability of an investment into the Company in light of their personal circumstances.

I. INVESTMENTS

As at 31 July 2020, the unaudited NAV per Ordinary Share was 67.47 pence.

Set out below are those investments of the Company as at the date of this document (the values being at 31 July 2020) which have an aggregate value of at least 50 per cent. of its net assets (all of which information is unaudited). There has been no material change to the aggregate value of the Company's investment portfolio since 31 July 2020. All of the investments are UK based or have a UK presence.

Qualifying Investments	Sector	Cost £000	Valuation £000	% of NAV
SCA Investments Ltd (Gousto) ⁽¹⁾	Consumer Discretionary	2,484	7,446	5.51%
Learning Technologies Group plc	Information Technology	2,238	5,981	4.43%
Ideagen plc	Information Technology	1,992	4,466	3.31%
Creo Medical Group plc	Health Care	2,329	4,416	3.27%
Oxford Genetics Ltd ⁽¹⁾	Health Care	3,186	4,410	3.26%
Diaceutics plc	Health Care	1,550	3,670	2.72%
Infinity Reliance Ltd (My 1st Years) ⁽¹⁾	Consumer Discretionary	2,500	3,188	2.36%
Cohort plc	Industrials	619	2,879	2.13%
PCI-PAL plc	Information Technology	2,355	2,861	2.12%
Zoo Digital Group plc	Information Technology	2,266	2,772	2.05%
Ilika plc	Industrials	1,376	2,507	1.86%
Blackbird plc	Information Technology	700	2,380	1.76%
Surface Transforms plc	Consumer Discretionary	1,480	2,368	1.75%
Maxcyte Inc	Health Care	1,514	2,181	1.61%
Abcam plc	Health Care	55	2,115	1.56%
Kidly Ltd ⁽¹⁾	Consumer Discretionary	1,500	1,932	1.43%
Beeks Financial Cloud Group plc	Information Technology	1,038	1,888	1.40%
Eagle Eye Solutions Group plc	Information Technology	1,642	1,887	1.40%
Polarean Imaging plc	Health Care	1,000	1,833	1.36%

Aquis Exchange plc	Financials	765	1,690	1.25%
Zappar Ltd ⁽¹⁾	Information Technology	1,600	1,600	1.18%
Craneware plc	Health Care Communication	125	1,548	1.14%
Cloudcall Group plc	Services	2,442	1,522	1.13%
Other Qualifying Investments		46,253	32,860	24.32%
Non Qualifying Investments		20,152	20,015	14.82%
Cash at bank		14,895	14,895	11.03%
Prepayments / Accruals			(221)	-0.16%
Net Assets		118,056	135,089	100.00%

(1) Private Companies

Portfolio breakdown as at 31 July 2020 (by asset class)

Qualifying Investments	74%
Non-Qualifying Investments	15%
Cash	11%
Total	100.0%

Portfolio breakdown as at 31 July 2020 (by sector)

Health Care	33%
Information Technology	30%
Consumer Discretionary	19%
Industrials	7%
Materials	3%
Communication Services	3%
Financials	2%
Real Estate	1%
Energy	1%
Consumer Staples	1%
Total:	100%

J. LIFE OF THE COMPANY AND ANNUAL ACCOUNTS

The annual report and accounts of the Company are made up to 30 September in each year and are normally sent to Shareholders in December of each year.

Although the Company is an 'evergreen' VCT, the Articles provide that at the annual general meeting of the Company to be held in 2025 a vote on the continuation of the Company for a further five years should be put to Shareholders. If the continuation of the Company is not approved the Directors must put forward proposals for the liquidation, reorganisation or reconstruction of the Company as soon as possible, but in any event no later than nine months following the date of the annual general meeting at which the continuation vote was proposed.

At the General Meeting, Shareholders will be asked to approve a resolution amending the date of the continuation vote to the annual general meeting of the Company to be held in 2027.

K. VCT STATUS AND MONITORING

The Company has appointed Philip Hare & Associates LLP to advise on tax matters generally and, in particular, on the maintenance of VCT status. HMRC has confirmed that the Company qualifies as a VCT. Philip Hare & Associates LLP will assist the Investment Manager in establishing the status of investments as Qualifying Investments and monitoring these investments and will report directly to the Board twice a year. In order to continue to comply with VCT requirements, the Company must have 80 per cent. of all net funds raised from the issue of shares invested in Qualifying Investments throughout accounting periods beginning no later than three years after the date on which those shares are issued. For funds raised in accounting periods beginning on or after 6 April 2018, at least 30 per cent. of the gross funds raised must be invested in Qualifying Investments by the anniversary of the end of the accounting period in which the funds were raised.

As at 31 July 2020, the Company was 98.04 per cent. invested in Qualifying Investments (as defined in the ITA).

PART 2

FINANCIAL INFORMATION ON THE COMPANY

Full audited financial information on the Company for the financial year ended 30 September 2019 and unaudited information for the six month period ended 31 March 2020 are available free of charge at the Company's registered office or can be downloaded at www.hargreaveaimvcts.co.uk.

The annual report for the year ended 30 September 2019, was audited by BDO LLP of 55 Baker Street, London W1U 7EU. The audit report was unqualified under the Act.

The annual report for the year ended 30 September 2019 was prepared in accordance with UK Generally Accepted Accounting Practice ("UK GAAP"), including Financial Reporting Standard 102 ("FRS 102") and the Statement of Recommended Practice for "Financial Statements of Investment Trust Companies and Venture Capital Trusts" October 2019 ("SORP").

A. Historical financial information

Historical financial information relating to the Company on the matters referred to below is included in the published audited annual report and accounts of the Company for the financial year ended 30 September 2019 and the interim report of the Company for the six month period ended 31 March 2020 as set out in the table below and is expressly incorporated by reference into this document. The non-incorporated parts of these reports of the Company are either not relevant to investors or covered elsewhere in this document.

Nature of information	<i>Annual report for the year ended 30 September 2019</i>	<i>Interim Report to 31 March 2020</i>
	<i>Page numbers</i>	<i>Page numbers</i>
Financial highlights	3	4
Independent auditor's report	44	-
Income statement	49	26
Balance sheet	50	28
Statement of changes in equity	51	29
Statement of cash flows	53	32
Notes to the financial statements	54	33

B. Selected financial information

The information regarding the Company in this section has been prepared by the Company and has been extracted directly from the historical financial information referred to above. Selected historical financial information relating to the Company which summarises the financial condition of the Company for the two financial periods ended 30 September 2019 and 31 March 2020 is set out in the following table:

	<i>Year ended 30 September 2019</i>	<i>Interim Report to 31 March 2020</i>
Net asset value		
Number of Ordinary Shares in issue	204,014,367	202,022,420
Net assets (£'000)	144,042	114,552
Net asset value per Ordinary Share (p)	70.60	56.70

Ordinary Share price (p)	66.50	51.00
Income		
Total investment income before operating expenses (£'000)	(19,170)	(18,455)
Net return attributable to equity shareholders (£'000)	(22,180)	(20,026)
Performance fee (accrued/paid) (£'000)	N/A	N/A
Investment Manager's fee (accrued/paid) (£'000)	(2,261)	(1,099)
Any other material fees (accrued/paid) to service providers (£'000)	(749)	(472)
Combined return per Ordinary Share (p)	(11.05)	(9.83)
Dividend per Ordinary Share (p)	5.15	4.00
Ongoing charges		
As a percentage of average total Shareholders' funds	2.05%	2.30%
Portfolio summary		
Shareholders' funds (£'000)	144,042	114,552

C. Operating and Financial Review

Nature of information	<i>Annual report for the year ended 30 September 2019</i>	<i>Interim Report to 31 March 2020</i>
	<i>Page numbers</i>	<i>Page numbers</i>
Chairman's statement	4	5
Investment manager's report	17	9
Investment portfolio summary	19	12

D. No significant change

As at the date of this document, there has been no significant change in the financial or trading position of the Company since 31 March 2020 (being the date on which unaudited financial information was last published).

E. Valuation Policy

Investments in shares quoted on AIM, the AQSE Growth Market and the main market (including ETFs) will be valued at the prevailing bid price. All unquoted investments will be valued in accordance with IPEV Guidelines.

Fixed income securities are valued at the closing bid on the valuation date with income accrued according to the convention specified in the loan instrument. In order of preference, the price should be set according:

- (a) the closing bid as published on the LSE;
- (b) the bid price published by brokers on platforms such as Bloomberg; or
- (c) pricing sheets published by third party brokers.

In the absence of any third-party pricing information, the Investment Manager will use a valuation model that includes as input variables the time to maturity, the coupon and accrual convention and the required rate of return within the market. The valuation of fixed income securities that are valued in this way will be reviewed by the Board at least quarterly.

If no clear market data on the required rate of return for fixed income securities is available, the Investment Manager will assume the required rate of return is the highest permissible under the VCT Rules or use best practice if otherwise advised by a suitably knowledgeable person.

PART 3

TAXATION

The following paragraphs, which are intended as a general guide only and are based on current legislation and HMRC practice, summarise advice received by the Directors as to the position of the Shareholders who hold shares other than for trading purposes. Any person who is in any doubt as to their taxation position or is subject to taxation in any jurisdiction other than the United Kingdom should consult their professional advisers.

- (d) Taxation of dividends - under current law, no tax will be withheld by a company when it pays a dividend.
- (e) Stamp duty and stamp duty reserve tax - the Directors have been advised that no stamp duty or stamp duty reserve tax will be payable on the issue of new Shares. The Directors have also been advised that the transfer of shares in the Company will, subject to any applicable exemptions, be liable to ad valorem stamp duty at the rate of 0.5 per cent. of the consideration paid. An unconditional agreement to transfer such shares if not completed by a duly stamped stock transfer form will be subject to stamp duty reserve tax generally at the rate of 50p per £100 (or part thereof) of the consideration paid.
- (f) Close company - the Directors of the Company believe the Company is not, and expect that following the Offer will not be, a close company within the meaning of ITA. If the Company was a close company in any accounting period, approval as a VCT would be withdrawn.

CONDITIONS TO BE MET BY VENTURE CAPITAL TRUSTS

The Company has to satisfy a number of tests to qualify as a VCT. A summary of these tests is set out below.

Qualification as a VCT

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

- (a) not be a close company;
- (b) have each class of its ordinary share capital quoted on the main market of the London Stock Exchange or any other regulated market in the EU or European Economic Area;
- (c) derive its income wholly or mainly from shares or securities;
- (d) have at least 80 per cent. by value of its investments in shares or securities in Qualifying Investments;
- (e) for funds raised after 5 April 2011, and for investments made after 5 April 2018, have at least 70 per cent. by value of Qualifying Investments in Eligible Shares;
- (f) have at least 10 per cent. by value of each Qualifying Investment in any single company

or group in Eligible Shares;

- (g) invest at least 30 per cent. of any funds raised in accounting periods beginning after 5 April 2018 in Qualifying Investments by the first anniversary of the accounting period in which the funds are raised;
- (h) not have more than 15 per cent. by value of its investments in a single company or group (other than a VCT or a company which would, if its shares were listed, qualify as a VCT);
- (i) not retain more than 15 per cent. of its income derived from shares and securities in any accounting period;
- (j) not make an investment in any company which causes that company to receive more than £5 million from State Aid investment sources in the 12 month period ending on the date of the investment (£10 million if the company is deemed to be a Knowledge Intensive Company);
- (k) not return capital to shareholders before the third anniversary of the end of the accounting period during which the subscription for shares occurs;
- (l) not make an investment in a company that 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;
- (m) not make an investment in a company whose first commercial sale was more than 7 years (10 years for a company deemed to be a Knowledge Intensive Company) prior to date of investment, except where previous Risk Finance State Aid was received by the company within 7 (or 10) years or where a turnover test is satisfied; and
- (n) not invest in a company where funds received can be used to acquire another existing business or trade, or shares in another company.

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

Qualifying Investments

A Qualifying Investment consists of shares or securities first issued to the VCT (and held by it ever since) by a company satisfying certain conditions. The conditions are detailed but include that the company must be a Qualifying Company, have gross assets not exceeding £15 million immediately before and £16 million immediately after the investment, apply the money raised for the purposes of a qualifying trade within a certain time period and not be controlled by another company. In any twelve month period the company can receive no more than £5 million from VCT funds and Enterprise Investment Schemes, and any other source of Risk Finance State Aid (£10 million if the company is deemed to be a Knowledge Intensive Company). A company may not receive a total of more than £12 million of Risk Finance State Aid (£20 million if the company is deemed to be a Knowledge Intensive Company). The company must have fewer than 250 full time (or equivalent) employees at the time of making the investment (or less than 500 employees in the case of certain Knowledge Intensive Companies). VCT funds cannot be used by a Qualifying Company to fund the

purchase of a trade or business, or of shares in another company.

There is also a 'no disqualifying arrangements' requirement under which an investment will not be a Qualifying Investment if the investee company has been set up for the purpose of accessing tax reliefs or is in substance a financing business, although the Board believes that these measures are unlikely to affect the Company.

Qualifying Companies

A Qualifying Company must be unquoted (for VCT purposes this includes companies whose shares are traded on AIM and the AQSE Growth Market) and must carry on a qualifying trade. For this purpose certain activities are excluded (such as dealing in land or shares or providing financial services). The qualifying trade must either be carried on by, or be intended to be carried on by, the Qualifying Company or by a relevant qualifying subsidiary (see below) at the time of the issue of shares or securities to the VCT (and at all times thereafter). The company's first commercial sale must be no more than 7 years prior to the date of the VCT's investment (10 years for companies deemed to be Knowledge Intensive Companies), except where previous Risk Finance State Aid was received by the company within 7 years or where a turnover test is satisfied. A Qualifying Company must have a permanent establishment in the UK. 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 Finance Act 2018 introduced a principle based approach known as the risk to capital condition to establish whether the activities or investments of an investee company can qualify for VCT tax reliefs. This condition has two parts, namely:

- whether the investee company has an objective to grow and develop over the long term; and
- whether there is a significant risk that there could be a loss of capital to the investor of an amount exceeding the net return.

A Qualifying Company may have no subsidiaries other than qualifying subsidiaries, which must be more than 50 per cent. owned.

Approval as a VCT

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

A VCT cannot be approved unless the tests detailed above are met throughout the most recent complete accounting period of the VCT and HMRC is satisfied that they will be met in relation to the accounting period of the VCT which is current when the application is made. However, in order to facilitate the launch of a VCT, HMRC may approve a VCT notwithstanding that certain of the tests are not met at the time of application, provided HMRC is satisfied that the tests will be met within certain time limits. In particular, in the case of the tests described at (d) and (e) under the heading "Qualification as a VCT" above, approval may be given if HMRC is satisfied that these will be met throughout an accounting period of the VCT beginning no more than three years after the date on which approval takes effect.

The Directors intend to conduct the affairs of the Company so that they satisfy the conditions for approval as a VCT and that such approval will be maintained. HMRC has granted the Company approval under section 274 ITA as a VCT. The Company intends to comply with section 274 ITA and has retained Philip Hare & Associates LLP to advise them on VCT taxation matters.

Withdrawal of Approval

Approval of a VCT may be withdrawn by HMRC if the various tests set out above are not satisfied. Withdrawal of approval generally has effect from the time when notice is given to the VCT but, in relation to capital gains of the VCT only, can be backdated to not earlier than the first day of the accounting period commencing immediately after the last accounting period of the VCT in which all of the tests were satisfied.

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

PART 4

ADDITIONAL INFORMATION

1. The Company

1.1 The Company was incorporated and registered in England and Wales on 16 August 2004 under the Companies Act 1985 with registered number 05206425 as a public company limited by shares. It was incorporated with the name Keydata AIM VCT plc, which was changed to Hargreave Hale AIM VCT 1 plc on 7 October 2009 and Hargreave Hale AIM VCT plc on 6 September 2018. The Legal Entity Identifier code of the Company is 213800LRYA19A69SIT31.

1.2 On 2 September 2004, the Registrar of Companies issued the Company with a certificate under section 117 of the Companies Act 1985 entitling it to commence business.

2. Registered Offices and Principal Legislation

2.1 The registered office of the Company is at 41 Lothbury, London, EC2R 7AE. The administration office of the Company is at Talisman House, Boardmans Way, Blackpool, FY4 5FY. Its telephone number is +44 (0)1253 376622. The address of the Company's website is www.hargreaveaimvcts.co.uk. Information on the website does not form part of this Registration Document unless that information is incorporated by reference into this Registration Document.

2.2 The principal legislation under which the Company operates and which governs the Ordinary Shares is the Act.

3. The Company's custodian

CGWL acts as custodian to the Company. CGWL is a company incorporated with limited liability in England and Wales under the Act with registered number 03739694 having its registered office at 41 Lothbury, London, EC2R 7AE and telephone number 0207 523 4500. CGWL is authorised and regulated by the FCA.

4. Share and loan capital

4.1 The issued share capital of the Company (all of which issued Ordinary Shares are fully paid-up) as at the date of this document and immediately following Admission (assuming the maximum number of Offer Shares are issued in one issue at the Offer Price based on the 31 July 2020 NAV and the Over-allotment Facility is utilised in full) will be as follows:

	<i>No. of Ordinary Shares</i>	<i>Nominal value</i>
As at 28 August 2020	199,832,163	£1,998,321.63
Immediately following Admission of all Offer Shares	242,738,341	£2,427,383.41

As at the date of this document no Ordinary Shares are held by the Company in treasury. The Company has no authorised share capital.

4.2 The following changes have occurred in the share capital of the Company between 1 October 2018 and 31 March 2020.

4.2.1 in the financial year from 1 October 2018 to 30 September 2019 the Company issued 31,379,517 Ordinary Shares for an aggregate consideration of £25,000,000 and bought back 4,076,170 Ordinary Shares for an aggregate consideration of £2,902,402; and

4.2.2 in the six months from 1 October 2019 to 31 March 2020 the Company did not issue any Ordinary Shares and bought back 1,991,947 Ordinary Shares for an aggregate consideration of £1,326,339.

As at 1 October 2018, the Company had 176,711,020 Ordinary Shares in issue and, as at 31 March 2020, the Company had 202,022,420 Ordinary Shares in issue. Since 1 April 2020 the Company has not issued any further Ordinary Shares and has bought back 2,190,257 Ordinary Shares for an aggregate consideration of £1,336,121.

4.3 No share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option.

4.4 The following resolutions will be proposed at the General Meeting, to be convened for 29 September 2020:

4.4.1 THAT, in addition to all existing authorities, the directors of the Company be and hereby are generally and unconditionally authorised in accordance with Section 551 of the Act to exercise all the powers of the Company to allot new shares in the Company and to grant rights to subscribe for, or to convert any security into, Ordinary Shares in the Company up to an aggregate nominal value of £573,000 (being equal to approximately 28.7 per cent. of the Company's issued share capital (excluding treasury shares) as at 28 August 2020, being the latest practicable date prior to the date of the notice of General Meeting), to such persons and on such terms as the Directors may determine, such authority will expire on 1 September 2021 or, if earlier, upon the expiry of the Prospectus unless renewed, varied or revoked by the Company in general meeting.

4.4.2 THAT, the Directors are generally and unconditionally authorised to offer holders of Ordinary Shares the right to elect to receive, in respect of all or part of their holding of Ordinary Shares, additional Ordinary Shares in the capital of the Company, credited as fully paid, instead of cash in respect of the whole or some part, of any dividends declared or paid from the date of this resolution and the Directors are permitted to do all acts and things required or permitted to be done in Article 149 of the Articles of Association of the Company;

4.4.3 THAT, the investment policy as set out in Part 2 of the circular published by the Company on 2 September 2020 be and is hereby approved;

4.4.4 THAT, in addition to all existing authorities, the directors of the Company be and is hereby generally empowered, pursuant to Sections 570 and 573 of the Act to allot equity securities (within the meaning of Section 560 of the Act) pursuant to

the directors' general authority to allot Ordinary Shares as set out in paragraph 4.4.1 above, and to sell shares held by the Company in treasury, wholly for cash, as if Section 561(1) of the Act did not apply to any such allotment or sale, provided that this power:

- (a) shall be limited to the allotment of equity securities and the sale of treasury shares for cash, up to an aggregate nominal amount of £573,000 (representing approximately 28.7 per cent. of the issued share capital of the Company, as at 28 August 2020); and
- (b) expires on 1 September 2021 or, if earlier, upon the expiry of the Prospectus unless renewed, varied or revoked by the Company in general meeting, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

4.4.5 THAT, the articles of association produced to the General Meeting, and for the purpose of identification initialled by the Chairman, be adopted as the articles of association of the Company.

- 4.5 The disapplication of statutory pre-emption rights in the terms provided under the special resolutions noted at paragraph 4.4.4 above gives the Company the flexibility to allot and issue Ordinary Shares or resell any Ordinary Shares which it holds in treasury for cash without first being required to offer such Ordinary Shares to existing Shareholders in proportion to their existing holdings.
- 4.6 The provisions of section 561 of the Act, which confer on Shareholders certain rights of pre-emption in respect of the allotment of equity securities which are to be paid up in cash, apply to the unissued capital of the Company except as referred to in paragraphs 4.4.1 and 4.4.4 above.
- 4.7 The Company was granted authority to buyback up to 30,392,737 Ordinary Shares in the market at the annual general meeting of the Company held on 4 February 2020. As at 28 August 2020 the Company had purchased 2,921,257 Ordinary Shares pursuant to this authority.
- 4.8 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 of the Company in the three years immediately preceding the date of this document.
- 4.9 Other than pursuant to the Offer, none of the Ordinary Shares have been sold or are available in whole or in part to the public in conjunction with the application for the Ordinary Shares to be admitted to the Official List.
- 4.10 The Ordinary Shares will be in registered form. No temporary documents of title will be issued and prior to the issue of definitive certificates, transfers will be certified against the register. It is expected that definitive share certificates for the Ordinary Shares will be

posted to allottees as soon as practicable following allotment of the Ordinary Shares.

- 4.11 The ISIN and SEDOL Code of the Ordinary Shares are GB00B02WHS05 and B02WHS0, respectively.

5. Articles of Association

The memorandum of association of the Company, which by virtue of Section 28 of the Act is now treated as being part of the Articles of Association of the Company, provides that the Company's principal object is to carry on the business of a VCT.

At the General Meeting it is intended that the Company will adopt new Articles of Association which will provide for the next continuation resolution to be put to Shareholders at the annual general meeting of the Company in 2027 instead of the annual general meeting to be held in 2025. The existing Articles of Association and the new Articles of Association of the Company contain, *inter alia*, the following provisions.

5.1 Voting rights

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.

5.2 Transfer of Shares

The Shares are in registered form and will be freely transferable. All transfers of Shares must be effected by a transfer in any usual form or any other form approved by the Directors. The instrument of transfer of a 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 instrument of transfer unless: it is in respect of a fully paid share; it is in respect of shares on which the company does not have a lien; it is in respect of only one class of share; and the transferees do not exceed four in number.

5.3 Dividends

The Company may in general meeting 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 a 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.

5.4 Disclosure of interest in 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 per cent. of its the 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 per cent. 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.

5.5 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 of Association 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 he may determine.

5.6 Changes in share capital

5.6.1 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.

5.6.2 The Company may by ordinary resolution consolidate its share capital into shares of larger amount and cancel, and diminish the amount of its share capital by the nominal value 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. The Company by special resolution may sub-divide its shares or any of them into shares of smaller amounts.

5.6.3 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.

5.7 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 per cent. of the nominal amount of the issued shares of the class or with the sanction of a special resolution passed at a separate meeting of such holders.

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

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 or become a Director or other officer, servant or member or 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 appoint a President of the Company (who need not be a Director of the Company) and may determine their duties and remuneration and the period for which he is to hold office.

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.

5.9 Directors' interests

5.9.1 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 their interest.

5.9.2 Provided the Director has declared their interest, 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. No Director so interested shall be accountable to the Company, by reason of being a Director, for any benefit that

they derive from such office or interest or any such transaction or arrangement.

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

- (a) the giving to the Director of any security or indemnity in respect of money lent or an obligation incurred by them 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 security or indemnity in respect of a debt or an obligation of the Company or any of its subsidiary undertakings for which they have assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
- (c) any proposal concerning the subscription of shares, debentures or other securities of the Company or any of its subsidiary undertakings or by virtue of their participation in the underwriting or sub-underwriting of an offer of such shares, debentures or other securities;
- (d) 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
- (e) 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 them in respect of any negligence, breach of duty or breach of trust for which they may be guilty in relation to the Company or any of its subsidiaries of which they are a director, officer or auditor.

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 their own appointment.

5.10 Remuneration of Directors

5.10.1 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, 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.

5.10.2 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.

5.10.3 The emoluments and benefits of any executive director for their 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 themselves or their dependants on or after retirement or death.

5.11 Retirement of Director

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 as a Director despite having attained any particular age.

5.12 Borrowing powers

Subject to the restrictions set out in this paragraph, 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 previous sanction of an ordinary resolution of the Company exceed a sum equal to 15 per cent. of the aggregate total amount received from time to time on the subscription of shares of the Company.

5.13 Distribution of realised capital profits

At any time when the Company has given notice in the prescribed form (which has not been revoked) to the Registrar of Companies of its intention to carry on business as an investment company ("a Relevant Period") the distribution of the Company's capital profits (within the meaning of section 833 of the Act) shall be prohibited. The Board shall establish a reserve to be called the capital reserve. During a Relevant Period, all surpluses arising from the realisation or revaluation of investments and all other monies realised on or derived from the realisation, payment or other dealing with any capital asset in excess of the book value thereof and all other monies which are considered by the Board to be in the nature of accretion to capital shall be credited to the capital reserve. Subject to the Act, the Board may determine whether any amount received by the Company is to be dealt with as income or capital or partly one way and partly the other. During a Relevant Period, any loss realised on the realisation or payment or other dealing with investments, or other capital

losses, and, subject to the Act, any expenses, loss or liability (or provision therefore) which the Board considers to relate to a capital item or which the Board otherwise considers appropriate to be debited to the capital reserve shall be carried to the debit of the capital reserve. During a Relevant Period, all sums carried and standing to the credit of the capital reserve may be applied for any of the purposes for which sums standing to any revenue reserve are applicable except and provided that during a Relevant Period no part of the capital reserve or any other money in the nature of accretion to capital shall be transferred to the revenue reserves of the Company or be regarded or treated as profits of the Company available for distribution (as defined in section 829 of the Act) or be applied in paying dividends on any shares in the Company. In periods other than a Relevant Period, any amount standing to the credit of the capital reserve may be transferred to the revenue reserves of the Company or be regarded or treated as profits of the Company available for distribution (as defined by section 829 of the Act) or applied in paying dividends on any shares in the Company.

5.14 General meetings

Annual general meetings shall be held at such time and place as may be determined by the Directors and within a period of six months beginning on the day following the Company's accounting reference date.

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 requisitionists as are provided by the Act. Any meeting convened under this paragraph by requisitionists 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 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 vote instead of them, 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 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.

5.15 Duration of the Company

The Directors shall put an ordinary resolution to the annual general meeting of the Company in 2025 and, if passed, to every fifth subsequent annual general meeting, proposing that the Company should continue as a Venture Capital Trust for a further five year period. If any such resolution is not passed, the Directors shall draw up proposals for the reorganisation, reconstruction or voluntary winding-up of the Company for submission

For the purposes of this, an ordinary resolution will not have been carried only if those members in person or by proxy who vote against such resolution hold in aggregate not less than 25 per cent. of the issued share capital of the Company at such time entitled to attend and vote at such a meeting.

5.16 Distribution on winding-up

The capital and assets of the Company attributable to the Ordinary Shares shall on a winding up or on a return of capital be distributed amongst the Ordinary Shareholders *pro rata* according to the nominal capital paid up on their holdings of Ordinary Shares.

6. CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument.

7. Directors' interests and other significant shareholdings

7.1 As at the date of this document the interests of the Directors and their immediate families (all of which are beneficial) in the share capital of the Company which (i) are or will be notified to the Company in accordance with rule 3 of the Disclosure Guidance and Transparency Rules ("DTR 3") by each Director; or (ii) are interests of a connected person (within the meaning in DTR 3) of a Director which are or will be required to be disclosed under DTR 3 and the existence of which is known to or could with reasonable diligence be ascertained by that Director are or are expected to be as follows:

	As at 28 August 2020		After the Offer has closed*	
	Number of Ordinary Shares	Percentage of issued share capital	Number of Ordinary Shares	Percentage of issued share capital
Director				
David Brock	42,170	0.02%	42,170	0.02%
Sir Aubrey Brocklebank	4,845	0.00%	4,845	0.00%
Oliver Bedford	42,940	0.02%	42,940	0.02%
Ashton Bradbury	43,223	0.02%	43,223	0.02%
Angela Henderson	-	-	-	-

* Assuming that the Maximum Subscription is achieved in relation to the Offer Shares, taking into account of the Over-allotment Facility and that all the allotments are made at an Offer Price based on the NAV per Ordinary Share as at 31 July 2020.

7.2 As at 28 August 2020 (being the latest practical date prior to the publication of this document) and after the Offer has closed, the Company is aware of the following persons who hold or will hold, directly or indirectly, voting rights representing 3 per cent. or more of the issued share capital of the Company to which voting rights are attached (assuming that the Offer is fully subscribed):

Name	As at 28 August 2020		After the Offer has closed	
	Number of Ordinary Shares	Percentage of voting rights	Number of Ordinary Shares*	Percentage of voting rights*
Hargreaves Lansdown (Nominees) Limited	13,209,707	6.61%	13,209,707	5.44%
CGWL Nominees Limited	8,067,209	4.04%	8,067,209	3.32%

* Assuming that the Maximum Subscription is achieved in relation to the Offer Shares, taking into account of the Over-allotment Facility and that all the allotments are made at an Offer Price based on the NAV per Share as at 31 July 2020.

7.3 Save as disclosed in paragraphs 7.1 and 7.2, the Company is not aware of any person who will, immediately following Admission, hold (for the purposes of rule 5 of the Disclosure Guidance and Transparency Rules) directly or indirectly voting rights representing 3 per cent. or more of the issued share capital of either Company to which voting rights are attached or could, directly or indirectly, jointly or severally, exercise control over the Company.

7.4 The persons, including the Directors, referred to in paragraphs 7.1 and 7.2, do not have voting rights in respect of the share capital of the Company (issued or to be issued) which differ from any other Shareholder.

7.5 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.

7.6 Save in respect of the arrangements referred to in paragraphs 7, 9 and 10, no Director has any interest in any transactions which are or were unusual in their nature or conditions or which are or were significant to the business of the Company and which were effected by the Company in the current or immediately preceding financial year or which were effected

during an earlier financial year and which remain in any respect outstanding or unperformed.

7.7 Oliver Bedford is an employee of Hargreave Hale Limited, and, therefore, has an interest in the arrangements referred to in paragraph 10 below. Oliver Bedford is also a Director of the Company and as such there may be a potential conflict of interest between his duties owed to the Company and to the Investment Manager in relation to these arrangements. David Brock is chairman of Honest Brew Limited, an investee company included in the Company's portfolio and as such there may be a potential conflict of interest between his duties owed to the Company and his duties owed to Honest Brew Limited. Save as set out in this paragraph, there are no potential conflicts of interest between any duties owed to the Company by the Directors and their private and/or other duties.

7.8 In addition to their directorship of the Company, the Directors currently hold, and have during the five years preceding the date of this document held, the following directorships, partnerships or been a member of the senior management:

Name	Current Directorships/ Partnership Interests	Past Directorships/ Partnership Interests
David Brock	Draper Esprit VCT plc ECS Global Group Limited Honest Brew Ltd Leeson Limited Park Regis Birmingham LLP Primrose Group Limited Puma VCT 12 plc	Kitwave Limited Puma VCT 8 plc
Sir Aubrey Brocklebank	Appy Zebra Limited Downing VCT 4 plc Edge Performance VCT plc Evoque Claims & Appraisals Limited Talent Recognition Limited Thos. & Jno. Brocklebank Limited Toners & Cartridges Limited	AB and A Investments Limited (dissolved) Continental Shelf 547 Ltd (dissolved) Continental Shelf 548 Ltd (dissolved) EpiquestLive Inc. EpiquestLive UK Limited Nationwide Gritting Services Limited Innventive Property Holdings Limited Mast Investment Holdings Ltd NGS Corporation PLC Premier FireServe Ltd (in administration) Premier FireServe Engineering Ltd (in administration) Puma VCT 8 PLC (in liquidation)

		Puma VCT 4 plc (voluntary liquidation)
		Salt International Limited (in liquidation)
		The Classic 2CV Racing Club Limited
		The Media Vehicle Group Limited (dissolved)
		Urban and Country Leisure Limited
Oliver Bedford	-	Hargreave Hale AIM VCT 2 plc
Ashton Bradbury	Golf Union of Wales Limited Standard Life UK Smaller Companies Trust PLC	-
Angela Henderson	Credit Suisse Asset Management Limited CWPLUS PharmaSys S.A.	PharmaSys Limited Qube Research and Technologies Limited

The business address of all the Directors is: 41 Lothbury, London, EC2R 7AE.

7.9 None of the Directors has at any time within the last five years:

- 7.9.1 had any convictions (whether spent or unspent) in relation to offences involving fraud or dishonesty;
 - 7.9.2 been the subject of any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated recognised professional bodies) or been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company;
 - 7.9.3 been a director or senior manager of a company which has been put into receivership, compulsory liquidation, administration, company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors (save as set out in paragraph 7.8); or
 - 7.9.4 been the subject of any bankruptcy or been subject to an individual voluntary arrangement or a bankruptcy restrictions order.
- 7.10 There are no arrangements or understandings with major shareholders, customers, suppliers or others, pursuant to which any Director was selected as a member of the administrative, management or supervisory bodies or member of senior management.
- 7.11 There are no restrictions agreed by any Director on the disposal within a certain period of time of their holdings in the Company's securities.
- 7.12 There are no outstanding loans or guarantees provided by the Company for the benefit of any of the Directors nor are there any loans or any guarantees provided by any of the

Directors for the Company.

8. Directors' remuneration and service agreements

- 8.1 In the financial year ended 30 September 2019, the total remuneration of the Directors was £76,500 (exclusive of VAT if any). From this, David Brock, Oliver Bedford and Ashton Bradbury received £18,000, and Sir Aubrey Brocklebank received £22,500. Payment in respect of Oliver Bedford's role as a non-executive director was made to the Investment Manager. In the financial year to 30 September 2020 it is expected that the total remuneration of the Directors will be £133,087 (exclusive of VAT if any). From this, Sir Aubrey Brocklebank, who stepped down as Chairman of the Board at the AGM on 4 February 2020, is expected to receive £29,388, David Brock, who was appointed Chairman of the Board at the same AGM is expected to receive £30,612, Oliver Bedford and Ashton Bradbury are expected to receive £25,000 each and Angela Henderson, who was appointed to the Board on 29 October 2019, is expected to receive £23,087.
- 8.2 None of the Directors has a service contract with the Company and no such contract is proposed. Each of the Directors has been appointed on terms which can be terminated by either party on three months' notice pursuant to letters of appointment between the Company and the directors entered into on 13 December 2016 in relation to Oliver Bedford, 14 May 2018 in relation to Ashton Bradbury, 29 October 2019 in relation to Angela Henderson, 2 June 2020 in relation to Sir Aubrey Brocklebank and 12 June 2020 in relation to David Brock.
- 8.3 The Directors are not entitled to compensation on termination of their directorships and no amounts have been set aside or accrued for their pensions, retirement or similar benefits.

9. The Company and its subsidiaries

The Company does not have any subsidiaries.

10. Material contracts

The following are the only contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the Company in the 2 years immediately preceding the date of this document or which are expected to be entered into prior to Admission and which are, or may be, material or which have been entered into at any time by the Company and which contain any provision under which either Company has any obligation or entitlement which is, or may be, material to the relevant Company at the date of this document:

- 10.1 An offer agreement dated 2 September 2020 between the Company and the Administrator (the "Offer Agreement") under which the Administrator was appointed to administer the Offer on behalf of the Company and act as receiving agent in relation to the Offer. Under the terms of the Offer Agreement the Administrator will receive a fee of 3.5 per cent. of the gross proceeds of the Offer for providing these services. The Administrator has agreed to discharge commissions payable to financial advisers in respect of accepted applications for Offer Shares submitted by them, including any trail commission. The Administrator has also agreed to discharge and/or reimburse all costs and expenses of and incidental to the

Offer and the preparation of the Prospectus, including without limitation to the generality of the foregoing, FCA vetting fees in relation to the Prospectus, sponsor and legal fees and expenses of the Company and CGWL, the Company's tax adviser's fees and expenses, costs of printing, postage, advertising, publishing and circulating the Prospectus and marketing the Offer, including any introductory commission and discounts to Investors. However, the Administrator will not be responsible for the payment of listing fees associated with the admission of the Ordinary Shares to the premium segment of the Official List and to trading on the main market of the London Stock Exchange. Following the final allotment under the Offer the Company and the Administrator will agree on the aggregate costs of the Offer. If the aggregate fee paid by the Company to the Administrator exceeds the costs of the Offer by more than £25,000 then CGWL will rebate any surplus to the Company, subject to a cap of £75,000.

- 10.2 An agreement dated 25 June 2019 between the Company and the Investment Manager (the "Management Agreement") under which the Investment Manager agreed to provide discretionary investment management and advisory services to the Company. Under the terms of the Management Agreement, the Investment Manager is entitled to a management fee equal to 1.7 per cent. of the Net Asset Value of the Company as at the last business day immediately preceding the relevant payment date. The management fee is payable quarterly in arrears. The Management Agreement may be terminated by either party on not less than 12 months' notice in writing.
- 10.3 An agreement dated 25 June 2019 between the Company and the Administrator under which the Administrator agreed to provide administration services to the Company. Under the terms of this agreement, the Administrator is entitled to a fee of £195,000 per annum (plus VAT) payable quarterly in arrears on 31 December, 31 March, 30 June and 30 September in each year. The agreement may be terminated by either party on not less than 3 months' notice in writing.
- 10.4 An agreement dated 25 June 2019 between the Company and the Administrator under which the Administrator agreed to provide company secretarial services to the Company. Under the terms of this agreement, the Administrator is entitled to a fee of £17,000 per annum (plus VAT) payable quarterly in arrears on 31 December, 31 March, 30 June and 30 September in each year. The agreement may be terminated by either party on not less than 3 months' notice in writing.
- 10.5 An agreement dated 5 April 2019 between the Company and the Administrator under which the Administrator has agreed to provide the Company with custody services in respect of the Company's assets. Under the terms of this agreement, the Administrator is entitled to a fee of £30,000 per annum (inclusive of VAT if applicable) payable quarterly in arrears on 31 December, 31 March, 30 June and 30 September in each year. The fee will be reviewed by the parties on an annual basis. The agreement may be terminated by either party on not less than 3 months' notice in writing.
- 10.6 An offer agreement dated 19 September 2018, between the Company, the Directors, Hargreave Hale and Howard Kennedy LLP pursuant to which Howard Kennedy LLP agreed to act as sponsor to the Company in respect of the previous offer of the Company and Hargreave Hale agreed to use reasonable endeavours to procure subscribers for new

Ordinary Shares under the previous offer. Under the agreement Hargreave Hale was paid a commission of 3.5 per cent. of the aggregate value of accepted applications for Ordinary Shares received pursuant to the previous offer. Gross funds of £25,000,000 were received under the previous offer. The 3.5 per cent. premium of £875,000 payable to Hargreave Hale under the terms of the previous offer was reduced by £426,670, being the discount awarded to investors in the form of additional Shares. A further reduction of £150 introductory commission was made resulting in fees payable to Hargreave Hale of £448,180 which were then used to pay other costs associated with the prospectus and marketing. Under this offer agreement, Hargreave Hale, the Company and the Directors gave certain warranties and indemnities to Howard Kennedy LLP. The warranties and indemnities were in usual form for a contract of this type and the warranties were subject to limits of the lesser of (i) £10 million or (ii) the total proceeds of the previous offer for Hargreave Hale and in respect of the Directors one year's director fees for each Director. The Company also agreed to indemnify Howard Kennedy LLP in respect of its role as sponsor.

- 10.7 In addition to the above material contracts the Company also entered into a letter of appointment with each of the Directors, further details of which are set out in paragraph 8.1 above.

11. Related party transactions

Other than the agreements, deeds and shareholdings referred to in paragraph 10, there have been no related party transactions relating to the Company between 1 October 2018 and the date of this document.

12. Specific Disclosures in respect of Closed Ended Funds

- 12.1 The Investment Manager intends to structure the Company's investments in accordance with the Company's objectives of spreading investment risk and in accordance with the published investment policy as set out in the section of Part 1 "Investment Objectives and Policy of the Company". The investment policy is in line with the VCT Rules and the Company will not deviate from it in any material respect.
- 12.2 The Company is not authorised by the FCA (or an equivalent overseas regulator) although VCTs need to meet a number of conditions set out in tax legislation in order for the VCT tax reliefs to apply, and comply with the continuing obligations of listed companies under the Listing Rules and the Disclosure Guidance and Transparency Rules.
- 12.3 The Company is regulated by the VCT Rules in respect of the investments it makes as described in Part 4 of this document. The Company has appointed Philip Hare & Associates LLP as its VCT status monitor. Philip Hare & Associates LLP will report twice yearly to the Company as a part of their annual and interim reporting obligations. In respect of any breach of the VCT Rules, the Company, together with Philip Hare & Associates LLP, will report directly and immediately to HMRC to rectify the breach and announce the same immediately to the Company's shareholders through a Regulatory Information Service provider. In addition, the Company intends to maintain the investment approach as detailed in the section entitled "Investment Policy of the Company" in Part 1 of this document. In addition the Company is a small registered UK AIFM for the purposes of the AIFM

Regulations 2013 and subject to regulation as such by the FCA.

The Company will not conduct any trading activity which is significant in the context of its group (if any) as a whole. No more than 10 per cent., in aggregate, of the value of the total assets of the Company at the time an investment is made may be invested in other listed closed-ended investment funds, except where those funds themselves have published investment policies which permit them to invest no more than 15 per cent. of their total assets in other listed closed-ended investment funds. The Company will, at all times, invest and manage its assets in a way which is consistent with its objectives of spreading investment risk and in accordance with its published investment policy. The Company will also invest and manage its assets to ensure compliance with the Listing Rules, the Prospectus Rules and the VCT Rules and restrictions.

12.4 The Board acts independently of the Investment Manager and a majority of the Directors (including the Chairman) are considered to be independent of the Investment Manager.

12.5 The Company will not:

12.5.1 invest more than 15 per cent. of its gross assets in any single company, in accordance with the VCT legislation, nor will the Company control the companies in which it invests in such a way as to render them subsidiary undertakings until it has obtained approval as a VCT from HMRC;

12.5.2 invest directly in physical commodities;

12.5.3 invest in any property collective investment undertaking; or

12.5.4 invest in any derivatives, financial instruments, money market instruments or currencies other than for the purposes of efficient portfolio management (i.e. solely for the purpose of reducing, transferring or eliminating investment risk in the underlying investments of the collective investment undertaking, including any technique or instrument used to provide protection against exchange and credit risks).

12.6 The Administrator is responsible for the determination and calculation of the Net Asset Value of the Company on a weekly basis. The value of investments will be determined according to their listing status. Quoted securities are valued at bid price unless the investment is subject to restrictions or the holding is significant in relation to the share capital of a small quoted company, in which case a discount may be appropriate as per the IPEV Guidelines. Information on the valuation of the quoted securities is provided by the Investment Manager. Unquoted investments are valued at fair value as determined by the Investment Manager and approved by the Board. Valuations of unquoted investments are reviewed on a quarterly basis and more frequently if events occur that could have a material impact on the investment. In estimating fair value for an unquoted investment, the Investment Manager will apply one or more valuation techniques according to the nature, facts and circumstances of the investment. The Investment Manager will use reasonable current market data and inputs combined with market participant assumptions. The assessment of fair value will reflect the market conditions at the measurement date irrespective of which valuation technique is used. The IPEV Guidelines describe a range of

valuation techniques, including but not limited to relevant observable market multiples, independent arms-length transactions, income, discounted cash flows and net assets. The Net Asset Value of the Company will be communicated to Shareholders through a Regulatory Information Service provider at the same frequency as the determinations. In the event of any suspension, valuations are held at the suspended price and a view is taken with consideration to best market practice and information from advisers. The Directors do not anticipate any circumstances arising under which the valuations may be suspended. Should the determination of Net Asset Value differ from that set out above then this will be communicated to Shareholders through a Regulatory Information Service provider. The calculation of the Net Asset Value of the Company will only be suspended in circumstances where the underlying data necessary to value the investments of the Company cannot readily, or without undue expenditure, be obtained. Details of any suspension in making such calculations will be announced through a Regulatory Information Service.

13. Disclosures under the Market Abuse Regulation

The table below sets out a summary of the information disclosed by the Company under the Market Abuse Regulation over the 12 month period preceding the date of this Prospectus.

<i>Date</i>	<i>Title of Announcement</i>	<i>Disclosure</i>
22 June 2020	Statement of intention to launch an offer for subscription	The Board announced its intention to launch the Offer.
4 November 2019	Directorate change	Disclosure in relation to the appointment of Angela Henderson as non-executive Director.

14. Further Information on Investment Manager

14.1 The Investment Manager is regulated and authorised by the Financial Conduct Authority. It was incorporated as a private limited company in England and Wales on 16 January 1996 under number 03146580 and operates under the Act and the regulations made under the Act. The Investment Manager is domiciled in the UK. Its registered office is at 41 Lothbury, London EC2R 7AE. The telephone number is 0207 523 4500.

14.2 The original administrator of the Company was Keydata Investment Services Limited. Keydata Investment Services Limited went into administration on 8 June 2009. The assets and business of the Company were ring fenced from the activities of Keydata Investment Services Limited and as such were not affected by the administration. The investment, management and custody of the Company's assets was at all times undertaken by the Investment Manager.

15. Corporate Governance

15.1 The Board is accountable to Shareholders for the governance of the Company's affairs and is committed to maintaining the highest standards of corporate governance. Accordingly, the Board have considered the principles and recommendations of the UK Corporate Governance Code published by the Financial Reporting Council in July 2018 (the "UK Code") and the AIC Code of Corporate Governance published in January 2019 (the "AIC Code") and put in place arrangements which it considers appropriate for the Company to ensure proper corporate governance. Considering these principles applicable to the Company, the Board believes that the Company as at the date of this document complies, save as disclosed below, with the provisions of the UK Code and the AIC Code.

15.2 The UK Code includes provisions relating to:

15.2.1 the role of the chief executive;

15.2.2 executive directors' and senior managers' remuneration;

15.2.3 workforce engagement; and

15.2.4 the need for an internal audit function.

15.3 For the reasons set out in the AIC Code and as explained in the UK Code, the Board considers these provisions are not relevant to the position of the Company, as all of the Company's day-to-day management and administrative functions are outsourced to external service providers. As a result, the Company has no executive directors, employees or internal operations.

15.4 Due to the size of the Board it has not set up separate nomination and remuneration committees on the grounds that the Board as a whole considers these matters. As all Directors are non-executives, the Board has not appointed a senior independent non-executive director as the Chairman performs the role.

15.5 An audit committee has been established. The audit committee comprises of Sir Aubrey Brocklebank as chairman, Ashton Bradbury and Angela Henderson. Aubrey has taken on the role of chairman of the audit committee, which was previously held by David Brock, until a new Director with the skills necessary to undertake this role has been appointed.

16. Litigation

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

17. General

17.1 BDO LLP, Chartered Accountants of 55 Baker Street, London, W1U 7EU were auditors of the Company in respect of the audited financial information referred to in Part 2 and have given unqualified audit reports on the statutory accounts of the Company for those financial

years referred to in Part 2 within the meaning of section 495 of the Act. None of those reports contained any statements under section 237(2) or (3) of the Act. Statutory accounts of the Company for those financial years have been delivered to the Registrar of Companies in England and Wales pursuant to section 242 of the Act. BDO LLP is authorised and regulated by the Institute of Chartered Accountants of England and Wales.

17.2 The Company shall take all reasonable steps to ensure that its auditors are independent of them and will obtain written confirmation from their auditors that they comply with guidelines on independence issued by their national accountancy and auditing bodies.

17.3 The statements attributed to the Investment Manager in this document have been included in the form and context in which they appear with the consent and authorisation of the Investment Manager. The Investment Manager accepts responsibility for those statements, and to the best of the knowledge of the Investment Manager (which has taken all reasonable care to ensure that such is the case) those statements are in accordance with the facts and contains no omission likely to affect its import.

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

17.5 There are no material potential conflicts of interest which any of the service providers to the Company, including the Investment Manager, may have between their duty to the Company and the duties owed to third parties and their other interests, provided that the Investment Manager may be involved in other financial, investment or professional activities that may on occasion give rise to conflicts of interest with the Company. In particular, the Investment Manager currently does, and may continue to, provide investment management, investment advice or other services in relation to a number of other funds or accounts that may have similar investment objectives and/or policies to that of the Company and may receive ad valorem and/or performance-related fees for doing so. As a result, the Investment Manager may have conflicts of interest in allocating investments among the Company and other clients and in effecting transactions between the Company and other clients. The Investment Manager may give advice or take action with respect to such other clients that differs from the advice given or actions taken with respect to the Company.

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

18. Forward looking statements

18.1 To the extent that this document includes "forward looking statements" concerning the Company, those statements are based on the current expectations of the Board and are naturally subject to uncertainty and changes in circumstances. Forward looking statements include, without limitation, statements typically containing words such as "intends",

"expects", "anticipates", "targets", "estimates" and words of similar import.

- 18.2 By their nature, forward looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. Given these risks and uncertainties, potential investors should not place undue reliance on forward looking statements as a prediction of actual results.
- 18.3 The Company does not undertake any obligation to update publicly or revise forward looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required.
- 18.4 Information in this document will be updated as required by the Prospectus Regulation Rules, Listing Rules, Disclosure Guidance and Transparency Rules and Market Abuse Regulation, as appropriate.

19. Documents available for inspection

Copies of the following documents will be available for inspection during normal business hours on any business day (Saturdays, Sundays and public holidays excepted) at the registered office of the Company at 41 Lothbury London EC2R 7AE whilst the Offer remains open:

- 19.1 the Articles of Association of the Company;
- 19.2 the annual accounts for the Company for the period ended 30 September 2019 and the interim accounts for the period ended 31 March 2020; and
- 19.3 the Prospectus.

The documents set out above are available at the Company's website, www.hargreaveaimvcts.co.uk.

20. Availability of this document

This Registration Document, the Securities Note and the Summary are available for inspection at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism> and, whilst the Offer remains open, copies are available for collection, free of charge, from the registered office of the Company at 41 Lothbury, London EC2R 7AE.

Dated: 2 September 2020

PART 5

DEFINITIONS

"Act"	the Companies Act 2006, as amended
"Administrator" or "CGWL"	Canaccord Genuity Wealth Limited, which is authorised and regulated by the FCA
"Admission"	admission of the Offer Shares to trading on the main market of the London Stock Exchange and to the Official List
"AIFM"	an Alternative Investment Funds Manager as defined in Regulation 4 of the AIFM Regulations 2013
"AIFM Regulations 2013"	The Alternative Investment Fund Managers Regulations 2013 (SI 2013/1773)
"AIM"	the AIM Market operated by the London Stock Exchange
"Annual Running Costs"	the running costs of the Company and include the management fees payable to the Investment Manager, accounting and administration fees, as well as fees for directors, auditors, taxation advisers, sponsor, registrar, and the costs of communicating with shareholders; however, such costs shall exclude any VAT payable thereon (the payment of which is the responsibility of the Company)
"AQSE"	the Growth Market of the Aquis Stock Exchange, a recognised investment exchange for growth companies operated by Aquis Exchange PLC
"Articles of Association" or "Articles"	the articles of association of the Company in force from time to time
"Auditors"	BDO LLP
"Circular"	the circular to Shareholders issued by the Company on or around the date of this Prospectus convening the General Meeting to approve various proposals in connection with the Offer
"Company"	Hargreave Hale AIM VCT plc
"CREST"	the relevant system (as defined in the Regulations) operated by Euroclear
"Directors" or "Board"	the directors of the Company
"Disclosure Guidance and	the Disclosure Guidance and Transparency Rules published

Transparency Rules" or "DTR"	by the FCA from time to time
"Eligible Shares"	shares in Qualifying Companies which do not carry preferential rights to dividends, assets on a winding up or redemption
"FCA"	the Financial Conduct Authority in the United Kingdom and/or any successor or replacement body or bodies from time to time
"FSMA"	the Financial Services and Markets Act 2000, as amended
"General Meeting"	the general meeting of the Company to be held on 29 September 2020 (or any adjournment thereof) convened by a notice contained in the Circular
"HMRC"	HM Revenue & Customs
"Investment Manager" or "Hargreave Hale"	Hargreave Hale Limited, which is authorised and regulated by the FCA
"Investor(s)"	subscriber for Offer Shares under the Offer
"IPEV Guidelines"	the International Private Equity and Venture Capital Valuation Guidelines
"ITA"	Income Tax Act 2007, as amended
"Knowledge Intensive Company"	a company satisfying the conditions in Section 331(A) of Part 6 ITA.
"Listing Rules"	the listing rules prescribed by the FCA
"London Stock Exchange"	London Stock Exchange plc
"MAR" or "Market Abuse Regulation"	Market Abuse Regulation (596/2014/EU)
"Marlborough Special Situations Fund"	the Marlborough Special Situations Fund launched on 12 July 1995 being an authorised collective investment scheme as defined in FSMA
"Management Agreement"	the agreement dated 25 June 2019 (as amended) between the Company and Hargreave Hale Limited governing the management of Hargreave Hale AIM VCT's investments
"Maximum Subscription"	the receipt of the maximum subscription monies under the Offer, being an aggregate amount of £30,000,000 (including the Over- allotment Facility)
"NAV per Share"	the NAV divided by the appropriate number of Ordinary

	Shares in issue
"Net Asset Value" or "NAV"	the value of the Company's assets, less its liabilities
"Non-Qualifying Investment"	investments made by the Company which do not qualify as Qualifying Investments
"Offer"	the offer for subscription for Offer Shares by the Company as described in this document
"Offer Agreement"	the offer agreement detailed in paragraph 9.1 of Part 4 of this document
"Offer Price"	the offer price for the Offer Shares as determined by the Pricing Formula
"Offer Shares"	the new Ordinary Shares in the Company to be issued pursuant to the Offer
"Official List"	the Official List of the FCA
"Ordinary Shares" or "Shares"	ordinary shares of 1p each in the capital of the Company
"Over-allotment Facility"	the ability of the Directors of the Company (at their discretion), if the Offer is oversubscribed, to increase the number of Offer Shares available for subscription under the Offer to raise further amounts under the Offer of up to £10 million
"Pricing Formula"	the last Net Asset Value of an existing Ordinary Share (with an appropriate adjustment for any dividends declared and not yet paid if the allotment occurs whilst the shares are classified as ex- dividend) as published by the Company prior to the date of allotment divided by 0.965 to allow for issue costs of 3.5 per cent. calculated, in pence, to two decimal places
"Prospectus"	this document, the Securities Note and the Summary
"Prospectus Regulation Rules"	the prospectus regulation rules made by the FCA under Part VI of FSMA, as amended from time to time
"Qualifying Investment" or "Qualifying Company"	an investment made by a venture capital trust in a trading company which comprises a qualifying holding under Chapter 4 of Part 6 ITA
"Qualifying Trade"	a trade complying with the requirements of section 300 ITA
"Registrar"	Equiniti Limited
"Regulations"	the Uncertificated Securities Regulations 2001 (S.I. 2001/3755)

"Restricted Jurisdiction"	any jurisdiction where local law or regulations may result in a risk of civil, regulatory or criminal exposure or prosecution if information or documentation concerning the Offer (including this document) is sent or made available to a person in that jurisdiction
"Risk Finance Guidelines"	the guidelines on State aid to promote risk finance investments published by the European Commission
"Risk Finance State Aid"	State Aid received by a company as defined in Section 280B (4) of ITA
"Shareholder"	a holder of Shares
"Sponsor"	Dickson Minto W.S., which is authorised and regulated by the FCA
"Subscription"	means the amount in pounds sterling that the Investor has subscribed for in Shares
"Securities Note"	the securities note published by the Company on 2 September 2020
"Summary"	the summary document published by the Company on 2 September 2020
"US Investment Company Act"	the United States Investment Company Act of 1940, as amended
"US Securities Act"	the United States Securities Act of 1933, as amended
"VCT" or "Venture Capital Trust"	venture capital trust as defined in section 259 ITA
"VCT Rules"	all rules and regulations that apply to VCTs from time to time, including the ITA