SENECA
GROWTH CAPITAL VCT

Seneca Growth Capital VCT Plc

Prospectus

Offer for Subscription to raise up to £10 million of B Shares with an over-allotment facility of up to a further £10 million

13 October 2020

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

This document, which comprises a prospectus relating to Seneca Growth Capital VCT Plc (the "Company") dated 13 October 2020, has been prepared in accordance with the Regulation (EU) 2017/1129 (the "Prospectus Regulation") and has been approved by the Financial Conduct Authority ("FCA") as competent authority under Regulation (EU) 2017/1129. The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval should not be considered an endorsement of the Company or of the quality of the securities that are the subject of this Prospectus and investors should make their own assessment as to the suitability of investing in the securities. The Prospectus has been drawn up as part of a simplified prospectus in accordance with Article 14 of Regulation (EU) 2017/1129.

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

Your attention is drawn to the risk factors set out on page 11 of this document. Prospective Investors should read the whole text of this document and should be aware that an investment in the Company involves a high degree of risk and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. All statements regarding the Company's business, financial position and prospects should be viewed in light of such risk factors.

The Company and the Directors, whose names appear on page 35 of this document, accept responsibility for the information contained in the Prospectus. To the best of the knowledge of the Company and the Directors, the information contained in the Prospectus is in accordance with the facts and makes no omission likely to affect its import.

Seneca Growth Capital VCT Plc

(incorporated in England and Wales with registered number 04221489)

Offer for subscription of up to £10 million of B Shares of 1 pence each with an over-allotment facility for up to a further £10 million of B Shares, payable in full in cash on application

Sponsor

SPARK Advisory Partners Limited

A brief summary, written in non-technical language and conveying the essential characteristics and risks associated with the Company and the Offer Shares is contained in a summary on pages 4 to 10 of this document; however, you are advised to read the Prospectus in full.

SPARK Advisory Partners Limited, which is authorised and regulated in the UK by the FCA, is acting as sponsor for the Company and no-one else and will not be responsible to any other person for providing the protections afforded to customers of the Sponsor or for providing advice (subject to those responsibilities and liabilities arising under the FSMA and the regulatory regime established thereunder).

Seneca Partners Limited, which is authorised and regulated by the FCA, is acting as promoter in connection with the Offer.

The whole of this document should be read. In particular, attention is drawn to the section entitled 'Risk Factors' set out on pages 11 to 15 of this document.

The Ordinary and B Shares of the Company in issue at the date of this document 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 be made to the FCA for all of the Offer Shares to be issued pursuant to the Offer to be listed on the premium segment of the Official List and application will be made to the London Stock Exchange for the Offer Shares to be admitted to trading on its main market for listed securities. It is expected that the Admission of such Shares will become effective, and that trading in those Offer Shares will commence, within ten Business Days of their allotment.

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

The attention of persons receiving this document who are resident in, or who are citizens of, territories outside the United Kingdom is drawn to the information in paragraphs 3 and 4 in Part 6 of this document. In particular, the Offer Shares have not and will not be registered under the United States Securities Act 1933 (as amended) or the United States Investment Company Act 1940 (as amended).

Up to £10 million of Offer Shares, with an over-allotment facility of up to a further £10 million of Offer Shares, are being offered to the public.

The subscription for the Offer will open on 13 October 2020 and is expected to close no later than 5.00 p.m. on 1 April 2021, with all subscription monies payable in full in cash (in cleared funds) by 30 March 2021 in the case of the Offer for the 2020/2021 tax year, and at 5.00 p.m. on 28 May 2021, with all subscription monies payable in full in cash (in cleared funds) by 26 May 2021 in the case of the Offer for the 2021/22 tax year (unless, in either case, the Offer has been fully subscribed by an earlier date or earlier at the discretion of the Directors). The closing date of the Offer, and the deadline for receipt of applications for the final allotment with respect to the 2021/2022 offer, may be extended by the Directors at their absolute discretion to a date no later than 24 September 2021. All subscription monies will be payable in full in cash on application.

The Terms and Conditions of the Offer are set out on pages 90 to 95 of this document. The Offer is not underwritten.

Copies of this document may be viewed on the National Storage Mechanism (NSM) of the FCA at http://www.morningstar.co.uk/uk/NSM and at www.senecavct.co.uk/key-documents/, and following the date of publication may be obtained free of charge for the duration of the Offer by collection from:

SPARK Advisory Partners Limited 5 St. John's Lane London EC1M 4BH	Seneca Partners Limited 9 The Parks Haydock WA12 0JQ

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Summary

Section 1: Introduction

This summary forms part of a prospectus dated 13 October 2020 issued by Seneca Growth Capital VCT Plc and which has been approved, on that date, by the FCA, the competent authority for the United Kingdom under Part IV of the Financial Services and Markets Act 2000.

The Prospectus describes a public offer by the Company to raise up to £10 million (with an over-allotment facility for up to a further £10 million). The securities being offered pursuant to the Offer are B Shares of 1 pence each ("Offer Shares") (ISIN: GB00BG13MH08).

The FCA may be contacted at:

Financial Conduct Authority
12 Endeavour Square
London, E20 1JN

The Company's contact details are:

Address:	9 The Parks, Haydock, WA12 0JQ
Email:	John.Davies@senecapartners.co.uk
Website:	https://senecavct.co.uk/
Telephone:	01942 271746

Warning: This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on a consideration of the prospectus as a whole by the investor. Investors could lose all or part of the invested capital. Where a claim relating to the information contained in a prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent when read together with other parts of the Prospectus or where it does not provide, when read together with other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.

Section 2: Key Information on the Issuer

WHO IS THE ISSUER OF THE SECURITIES?

The issuer of the securities which are the subject of this Prospectus is Seneca Growth Capital VCT Plc.

The Company is a public limited liability company which is registered in England and Wales with registered number 04221489. Its Legal Entity Identifier is: 213800VP9N3LOQZ22441. The Company is approved by HMRC as a venture capital trust (VCT) in accordance with the VCT Rules. It is intended that the business of the Company be carried on so as to maintain its VCT status.

The Company has no parent company and is owned by individuals, who (save for Share Nominees Limited which holds 587,382 Shares constituting 3.79% of the issued share capital of the Company) do not own more than 3% of its ordinary share capital. The Company has no subsidiaries. The Company has four non-executive directors – John Randolph Hustler (Chairman), Richard Anthony Roth, Alex James Clarkson and Richard Edward Manley.

The Company's auditors are UHY Hacker Young of Quadrant House, 4 Thomas More Square, London E1W 1YW.

WHAT IS THE KEY FINANCIAL INFORMATION REGARDING THE ISSUER?

Certain key historical information of the Company is set out below:

	Audited year end to 31 December 2019 (£'000)	Unaudited six months to 30 June 2020 (£'000)
Net Assets - Ordinary Shares	2,463	2,450
Net Assets - B Shares	5,921	6,558
Number of Ordinary Shares in issue (number of shares)	8,115,376	8,115,376
Number of B Shares in issue (number of shares)	6,361,448	7,345,171
Net asset value per Ordinary Share	30.4p	30.2p
Net asset value per B Share	93.1p	89.3p
Dividends paid per Ordinary Share in the period	28.0p	0.0p
Dividends paid per B Share in the period	3.0p	1.5p

COMBINED INCOME STATEMENT

	Audited year end to 31 December 2019 (£'000)	Unaudited six months to 30 June 2020 (£'000)
Gain on disposal of fixed asset investments	52	655
Loss on valuation of fixed asset investments	(752)	(672)
Income	-	-
Performance fee	136	3
Investment management fee net of cost cap	(28)	(24)
Other expenses	(123)	(65)

Return on ordinary activities after tax	(715)	(103)
Earnings per Ordinary Share – basic and diluted	(6.7)p	(0.2)p
Earnings per B Share – basic and diluted	(3.2)p	(1.7)p

COMBINED BALANCE SHEET

	Audited year end to 31 December 2019 (£'000)	Unaudited six months to 30 June 2020 (£'000)
Fixed assets Investments	4,761	4,600
Current assets Debtors	3	9
Cash at bank and in hand	3,909	4,541
Creditors: amounts falling due within one year	(236)	(92)
Net current assets	3,676	4,458
Net assets	8,384	9,008
Called up equity share capital	145	154
Share premium	2,806	3,634
Special distributable reserve	8,395	8,285
Capital redemption reserve	-	-
Capital reserve - realised	1,196	1,557
Capital reserve - unrealised	(2,061)	(2,457)
Revenue reserve	(2,097)	(2,165)
Total equity shareholders' funds	8,384	9,008
Basic and diluted net asset value per Ordinary Share	30.4p	30.2p
Basic and diluted net asset value per B Share	93.1p	89.3p

Since 31 December 2019, the Company has raised additional gross funds of £883,935 pursuant to a previous offer for subscription which closed on 13 July 2020 and has made 5 investments totalling c.£1.2 million.

Set out below is a summary of the investments and unaudited valuations of the Company's B Share Pool as at 30 June 2020. One additional investment was made in August 2020 into ADC Biotechnology Limited of £150,000, which is currently valued at its original cost.

B Share Pool Investments as at 30 June 2020	Valuation £'000	% of B Share Pool Net Assets
SkinBioTherapeutics Plc*	754	11%
Fabacus Holdings Limited	500	8%
Old St Labs Limited	500	8%
Ten80 Group Limited	400	6%
Silkfred Limited	375	6%
Qudini Limited	300	5%
Bright Network (UK) Limited	235	4%
OptiBiotix Health Plc*	172	3%
Total B Share Pool Investments	**3,236**	**49%**
B Share Pool Cash at Bank	**3,383**	**52%**
Other B Share Pool Net Assets	**(61)**	**-1%**
Total B Share Pool Net Assets	**6,558**	**100%**

* *AIM quoted*

WHAT ARE THE KEY RISKS THAT ARE SPECIFIC TO THE ISSUER?

- The COVID-19 pandemic has severely and negatively impacted economic conditions globally and the pandemic is expected to continue to present significant challenges going forward. It has adversely affected, and may continue to adversely affect, the performance of some companies in which the Company has invested or may invest. This may also negatively impact on the number or quality of investment opportunities available to the Company.
- Although the Offer Shares to be issued under the Offer will be listed on the Official List and admitted to trading on the London Stock Exchange, shares in VCTs are inherently illiquid and there may be a limited market in the Offer Shares primarily because the initial tax relief is only available to those subscribing for newly issued Offer Shares and Shareholders may, therefore, have difficulty in selling them.
- The Offer Shares will usually trade at a discount to their underlying net asset value. The value of an investment in the Company depends on the performance of its underlying assets and that value, and the income derived from the investment, may go down as well as up and an Investor may not get back the amount invested.
- There is a maximum age limit for companies receiving VCT investments (generally seven years from first commercial sale or ten years for Knowledge Intensive Companies), and a maximum amount of Risk Finance State Aid which a company can receive over its lifetime (£12 million, or £20 million for Knowledge Intensive Companies). There are also restrictions on the use of VCT funds received by investee companies so that the funds are used for growth and development. The Finance Act 2018 introduced a new "risk-to-capital" condition for Qualifying Investments, designed to focus investments towards earlier stage, growing businesses, and away from investments which could be regarded as lower risk. The Company may not make investments which breach the "risk-to-capital" condition, and the potential penalty for

contravention of the VCT Rules can include loss of VCT status with a resultant clawback of VCT tax reliefs from Investors.

- The "risk-to-capital" test inherently increases the risk profile of companies in which the Company can invest and may stand in contrast to those in which the Company may have historically invested.
- On 31 January 2020, the United Kingdom left the European Union ("EU") and there is now a transition period in place until the end of 2020 while the United Kingdom and EU negotiate a free trade agreement. As the Company is impacted by European-led legislation while the UK remains in the transition period and the negotiations in respect of the free trade agreement with the EU are still ongoing, the future regulatory environment is therefore subject to significant uncertainty. However, at least in the short term, the Company will continue to be subject to European-led legislation, as enacted into UK legislation.
- Smaller unquoted companies, usually with limited trading records, requiring venture capital, frequently experience significant change. Investments in such companies carry substantially higher risks than would an investment in larger or longer-established businesses.
- Investment in unquoted companies, by its nature, involves a higher degree of risk than investment in the main market and may be difficult to realise. In particular, small companies often have limited product lines, markets or financial resources and may be dependent for their management on a smaller number of key individuals. In addition, the market for stock in smaller companies is often less liquid than that for stock in larger companies, bringing with it potential difficulties in acquiring, valuing and disposing of such stock. Proper information for determining their value or the risks to which they are exposed may also not be available.
- The Manager provides discretionary investment management services to the Company in respect of its portfolio of investments in the B Share Pool. If the Manager does not perform its obligations in accordance with the agreement regulating the provision of these services, the performance of the Company and/or its ability to achieve or maintain VCT status, may be adversely affected.

Section 3: Key Information on the Securities

WHAT ARE THE MAIN FEATURES OF THE SECURITIES?

The securities being offered pursuant to the Offer are B Shares of 1 pence each (ISIN: GB00BG13MH08). The Offer Shares will be created pursuant to resolutions passed by the Shareholders of the Company who were eligible to vote at the Company's annual general meeting held on 28 April 2020.

The Offer Shares will rank equally in all respects with each other and with the existing B Shares. Shareholders will be entitled to receive certificates in respect of their Offer Shares and will also be eligible for electronic settlement.

The Offer Shares will be listed on the premium segment of the Official List and, as a result, will be freely transferable.

WHERE WILL THE SECURITIES BE TRADED?

Applications will be made to the FCA for the B Shares offered for subscription pursuant to the Prospectus to be admitted to the premium segment of the Official List of the FCA. Application will also be made to the London Stock Exchange for the Offer Shares to be admitted to trading on its main market for listed securities. It is expected that admission will become effective and that trading in the Offer Shares will commence within ten business days following allotment.

IS THERE A GUARANTEE ATTACHED TO THE SECURITIES?

There is no guarantee attached to the Offer Shares and the Offer is not underwritten.

WHAT ARE THE KEY RISKS THAT ARE SPECIFIC TO THE SECURITIES?

- An investment in the Company should be regarded as long-term in nature as a sale by Investors of their Offer Shares within five years will require a repayment of the 30% income tax relief obtained and is, therefore, not suitable for all individuals. Potential Investors should consult their professional advisers prior to making any investment decision in relation to the Offer.
- The VCT Rules restrict the ability of VCTs to return amounts subscribed as capital to shareholders within three years of the end of the accounting period in which the funds were raised. It will, therefore, not be possible until the end of that time period to utilise amounts of share premium resulting from the B Share issue (although Ordinary Shares reserves can be used in relation to the B Shares). Since the share premium resulting from the B Share issue will not be available until the end of the relevant three year period, this may in the future impact on the Company's ability to pay dividends and/or buy back B Shares, or the amount thereof, since during the period where share premium in respect of B Shares issued cannot be used, only existing special reserves and distributable reserves created through investment activities will be utilised for these purposes (and such reserves resulting from investment activities may possibly take time to accumulate to a level where they can be used for such purposes).
- The Directors are committed to maintaining the Company's VCT status but there is a risk that the Company may not fulfil the criteria to maintain full VCT status. If the Company loses its approval as a VCT before Investors have held their Offer Shares for five years, the 30% income tax relief obtained will have to be repaid by such Investors. Following a loss of VCT status, an Investor will be taxed on dividends paid by the Company, and in addition, a liability to capital gains tax may arise on any subsequent disposal of Offer Shares.
- The information in this document is based on existing legislation, including taxation legislation. The tax reliefs described are those currently available. Levels and bases of, and relief from taxation are subject to change. Such change could be retrospective. The value of tax reliefs depends on the personal circumstances of holders of shares, who should consult their own tax advisers before making any investment.
- Although the Articles contain provisions allocating the assets and liabilities of the Company to either the Ordinary Share class or the B Share class, such allocations may not in all circumstances (for example insolvency situations) be effective in ring-fencing the assets and liabilities of one share class from the other, particularly in relation to a third party creditor or claimant against the Company.
- The interests of the Ordinary Shareholders and the B Shareholders may not always be aligned, for example in relation to statutory holding periods for certain tax reliefs that commence from the issue date of the relevant Share. Certain relevant tests (for example, in relation to the ability to pay dividends and/or finance the buy-back of Shares and in relation to compliance with the VCT Rules) are, however, calculated on a Company-wide basis. In addition, certain corporate actions (such as a winding-up for example) can only be done on a Company-wide basis. It may, therefore, occur that the interests of Ordinary Shareholders and the B Shareholders are not aligned in relation to a certain matter.

Section 4: Key Information on the Offer of Securities to the Public

UNDER WHICH CONDITIONS AND TIMETABLE CAN I INVEST IN THIS SECURITY?

Investors must be over 18 years old. The Offer opens on the date of the Prospectus and will close on 28 May 2021 (or earlier / later at the discretion of the Directors subject to a long stop date of 24 September 2021 or if full subscription is reached).

Application will be made to the FCA for the Offer Shares to be admitted to the Official List of the FCA. Application will also be made to the London Stock Exchange for such Offer Shares to be admitted to trading on its market for listed securities. It is expected that Admission will become effective and that trading in the Offer Shares will commence within ten Business Days following allotment.

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

$$\begin{array}{c}\text{Number of}\\ \text{Offer}\\ \text{Shares}\end{array} = \left[\begin{array}{c}\text{Amount remitted with Application,}\\ \text{less:}\\ \text{(i) Adviser Charge (if any); and (ii)}\\ \text{Promoter Fee}\end{array}\right] \div \left[\begin{array}{c}\text{Latest published NAV}\\ \text{per B Share}\end{array}\right]$$

The Promoter Fee is subject to reduction for any Loyalty Investment Incentive and/or the Early Investment Incentive and/or commission waived by financial intermediaries (where applicable).

The latest published NAV per B Share will be adjusted following the ex-dividend date for any dividends declared but not yet paid, as appropriate.

WHY IS THIS PROSPECTUS BEING PRODUCED?

The Offer is being made, and its proceeds will be used, to raise additional funds under the Offer to be invested in accordance with the Company's investment policy. Funds raised under the Offer will, no later than three years following the end of the accounting period in which those shares are issued, be invested as to at least 80% in VCT Qualifying Companies. The Company must invest at least 30% of new funds raised in Qualifying Holdings by the anniversary of the end of the accounting period in which the funds were raised. The remainder of such funds raised will be held in cash or other permitted non-qualifying investments.

The maximum net proceeds of the Offer, assuming full subscription (with the over-allotment facility fully utilised) with all applications received through intermediaries offering financial advice (with the full amount of Early Investment Incentive and Loyalty Investment Incentive with a Promoter Fee of 1.5% applying to all subscriptions), is expected to be £19,700,000. The Company will pay the Manager a Promoter Fee on the value of accepted applications for Offer Shares under the Offer (to be capped at an aggregate amount of £340,000).

The Offer is not underwritten. There are no conflicts of interest material to the Offer.

Risk Factors

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

The Directors consider the following risks to be material for potential Investors, but the risks listed below do not necessarily comprise all those associated with an investment in the Company. Additional risks and uncertainties currently unknown to the Company (such as changes in legal, regulatory or tax requirements), or which the Company currently believes are immaterial, may also have a materially adverse effect on its financial condition or prospects or the trading price of Offer Shares.

The Directors draw the attention of potential Investors to the following risk factors which may affect an investment in Offer Shares, the Company's performance and/or the availability of tax reliefs.

- The COVID-19 pandemic has severely and negatively impacted economic conditions globally and the pandemic is expected to continue to present significant challenges going forward. It has adversely affected, and may continue to adversely affect, the performance of some companies in which the Company has invested or may invest. This may also negatively impact on the number or quality of investment opportunities available to the Company.
- Although the Offer Shares to be issued under the Offer will be listed on the Official List and admitted to trading on the London Stock Exchange, shares in VCTs are inherently illiquid and there may be a limited market in the Offer Shares primarily because the initial tax relief is only available to those subscribing for newly issued Offer Shares and Shareholders may, therefore, have difficulty in selling them.
- The Offer Shares will usually trade at a discount to their underlying net asset value. The value of an investment in the Company depends on the performance of its underlying assets and that value, and the income derived from the investment, may go down as well as up and an Investor may not get back the amount invested.
- There is a maximum age limit for companies receiving VCT investments (generally seven years from first commercial sale or ten years for Knowledge Intensive Companies), and a maximum amount of Risk Finance State Aid which a company can receive over its lifetime (£12 million, or £20 million for Knowledge Intensive Companies). There are also restrictions on the use of VCT funds received by investee companies so that the funds are used for growth and development. The Finance Act 2018 introduced a new "risk-to-capital" condition for Qualifying Investments, designed to focus investments towards earlier stage, growing businesses, and away from investments which could be regarded as lower risk. The Company may not make investments which breach the "risk-to-capital" condition, and the potential penalty for contravention of the VCT Rules can include loss of VCT status with a resultant clawback of VCT tax reliefs from Investors.
- The "risk to capital" test inherently increases the risk profile of companies in which the Company can invest and may stand in contrast to those in which the Company may have historically invested.

- An investment in the Company should be regarded as long-term in nature as a sale by Investors of their Offer Shares within five years will require a repayment of the 30% income tax relief obtained and is, therefore, not suitable for all individuals. Potential Investors should consult their professional advisers prior to making any investment decision in relation to the Offer.

- On 31 January 2020, the United Kingdom left the European Union ("EU") and there is now a transition period in place until the end of 2020 while the United Kingdom and EU negotiate a free trade agreement. As the Company is impacted by European-led legislation while the UK remains in the transition period and the negotiations in respect of the free trade agreement with the EU are still ongoing, the future regulatory environment is therefore subject to significant uncertainty. However, at least in the short term, the Company will continue to be subject to European-led legislation, as enacted into UK legislation.

- The VCT Rules restrict the ability of VCTs to return amounts subscribed as capital to shareholders within three years of the end of the accounting period in which the funds were raised. It will, therefore, not be possible until the end of that time period to utilise amounts of share premium resulting from the B Share issue (although Ordinary Shares reserves can be used in relation to the B Shares). Since the share premium resulting from the B Share issue will not be available until the end of the relevant three year period, this may in the future impact on the Company's ability to pay dividends and/or buy back B Shares, or the amount thereof, since during the period where share premium in respect of B Shares issued cannot be used, only existing special reserves and distributable reserves created through investment activities will be utilised for these purposes (and such reserves resulting from investment activities may possibly take time to accumulate to a level where they can be used for such purposes). Reserves (unaudited) available to the Company for distribution (for payment of dividends and/or buy back of Shares) amounted to £2,471,000 as at 30 September 2020. On 5 October 2020, the Company declared a dividend of 5p per Ordinary Share (utilising £406,000 of these reserves).

- The Directors are committed to maintaining the Company's VCT status but there is a risk that the Company may not fulfil the criteria to maintain full VCT status. If the Company loses its approval as a VCT before Investors have held their Offer Shares for five years, the 30% income tax relief obtained will have to be repaid by such Investors. Following a loss of VCT status, an Investor will be taxed on dividends paid by the Company, and in addition, a liability to capital gains tax may arise on any subsequent disposal of Offer Shares.

- The information in this document is based on existing legislation, including taxation legislation. The tax reliefs described are those currently available. Levels and bases of, and relief from taxation are subject to change. Such change could be retrospective. The value of tax reliefs depends on the personal circumstances of holders of shares, who should consult their own tax advisers before making any investment.

- Income tax relief is not available in respect of a subscription for shares in a VCT where the Investor has sold shares in that VCT and the sale was conditional upon the subscription, or the subscription was conditional upon the sale, or the subscription was made within six months of the sale (before or after). This will also have effect in relation to a subscription for shares in a VCT which is deemed to be a successor or predecessor of the VCT because there has been a merger of VCTs, or a restructuring of a group of companies of which the VCT is a member. The measure will not affect subscriptions for shares where the monies being subscribed represent dividends which the Investor has elected to reinvest.

- Where full approval as a VCT is not maintained, any dividends previously paid to holders of Offer Shares will be liable to be assessed to income tax in the year in which they were paid. Interest may also be due. The Company will also lose its exemption from corporation tax on capital gains.

If at any time VCT status is lost, dealings in the Offer Shares may be suspended until such time as the Company has published proposals to continue as a VCT or be wound up.

Risks associated with the current and likely underlying investments

- Smaller unquoted companies, usually with limited trading records, requiring venture capital, frequently experience significant change. Investments in such companies carry substantially higher risks than would an investment in larger or longer-established businesses.
- Investment in unquoted companies, by its nature, involves a higher degree of risk than investment in the main market. In particular, small companies often have limited product lines, markets or financial resources and may be dependent for their management on a smaller number of key individuals. In addition, the market for stock in smaller companies is often less liquid than that for stock in larger companies, bringing with it potential difficulties in acquiring, valuing and disposing of such stock. Proper information for determining their value or the risks to which they are exposed may also not be available.
- The Company may not meet all its objectives and there is a risk that suitable investment opportunities will not be identified.
- Valuations of unquoted companies are determined by the Directors within International Private Equity and Venture Capital Valuation Guidelines. However, in many cases valuations may take into account stock market price earnings ratios for the relevant industry sectors, discounted for non-marketability, and, therefore, the valuation of the portfolio and opportunities for realisation may depend on stock market conditions.
- The Company's investments may be difficult to realise. There may also be constraints imposed on the realisation of investments by reason of the need to maintain the VCT status of the Company.
- The Company may make investments into companies with similar trading profiles and with exposures in the same industry and/or to the same customer base. The level of returns to the Company may, therefore, be adversely affected by any downturn in those sectors or the sources within those sectors from which income is derived.
- Although the Company expects to receive certain conventional venture capital rights in connection with its unquoted investments, as a minority Investor it will not control the companies in which it invests (or their boards of directors) and may not always be in a position to fully protect its interests.
- Businesses in which the Company invests may incur unplanned costs and delays as a result of statutory and regulatory requirements in areas such as labour and health and safety, or where construction operations do not proceed as planned, which may prevent them from fulfilling their business plans and reduce the level of returns to the Company.
- The level of returns from investments may be reduced if there are delays in the investment programme, such that part of the net proceeds of the Offer are held in cash or cash-based similar liquid investments for longer than anticipated, or if the investments cannot be realised at the expected time and values.

Risks associated with the Manager and Conflicts of Interest

- The Manager provides discretionary investment management services to the Company in respect of its portfolio of investments in the B Share Pool. If the Manager does not perform its obligations in accordance with the agreement regulating the provision of these services, the performance of the Company and/or its ability to achieve or maintain VCT status, may be adversely affected.

- The past performance of the Manager is no indication of future performance.
- An Interested Party may be involved in other financial, investment or other professional activities which may cause conflicts of interest with the Company. An Interested Party will not be liable to account for any profit made in connection with these activities. For example, and without limitation, an Interested Party may:

  (a) deal or invest in any investment, whether or not for its own account and notwithstanding that similar investments may be held by the Company;

  (b) enter into or be interested in any financial or other transaction with any entity any of whose securities are held by or for the account of the Company;

  (c) allocate investment opportunities among the funds and accounts it manages in accordance with its internal policies; or

  (d) arrange for the Company to acquire investments from or dispose of investments to any Interested Party or any investment fund or account advised or managed by any such person.

  In the event of a conflict of interest arising in relation to the above circumstances, or in any other circumstances, and so far as it is within their powers to do so, the Directors will endeavour to ensure that it is resolved fairly and approved by the Independent Board in accordance with the Conflicts Policy as set out in the Manager's compliance manual. Where potential and actual conflicts of interest are identified, the Manager's compliance team will be notified and they will prepare a note, which will then be considered by and discussed with the Independent Board, with the aim of agreeing steps to resolve or otherwise manage such conflicts.

  To the extent that the Company intends to invest in a company in which another fund managed by the Manager has invested or intends to invest, the investment must be approved by the Independent Board.

Risks associated with Exposure to Non-qualifying Investments

- The performance of the Company's Non-qualifying Investments is affected by the selection of funds and managers by the Manager and by investment decisions of such portfolio managers. There is a risk that the Company may not meet its investment objectives.

Risks associated with there being two share classes

- Although the Articles contain provisions allocating the assets and liabilities of the Company to either the Ordinary Share class or the B Share class, such allocations may not in all circumstances (for example insolvency situations) be effective in ring-fencing the assets and liabilities of one share class from the other, particularly in relation to a third party creditor or claimant against the Company.
- The interests of the Ordinary Shareholders and the B Shareholders may not always be aligned, for example in relation to statutory holding periods for certain tax reliefs that commence from the issue date of the relevant Share. Certain relevant tests (for example, in relation to the ability to pay dividends and/or finance the buy-back of Shares and in relation to compliance with the VCT Rules) are, however, calculated on a Company-wide basis. In addition, certain corporate

actions (such as a winding-up for example) can only be done on a Company-wide basis. It may, therefore, occur that the interests of Ordinary Shareholders and the B Shareholders are not aligned in relation to a certain matter.

Forward Looking Statements

Investors should not place undue reliance on forward-looking statements. This Prospectus includes statements that are (or may be deemed to be) “forward-looking statements”, which can be identified by the use of forward-looking terminology including the various terms “believes”, “continues”, “expects”, “intends”, “aims” “may”, “will”, “would”, “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. Forward looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements contained in this Prospectus, based on past trends or activities, should not be taken as a representation that such trends or activities will continue in the future. These statements will be updated as and when required by the Prospectus Regulation Rules, Prospectus Regulation, the Listing Rules, MAR and the Disclosure and Transparency Rules, as appropriate. No forward-looking statements qualify the working capital statement in paragraph 6.8 of Part 4 of this document.

Expected Timetable for the Offer

Offer opens	13 October 2020
Deadline for receipt of Applications to be eligible for the Loyalty Investment Incentive and the Early Investment Incentive – see Offer Statistics	5.00 p.m. on 30 November 2020
Deadline for receipt of Applications for the 2020/21 tax year	noon on 30 March 2021
Deadline for receipt of Applications for the 2021/22 tax year	noon on 26 May 2021
Closing date of the Offer*	5.00 p.m. on 28 May 2021
Dealings in Offer Shares commence	within ten Business Days following allotment**

* *The closing date is subject to the discretion of the Directors and the Offer not being fully subscribed by an earlier date. The closing date of the Offer, and the deadline for receipt of Applications for the final allotment with respect to the Offer in the 2021/22 tax year, may be earlier or extended by the Directors at their absolute discretion to a date no later than 24 September 2021. Definitive share and tax certificates will be despatched and CREST accounts credited as soon as practicable following allotment of Offer Shares. The Offer is not underwritten.*

** *Offer Shares will be allotted and issued in respect of valid applications (including the receipt of cleared subscription funds) received for the Offer in the 2020/21 tax year on 1 April 2021 and any other date prior to 1 April 2021 on which the Directors decide, and for the Offer in the 2021/22 tax year Offer Shares will be allotted and issued in respect of valid applications (including the receipt of cleared subscription funds) on such dates on or after 6 April 2021 until the close of the Offer on 28 May 2021 or as extended.*

Offer Statistics

Offer Price per Offer Share	see Pricing Formula on page 48
Expected maximum net proceeds of the Offer if the over-allotment facility is not utilised[1]	£9,850,000
Expected maximum net proceeds of the Offer if the over-allotment facility is fully utilised[1]	£19,700,000
Maximum number of Offer Shares in issue following the Offer if the over-allotment facility is not utilised[1]	10,896,017
Maximum number of Offer Shares in issue following the Offer if the over-allotment facility is fully utilised[1]	21,792,035
Estimated expenses of the Offer assuming full subscription with the over-allotment facility not utilised[1]	£150,000
Estimated expenses of the Offer assuming full subscription with the over-allotment facility fully utilised[1]	£300,000

Investment Incentives

LOYALTY INVESTMENT INCENTIVE

Existing Shareholders and Existing Seneca Investors whose valid applications are received and accepted by the deadline of 5.00 p.m. on 30 November 2020 will receive a discount to the Promoter Fee of 0.5% of the monies subscribed in recognition of their continued support for the Company and the Manager.

EARLY INVESTMENT INCENTIVE

All Investors whose applications are received and accepted by the deadline of 5.00 p.m. on 30 November 2020 will be eligible to receive an Early Investment Incentive discount to the Promoter Fee of 1% of the monies subscribed under the Offer.

The Company may (in consultation with the Manager) vary the rate of discounts of the above investment incentives and/or extend the deadline by which Applications must be received and accepted to be eligible for the Early Investment Incentive referred to above. In the case of each of the investment incentives, the monies subscribed under the Offer exclude any amounts requested to be facilitated as an Adviser Charge by the Company.

[1] assumes a Promoter Fee of 1.5% is paid on all subscriptions (being the Promoter Fee payable in relation to applications from Existing Shareholders or Existing Seneca Investors on the basis that they will have received the Early Investment Incentive and Loyalty Investment Incentive in the amounts referred to below), that all applications are received through intermediaries offering financial advice, with an assumed NAV of 90.4p per Offer Share. The aggregate amount of Promoter Fee that will be charged to the Company will be capped at £340,000.

Information Relating to the Company

Directors (all non-executive)	John Randolph Hustler (Chairman) Richard Anthony Roth Richard Edward Manley Alex James Clarkson
all of Registered Office at	9 The Parks Haydock WA12 0JQ
Company Secretary	Craig Hunter FCIS
Sponsor	SPARK Advisory Partners Limited 5 St. John's Lane London EC1M 4BH
Manager	Seneca Partners Limited 9 The Parks Haydock WA12 0JQ
Promoter	Seneca Partners Limited 9 The Parks Haydock WA12 0JQ
Registrars	Neville Registrars Limited Neville House Steelpark Road Halesowen B62 8HD
Solicitors	Hill Dickinson LLP 50 Fountain Street Manchester M2 2AS

Financial Adviser	Beaumont Cornish Limited 10th Floor 30 Crown Place London EC2A 4EB
VCT Tax Adviser	Philip Hare & Associates LLP 1 Temple Avenue Temple London EC4Y 0HA
Auditors	UHY Hacker Young Quadrant House 4 Thomas More Square London E1W 1YW
Corporate Broker	Panmure Gordon (UK) Limited One New Change London EC4M 9AF
Receiving Agent	The City Partnership UK Limited Suite 2 Park Valley House Park Valley Mills Meltham Road Huddersfield HD4 7BH

Chairman’s Letter

Dear Investor,

Further to the success of the Company’s B Share offers in the last two years under which the Company has raised £7.2m, we are delighted to inform you that the Board has decided to offer both Existing Shareholders and new Investors the opportunity to invest again in the Company’s B Share class.

The B Share Pool has, to date, made ten investments, paid dividends totalling 4.5p per B Share, already achieved one full exit delivering a cash return in excess of 2x investment cost as well as achieving two partial exits.

The B Share Pool has nine investee companies currently valued at £3.52 million (cost: £3.65 million) and this Offer is intended to provide additional funds so that the Company can continue to support the ongoing development of the existing B Share investment portfolio in addition to increasing the number and diversity of investments in the B Share Pool.

The Offer

The Company is seeking to raise up to, in aggregate, £10 million under the Offer in the 2020/21 and 2021/22 tax years with an over-allotment facility of up to a further £10 million.

The Company intends to distribute a large proportion of the net profits it receives from realisations of investments made by the B Share Pool by way of regular and special tax-free dividends whilst also seeking to maintain a relatively stable NAV per B Share. Therefore, the Offer is intended for those Investors who are primarily seeking tax-free income from a diverse portfolio of investments in UK SMEs, whilst seeking to maintain the value of the capital invested.

The Offer opens on 13 October 2020 and is expected to close no later than 5.00 p.m. on 1 April 2021, with all subscription monies payable in full in cash (cleared funds) by 30 March 2021 in the case of the Offer for the 2020/2021 tax year, and at 5.00 p.m. on 28 May 2021, with all subscription monies payable in full in cash (cleared funds) by 26 May 2021 in the case of the Offer for the 2021/22 tax year (unless, in either case, the Offer has been fully subscribed before these dates or earlier / later at the discretion of the Directors subject to a long stop date of 24 September 2021).

Key Points[2]

The key points in relation to the Offer are set out below:

- **Experienced investment manager**
  Seneca is an experienced growth capital investor having raised and deployed c.£100 million of EIS and VCT investment funds into over 50 SME companies, through over 100 funding rounds as at 30 June 2020, since it undertook its first EIS investment in 2012.

- **Existing portfolio of B Share Pool investee companies**
  There are currently nine investments in the B Share Pool with a value of £3.52 million and Investors in the Offer will acquire immediate exposure to these holdings as well as any future investments made from that pool.

- **B Share Pool benefits from capped running costs**
  The Annual Running Costs of the Company allocated to the B Share Pool are capped at 3% of the net asset value of the B Share Pool.

- **Realisations of B Share Pool investments already achieved**
  The Manager has already achieved one full exit delivering a profit of c.£136,000 versus original cost and also two partial realisations delivering profits in excess of £100,000 compared to the investment cost.

- **4.5p B Share dividends already paid and existing distributable reserves can facilitate further B Share dividends**
  The Company's existing distributable reserves may be used to facilitate the payment of dividends on the B Share class. Dividends totalling 4.5p per B Share have been paid since the launch of the B Share Pool and the Company's target is to maintain dividends of at least 3p per annum in relation to the Company's B Shares with an ambition to increase this to c.5% per annum of the B Share NAV by 2023 (subject to B Share Pool investment performance and an intention to also maintain a relatively stable NAV per B Share). Dividends are variable and are not guaranteed.

- **Significant financial commitment to B Share class by key members of the management team in the Seneca family of businesses**
  Directors of the Company and the Manager and key members of the management team in the wider Seneca family of businesses are investing a further £90,000 in the Offer, taking their total investment to more than £400,000 since the launch of the B Share class, reflecting their confidence in the long term prospects of the B Share class and will continue to invest under the Offer.

- **More than 50% of B Share NAV as at 30 September 2020 represented by cash**
  The Board believe the relatively high proportion of cash as a % of the overall B Share NAV as at 30 September 2020 is an attractive aspect of the B Share Pool given the challenges and investment opportunities that may arise as a result of the impact of COVID-19. This Offer is intended to provide additional funds so that the Company can continue to support the ongoing development of the existing B Share

[2] *see paragraph 6.15 of Part 4*

investment portfolio in addition to increasing the number and diversity of investments in the B Share Pool.

- **Fee discounts available for both new and Existing Investors who participate in the Offer**

  - **Loyalty Investment Incentive**

    The Promoter Fee will be discounted by 0.5% for Existing Shareholders (both B Shareholders and Ordinary Shareholders) and Existing Seneca Investors whose Applications under the Offer are received and accepted before 30 November 2020.

  - **Early Investment Incentive**

    The Promoter Fee will be discounted by 1% for Investors whose Applications under the Offer are received and accepted before 30 November 2020.

    For Existing Shareholders who submit applications before 30 November 2020, the Promoter Fee discounts will be cumulative, totalling 1.5%.

- **Tax Advantages** Depending on personal circumstances, Qualifying Investors can benefit from a range of tax benefits in relation to their investment including 30% income tax relief on the amount invested, capital gains tax exemption on any profits realised on the sale of the Shares in the Company and tax-free dividends. See page 51 for further details.

Next Steps

Investors wishing to subscribe under the Offer are advised to read the Prospectus in full, including the Terms and Conditions of Application on pages 90 to 95 of this document, and then complete the Application Form which accompanies this document (which can also be found on the Company's website - www.senecavct.co.uk). The Company is also able to facilitate online Applications through its website at https://senecavct.co.uk/key-documents/.

Yours sincerely

John Hustler
Chairman

Part 1 – Overview

About the Manager[3]

Seneca is an award-winning specialist SME investment and advisory business. Formed in 2010, and headquartered in the North West of England, the management team have extensive experience across a range of sectors, including private equity, corporate finance, wealth management, accountancy and stockbroking. Seneca won "Alternative Finance Provider" in both 2016 and 2017 at the North West Business Insider Awards as well as 'Sub £10 million Deal of the Year' in 2016 in respect of their EIS investment in Foodpack Ltd, a North West based food packaging business. More recently, Seneca were highly commended at the EIS Association Awards for "Best EIS Investment Exit", "Best EIS Investment Manager 'One to watch 2018'" at the Growth Investor Awards and the Company won "Best New Entrant" at the Tax Efficiency Award in 2019.

As at 30 June 2020, Seneca managed more than £143 million of equity, including more than £47 million of growth capital, the majority of which has come from investors who access Seneca's investment opportunities through their financial adviser or wealth manager. To date, more than 150 financial advisers and wealth managers have arranged investments for their clients through Seneca.

Seneca's fund management activities are complemented by its mid-market corporate advisory practice which specialises in advising corporates, management teams and investors on a wide range of corporate finance related transactions ranging from fundraisings for early stage businesses, through to lower mid-market sales and buy-outs with typical target deal sizes ranging from £5 million to £50 million.

Seneca is also the founding member of a similarly branded network of companies which includes Seneca Finance Limited, a property bridging finance provider with a loan book of more than £19 million (as at 30 June 2020) and Seneca Property Investments Limited which currently manage in excess of £80 million of property assets (as at 30 June 2020). This wider Seneca branded network of companies operates from 3 offices across the North of England and employs more than 40 people.

Investment Strategy for the B Share Pool[3]

Seneca is an experienced and active growth capital investor and as at 30 June 2020 managed in excess of £47 million of growth capital investments via Seneca Growth Capital VCT Plc, the Seneca Growth Capital EIS Fund (which was launched in 2012 and is fully invested) and the Seneca EIS Portfolio Service which was launched in 2013.

Through these funds, Seneca has pursued a generalist investment strategy focused on providing growth capital to well managed businesses with strong leadership teams that can demonstrate established and proven concepts in addition to growth potential and targeting a minimum 2x return on investment for each investee company. Seneca's EIS investments to date have comprised private and AIM quoted companies in broadly equal number.

Since its appointment as the Company's investment manager, Seneca has identified, structured and made ten Qualifying Investments on behalf of the Company at an aggregate cost of approximately

[3] *see paragraph 6.15 of Part 4*

£3.9 million which it believes meet the investment principles outlined above, including investing £1.2 million in AIM quoted companies.

For the majority of investments, the Company's B Share Pool co-invested alongside EIS funds managed by Seneca, which Seneca believes has resulted in the Company being able to participate in a higher number of investments of a larger scale into more established businesses than would have been possible for the B Share Pool on a standalone basis.

Seneca sees clear benefits of this approach for the Company and, therefore, intends to continue to consider co-investment opportunities for the B Share Pool alongside Seneca's EIS funds. Specifically Seneca intends that:

- the B Share class will have access to the existing flow of private and AIM quoted investment opportunities which Seneca sees as a result of their position as an active growth capital investor. Seneca continues to believe that the mix of private and AIM quoted companies increases investment diversification in addition to providing a certain level of liquidity in the investments held in the B Share Pool through capital market exposure; and

- the B Share class may co-invest with the Seneca EIS Portfolio Service thereby participating in investments of a scale which may not otherwise be available to the B Share Pool on a standalone basis.

Tax Benefits

VCTs offer significant tax advantages over most investment products. In summary, the main tax reliefs for Qualifying Investors are:

- Income tax relief - Investors can claim income tax relief when buying newly issued VCT shares, currently at the rate of 30% on investments of up to £200,000 per tax year. This relief is provided as a tax credit to set against an Investors' total income tax liability (to the extent due). Investors must hold shares in a VCT for at least five years to keep the income tax relief – if sold before then, this benefit is lost.

- Capital Gains Tax exemption – there is no capital gains tax on profits from selling VCT shares, no matter how short the holding period, provided the VCT maintains its VCT status. This relief is limited to acquisitions (whether by subscription or otherwise) of VCT shares of up to £200,000 per tax year.

- Tax-free Dividends – if a VCT pays dividends, there is no tax to pay and Investors will not need to declare them on their tax return. This relief is limited to acquisitions (whether by subscription or otherwise) of VCT shares of up to £200,000 per tax year.

The above is only a very brief summary of the UK tax position of Qualifying Investors in VCTs and is based on the Company's understanding of current law and practice. The tax treatment of Investors in VCTs will depend on their individual circumstances. Potential Investors are recommended to consult their own appropriate professional adviser as to the taxation consequences of their investing in a VCT.

Deal Flow and Investment Selection[4]

As a result of its position as an active growth capital investor, which sees Seneca now managing more than £47 million of VCT and EIS growth capital, Seneca has developed a strong network of introducers, professional contacts and entrepreneurs. From this network Seneca enjoys a strong flow of growth capital investment opportunities which has enabled the Company to quickly complete ten growth capital investments in addition to a healthy pipeline of further potential opportunities.

Seneca typically reviews hundreds of investment opportunities a year and meets many of the businesses involved but transacts with only a fraction of these. It is through the application of strict investment criteria and extensive screening, combined with detailed due diligence processes, that Seneca focuses only on those businesses which it believes offer the best investment potential.

Since Seneca was appointed to manage the Company's B Share Pool, the Company has made Qualifying Investments in ten businesses at an aggregate cost of approximately £3.9 million. An overview of Seneca's investment appraisal process for the selection and management of these investments is included below.

STAGE ONE – INITIAL REVIEW

Stage One consists of producing a summary of the key features of the potential investment opportunity, typically including a review of senior management, market analysis, forecast trading, potential investment pricing, exit strategy, potential returns, VCT tax eligibility and key due diligence issues. The Seneca investment sponsor will then present these initial high level findings to Seneca's investment committee at which point the opportunity is either declined or it is agreed to move to Stage Two.

STAGE TWO – DETAILED ANALYSIS AND APPROVAL

Stage Two consists of a more detailed investigation of the investment opportunity typically including site visits, negotiation of investment terms and preparation of a full investment paper, supported by the findings of the due diligence undertaken. Responses to any queries or feedback points raised by the investment committee as part of the Stage One initial review are also provided at this point in addition to details relating to the advice taken and assurances obtained to ensure VCT tax eligibility of the proposed investment. The investment committee considers these findings and, if the investment is approved, it proceeds to legal completion.

In addition, the Manager is required to satisfy the Company's Board that the proposed investment is compliant with VCT investment rules prior to completion of the investment.

[4] *see paragraph 6.15 of Part 4.*

ONGOING INVESTMENT MANAGEMENT AND EXITS

Seneca monitors very closely the progress of all investee companies in the B Share portfolio and both the Board and Seneca's investment committee are updated on a regular basis.

Investment into a private company is often accompanied by a board appointment or the attendance of a Seneca appointed observer at a company's board meetings, this being in addition to information rights to ensure Seneca enjoy direct access to senior management on a regular basis. For AIM quoted companies all publicly released information is carefully monitored and the impact on the share price is closely analysed such that Seneca remains well placed to take any actions required to maximise investment returns.

When the opportunity to exit an investment arises it is presented to the investment committee and the Company's Board in a similar way to that summarised above and investment committee and Company Board approval is obtained before any investment is exited.

EXIT OF B SHARE POOL INVESTMENTS

The Company aims to exit each of its Qualifying Investments in the B Share Pool by way of a sale after a holding period of approximately 3-5 years (however Seneca will consider exiting the investments earlier if the opportunity arises and they consider it to be in line with maximising Investor returns). The Manager will consider the exit options as part of its evaluation process on the opportunity before making a recommendation to invest. The Manager has extensive experience of selling companies both to trade buyers and private equity investors from which the Company is expected to benefit.

As interests in the investee companies are realised, the Company intends to distribute a large proportion of the net profit it receives by way of special tax-free dividends. This is intended to provide Investors with an attractive income stream whilst also maintaining a relatively stable NAV per B Share, subject to the requirements and best interests of the Company.

Part 1 – B Share Pool Investment Portfolio

The following information is a summary of the B Share Investment Portfolio as at the date of this document. Information, including as to valuation, is as at 30 September 2020, being the latest practicable date closest to the date of the Prospectus.

Unquoted Investments	Equity held %	Investment at cost £'000	Unrealised profit/(loss) £'000	Carrying value at 30 September 2020 £'000
Fabacus Holdings Limited	2.0	500	-	500
Old St Labs Limited	3.5	500	-	500
Ten80 Group Limited	7.5	400	-	400
Silkfred Limited	<1.0	500	(125)	375
Qudini Limited	2.2	500	(200)	300
Bright Network (UK) Limited	1.7	235	-	235
ADC Biotechnology Limited	<1.0	150	-	150
Total unquoted investments		**2,785**	**(325)**	**2,460**

Quoted Investments	Shares held	Investment at cost £'000	Unrealised profit/(loss) £'000	Carrying value at 30 September 2020 £'000
SkinBioTherapeutics Plc	4,502,107	721	157	878
OptiBiotix Health Plc	350,000	140	38	178
Total quoted investments		**861**	**195**	**1,056**
Total investments		**3,646**	**(130)**	**3,516**

Exits to Date	Investment Date	No. of Shares sold	Investment at cost £'000	Sale Proceeds £'000	Realised profit/(loss) £'000	Exit Multiple
SkinBioTherapeutics Plc*	February 2019	175,000	28	42	14	1.5
OptiBiotix Health Plc*	April 2020	400,000	160	253	93	1.6
Genedrive Plc	May 2020	157,437	126	262	136	2.1
Total			**314**	**557**	**243**	**1.8**

**Partial exit*

Portfolio Companies

FABACUS

Fabacus Holdings Limited ("Fabacus") is an independent software company that has developed a complete product lifecycle solution: Xelacore, aimed at bringing transparency to supply chain networks, with an initial focus on resolving the interaction and information flow between global licensors and their licensees.

Currently, there is a fundamentally flawed data capture process between licensors and licensees; and a disconnection from the framework of retail standards that have underpinned and continue to enable the retail value chain. This has resulted in an inability to correctly address known shortcomings in respect of data management and hinder the needed digital transformation of licensors in the digitally evolving retail landscape.

Fabacus's solution, Xelacore, is a modular, Software as a Service ("SaaS") solution with an intuitive interface and proprietary data aggregation and management engine that allows all stakeholders to operate on a single unified and collaborative platform. It bridges the gaps in an inefficient process within the current retail ecosystem by creating authenticated, enriched universal records that unlock opportunities, reduce risk and counterfeit exposure, and drive performance for both licensors and licensees. With pressure increasing on retail platforms to clamp down on counterfeit goods, it means that the retail platforms, licensors and licensees are all now equally aligned and Fabacus is engaging with the leading names in the space to solve this widespread problem. The VCT invested £500,000 into the business alongside a further £2m from Seneca's EIS funds.

Vizibl

Old St Labs Limited, trading as Vizibl, is a provider of cloud based, supplier collaboration tools for large, blue chip customers, enabling them to manage key supplier relationships and strategic project work. The core product, Vizibl, seeks to make supplier collaboration and innovation much more straight forward, with a key focus on compliance, savings / efficiency and driving growth across the business.

Vizibl is the only SaaS workspace that supports collaborative supplier relationships, bringing all points of contact together in one place, providing visibility across the business and eliminating duplication of efforts. Vizibl's real-time reporting speeds up decision making, drawing on and sharing the expertise of the community and key stakeholders in the process. The offering taps into a growing global trend of supplier collaboration, with the focus having moved on from compliance to an increased emphasis on savings / efficiency, and recent developments highlighting the benefits in terms of wider growth strategy for large customers. Vizibl is working with some of the leading names across a wider variety of sectors, including telecoms, consumer products and pharmaceuticals.

Vizibl provides the infrastructure, governance and reporting capabilities to optimise present supplier performance and acts as a springboard for those collaborative supplier relationships. The product is CRM / ERP agnostic, working alongside all major software providers to ensure the collaboration software is insightful and informative. The VCT invested £500,000 into the business in March 2019 alongside a £1.5m investment from the Seneca EIS funds.

Based in Hammersmith, Ten80 Group Limited ("Ten80") was established in early 2019, the objective being to disrupt the application support and resourcing businesses, both cross sector and technology, with a view to providing an alternative means to 'crowd source' support and resourcing globally – predominantly using the contractor or freelancer marketplace. This access to a much wider contractor market provides significant cost and efficiency benefits versus existing providers in the market.

The majority of Ten80's services are within a core SaaS product, charging an up-front license fee, as well as a commission percentage to both parties (client and contractor) for the work performed through the Ten80 platform. Ten80 effectively act as a contractor recruitment and problem-solving platform, with the focus being on outcomes rather than the traditional time-based billing methods, making it much more simple and efficient for contractors to provide their services remotely. There is now an enhanced use case for the product to allow business to continue working as normal during COVID-19 lockdown. The VCT invested £400,000 into the business in March 2020 to provide the company with the resource required to further scale up the team and enable the onboarding of additional clients.

Silkfred Limited ("SilkFred") is an online marketplace for independent ladies' fashion brands. The business was founded in 2011 with the aim of creating an efficient marketplace for emerging fashion designers to bring products to market and establish their brand in the sector. The business now works with over 800 independent brands, selling to over 1m customers.

SilkFred acts as a central marketing and sales platform for these brands, charging commission in exchange for these services. As a result, the business itself takes minimal inventory / working capital risk on new brands, lines or products, an aspect of the business model that has proved invaluable during the Covid pandemic and enforced lockdown in the UK.

The business model revolves around a market leading and scalable customer service platform, and as such SilkFred are continually investing in core infrastructure and constantly seeking innovative methods to enhance the customer experience. The VCT invested £500,000 into the business alongside a £1m investment from the Seneca EIS funds in December 2018.

Qudini Limited ("Qudini") was founded in 2012 and provides customer experience SaaS solutions to organisations in retail, hospitality, the public sector and healthcare. Qudini's solution covers appointment bookings, queue management, event management and task management – enabling businesses to improve shop floor operations by actively guiding and monitoring customer behaviour, managing staff activity, breaks and performance, and by assigning tasks at store or head office level.

Qudini is aiming to revolutionise digital queue and appointment management through improving a business' ability to manage the flow of customers awaiting service, using algorithms to provide accurate, live data, such as estimated wait times. Wait times are relayed to the customer typically via an SMS/text sent from the Qudini platform. Through integration with various software platforms and compatible with a wide variety of hardware, Qudini enables detailed analytics focused on customer trends, and provides a unique insight into areas such as customer footfall, peak demand times, and wait times. As a result of the constantly evolving post-Covid retail landscape, experts predict that demand for these services will be significantly enhanced. The VCT invested £500,000 into the business in April 2019, alongside £1.5m from the Seneca EIS funds.

Bright Network (UK) Limited ("Bright") is a Human Resources technology platform designed to enable leading employers to reach, identify and recruit high quality graduates and young professionals. The platform currently supports a network of over 255,000 high calibre candidates and has 300+ leading employers within its customer base, including multiple high-quality blue-chip clients. These employers utilise Bright's services to fill annual intern and graduate recruitment scheme places, as well as any bespoke recruitment requirements.

Data analytics and machine learning is utilised to support and continuously improve identification of the best-suited talent to each employer. Bright provides a free service to undergraduates, personalising careers advice and job matches to support their career journey. The database is therefore a growing data-rich asset, processing 30 million pieces of data on a new generation of young professionals.

In March 2020, the VCT invested £235,000, alongside £265,000 of Seneca EIS funds, along with Maven Capital Partners in a £3.5m fundraise to allow the company to increase the size of its digital and talent solutions' sales and marketing resources, together with substantial improvements to the technical platform to drive additional service revenues.

ADC Biotechnology Limited operates in the highest growth sector within oncology therapeutics and has developed a unique patented Lock-Release technology for the development and manufacture of Antibody Drug Conjugates ('ADC') group of cancer therapies which are designed to specifically target and kill tumour cells. ADC are the next generation of highly effective anti-cancer drugs which result in reduced side effects compared to conventional chemotherapy and could provide treatment for a wide range of cancers. The Lock-Release technology facilitates greater production efficiencies and a substantial reduction in the capital cost of manufacturing these drugs for commercial sale.

The company counts Seneca EIS funds, Maven VCT, Downing EIS & VCT and Finance Wales amongst its existing shareholders and the VCT invested £150,000 into a £1.3m funding round in August 2020 alongside the existing investors.

SkinBioTherapeutics is a life science company focused on skin health. The company's proprietary platform technology, SkinBiotix®, is based upon discoveries made by Dr. Cath O'Neill and Professor Andrew McBain.

SkinBioTherapeutics' platform applies research discoveries made on the activities of lysates derived from probiotic bacteria when applied to the skin. The company has shown that the SkinBiotix® platform can improve the barrier effect of skin models, protect skin models from infection and repair skin models. Proof of principle studies have shown that the SkinBiotix® platform has beneficial attributes applicable to each of these areas.

The aim of the company is to develop its SkinBiotix® technology into commercially successful products supported by a strong scientific evidence base. SkinBioTherapeutics' commercial strategy is to engage health and wellbeing and/or pharmaceutical companies in early dialogue to build up relationships and maintain communication on technical progress until one or more commercial deals can be secured. The VCT invested £750,000 into the business in February 2019 alongside a further £750,000 invested from Seneca's EIS funds. Since that date, a small portion of the shares were realised for a 50% profit.

OptiBiotix Health PLC is a Life Sciences business operating in one of the most progressive areas of biotechnological research, developing technologies that modulate the human microbiome – the collective genome of the microbes in the body. The business identifies and develops microbial strains, compounds and formulations for use in food ingredients, supplements and active compounds that can impact on human physiology, deriving potential health benefits.

With an established pipeline of microbiome modulators, the OptiBiotix team works today in the prevention and management of chronic lifestyle diseases including obesity, hypercholesterolemia and lipid profiles, and diabetes.

To date, the company has signed in excess of 50 commercial deals globally to supply or licence its suite of products/supplements to manufacturers and retailers, and has launched a number of its own brand products. The VCT invested £300,000 into a £1m fundraise in April 2020, with funds being used to launch its award-winning products across Asia and the US, through partners who have an international reputation and significant retail network, as well as further expanding the portfolio of products. Since that date 53% of the shares have been realised for a 60% profit.

Part 1 - Seneca Management and Investment Team[5]

Seneca Management Team

The management team of Seneca comprises of the following members:

Ian Currie

Ian is the founder and a director of and shareholder in Seneca. He qualified as a chartered accountant with KPMG before working in Corporate Finance with firms including Peel Hunt & Co, Apax Partners and Altium Capital. Ian sits on the board of directors of Hedley & Co Stockbrokers, is a partner of Palatine Private Equity LLP and is on the Board of Trustees for the Lowry Arts Centre in Manchester.

Ian has been a continuous member of the credit and investment committees at Seneca and has been involved in all of the EIS growth capital investments made by Seneca.

Richard Manley

Richard is a director and CEO of and shareholder in Seneca. He qualified as a chartered accountant with KPMG in 2004, joined NM Rothschild's leveraged finance team in Manchester in 2007 before joining Cenkos Fund Managers in 2008. Richard joined Seneca on launch in 2010.

Richard has been involved in the development of all areas of Seneca's business and played a key role in its journey from start up to managing more than £100m. He has been a continuous member of Seneca's investment and credit committees and has been involved in all of Seneca's EIS growth capital investments to date leading 30 of these. Richard became Managing Partner in 2016 and CEO in 2017.

He joined the Board of the Company in August 2018.

Tim Murphy

Tim is a director of and shareholder in Seneca. Tim commenced his finance career with Barclays in 1983 before joining County Natwest in 1990. In 1993, Tim joined The Royal Bank of Scotland and later became Joint Managing Director of their Mid-Cap Structured Finance business. In 2005, he was hired by Deloitte (Manchester) as a corporate finance partner and, after a successful spell, joined HBOS as UK Managing Director Large Corporate in 2008. Tim joined Seneca in 2012 from NorthEdge Capital, where he was a founder partner of the business.

Tim has been a continuous member of the credit and investment committees at Seneca, and has played a key role in the development of Seneca's debt and private equity businesses including the growth capital investments made by the Seneca EIS Portfolio Service. Tim has been involved in all of Seneca's growth capital EIS investments since joining in 2012.

[5] *see paragraph 6.15 of Part 4*

Seneca Investment Team

Ian Currie, Richard Manley and Tim Murphy are all members of Seneca's management team and investment committee, and will be actively involved in the origination, appraisal and execution of the B Share Pool investments. They will be supported by the following members of Seneca's investment team.

John Davies

John is an investment director and heads up the growth capital investment team at Seneca. Previously John worked at PwC, RSM Robson Rhodes, Clearwater Corporate Finance and BDO Transaction Services team with business recovery and audit experience. At Clearwater Corporate Finance he completed a number of high profile deals across a broad spectrum of sectors including private equity, owner managers, management teams and debt funders. John has extensive experience of both buy-side and sell-side support in relation to fundraisings, mergers, acquisitions, refinancing and restructurings. Since joining Seneca in 2015, John has acted on 52 EIS growth capital transactions totalling more than £43 million.

Matt Currie

Matt joined Seneca in 2017 from his previous role in the RBS Structured Finance team where he completed 15 Leverage Finance transactions, being primarily mid-market private equity deals. Working alongside regional private equity firms, Matt led deals across the Leisure/Consumer, TMT, Professional Services, Manufacturing and Infrastructure sectors. Prior to that Matt spent four years with Deloitte, qualifying as a Chartered Accountant and working on both audit and advisory engagements across the North of England. Matt graduated from the University of Manchester in 2010 with a degree in Management with Accounting & Finance and also holds the CFA Investment Management Certificate. Since joining Seneca, Matt has been involved in 26 growth capital transactions totalling more than £25 million providing growth capital to SMEs.

Siobhan Pycroft

Siobhan joined Seneca in 2013, as an original member of Seneca's debt advisory business before joining the Growth Capital team in October 2019 as an Investment Executive. Whilst working in Seneca's advisory business, Siobhan managed a team that advised over 1,000 SMEs relating to finance and an overall debt quantum in excess of £1 billion. Siobhan has assisted on both EIS and VCT transactions.

Siobhan is a graduate of the University of Cambridge and has a law degree with an emphasis on public companies, equity finance and acquisitions.

Part 1 - Board of Directors

The Board comprises four Directors, all of whom are non-executive and three of whom are independent of the Manager. The management of the Company and the investment decisions in relation to the B Share Pool are delegated to the Manager. However, the Directors retain overall responsibility for the Company's affairs.

John Hustler

Independent non-executive Chairman

John joined Peat Marwick, now KPMG, in 1965 and became a Partner in 1983. Since leaving KPMG in 1993 to form Hustler Venture Partners Limited, he has advised and been a director of a number of growing companies. He is presently Chairman of Octopus Titan VCT plc. He was also a member of the Council of The Institute of Chartered Accountants in England and Wales and Chairman of its Corporate Finance Faculty from 1997-2000, and was a member of the Council of the British Venture Capital Association from 1989-1991.

Alex Clarkson

Independent non-executive Director

Alex is Managing Director of Bamburgh Capital. He qualified as a chartered accountant with PricewaterhouseCoopers in 1998, joined Brewin Dolphin Securities in 2000 before becoming co-founder of Zeus Capital in 2003. Alex then went on to co-found Bamburgh Capital in 2011, executing over 20 transactions acting on both the "buy" and "sell" side and raising funding. During this time, Alex was co-founder of Compass BioScience Group Limited and Collbio, two highly acquisitive companies, and became interim CFO of Collbio which undertook an IPO on the London Stock Market within an 18-month period, changing its name to Collagen Solutions.

Richard Manley

Non-executive Director

See page 33.

Richard Roth

Independent non-executive Director and chairman of the audit committee

Richard is a director of all the Oxford Technology Venture Capital Trusts and Chairman of Oxford Technology 2 Venture Capital Trust Plc. He is a Chartered Management Accountant and worked in the airline industry for a number of companies including easyJet and the Monarch Group, and was CFO of RoyalJet. He has subsequently had a number of consulting assignments, in particular helping companies determine their strategy, and implementing business improvements. Richard has been a VCT investor for nearly 20 years. He has invested in a number of small (mainly unquoted) companies and has also advised several potential start-up businesses – mainly travel-related.

Part 1 - Investment Policy

The current investment policy is set out below:

Investment Policy

The Company's objective is to provide Shareholders with an attractive income and capital return by investing its funds in a portfolio of both unquoted and AIM/AQSE quoted UK companies which meet the relevant criteria under the VCT Rules.

The Company will target well managed businesses with strong leadership, that can demonstrate established and proven concepts, and are seeking an injection of growth capital to support their continued development.

At least the minimum required percentage of the Company's assets will be invested in Qualifying Investments as required by the VCT Rules, with the remainder held in cash and money market securities.

Qualifying Investments

Compliance with required rules and regulations is to be considered with all investment decisions made. The Company is further monitored on a continual basis to ensure compliance.

Non-qualifying Investments

An active approach will be taken to manage any cash held, both prior to its investment in Qualifying Companies and to any remaining cash after all investment qualification targets in the VCT Rules have been satisfied. All cash will be invested in accordance with VCT Rules for Non-qualifying Investments. Such Non-qualifying Investments may include liquid AIFs, UCITS or other money market funds.

Risk Management

The Directors control the overall risk of the portfolio by ensuring that the Company has exposure to a diversified range of unquoted and AIM/AQSE quoted companies. In order to limit concentration risk in the portfolio that is derived from any particular investment, at the point of investment or addition to an existing investment no more than 15% of the Company by VCT value will be in any one investment. In addition, investments may also be made by way of loan stock and/or redeemable preference shares as well as ordinary shares to generate income, whilst ensuring compliance with whatever VCT Rules apply at the time.

Borrowing

Whilst the Board does not intend that the Company will borrow funds (other than to manage short term cash requirements), the Company is entitled to do so subject to the aggregate principal amount at the time of borrowing not exceeding 25% of the value of the adjusted capital and reserves of the Company (being, in summary, the aggregate of the issued share capital, plus any amount standing to the credit of the Company's reserves, deducting any distributions declared and intangible assets and adjusting for any variations to the above since the date of the relevant balance sheet).

Changes to the Investment Policy

The Company will not make any material changes to its investment policy without Shareholder approval.

Part 1 - Other Information

Conflicts of Interest

An Interested Party may be involved in other financial, investment or other professional activities which may cause conflicts of interest with the Company. An Interested Party will not be liable to account for any profit made in connection with these activities. For example, and without limitation, an Interested Party may:

- deal or invest in any investment, whether or not for its own account and notwithstanding that similar investments may be held by the Company;
- enter into or be interested in any financial or other transaction with any entity any of whose securities are held by or for the account of the Company;
- allocate investment opportunities among the funds and accounts it manages in accordance with its internal policies; and
- arrange for the Company to acquire investments from or dispose of investments to any Interested Party or any investment fund or account advised or managed by any such person.

In the event of a conflict of interest arising in relation to the above circumstances, or in any other circumstances, and so far as it is within their powers to do so, the Directors will endeavour to ensure that it is resolved fairly and approved by the Independent Board in accordance with the Conflicts Policy as set out in the Manager's compliance manual. To the extent that the Company intends to invest in a company in which another fund managed by the Manager has invested or intends to invest, the investment must be approved by the Independent Board.

When conflicts occur between the Manager and the Company because of other activities and relationships of the Manager, the Manager will ensure that the Company receives fair treatment. Such conflicts will be disclosed to the Company.

Co-Investment Policy

If situations arise where the Company proposes to invest in the same companies as other funds managed or clients advised by Seneca, but at a different time or on different terms, any such proposed investment will require approval from the Independent Board and compliance with the Listing Rules.

Members of the Seneca management team will also be able to invest in the same investments as the Company (as long as such investments are made by those individuals at the same time and on the same terms as the Company). Such investments will need to comply with any restrictions contained in the Listing Rules.

The Board will be responsible for determining the Company's investment policy and will have overall responsibility for the Company's activities. In accordance with the Listing Rules, a material change in the investment policy of the Company will only be effected with the prior approval of Shareholders.

Post-Investment Management

The Manager will monitor each investment in the B Share Pool regularly and will expect to meet with the management of investee companies on a regular basis.

As the values of underlying investments increase, the Manager will monitor opportunities for the Company to realise gains, and make tax-free distributions to Shareholders. Under the Articles, the B Shareholders have no economic rights to the assets in the Ordinary Share Pool and the Ordinary Shareholders have no economic rights over the B Share Pool. Therefore, returns to the B Shareholders will depend upon both the performance of the B Share Pool and also the overall financial position of the Company being sufficient to comply with any conditions to any distributions applied on a Company-wide basis.

Valuation Policy

Investments in AIM and AQSE-quoted shares will be valued at prevailing bid prices in the market, unless it is thought necessary to make any adjustment for illiquidity. All other investments will be valued by those members of the Board who are members of the CAC (in the case of the Ordinary Share Pool), or by the Manager (in the case of the B Share Pool), in each case in accordance with the accounting policies of the Company (which follow the IPEVC Valuation Guidelines). IPEVC Valuation Guidelines apply to investment companies investing in unquoted investments and reporting under Financial Reporting Standards. The underlying principle of Financial Reporting Standards is that investments should be reported at fair value. Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's-length transaction.

The Manager will be responsible for the calculation of the respective NAVs of the Ordinary Shares and the B Shares in accordance with the policies set out above (with the members of the Board who are members of the CAC being responsible for the valuation of the unquoted investments in the Ordinary Share Pool and the Manager being responsible for the valuation of the investments in the B Share Pool). The Company will announce the NAVs per Share of the Ordinary Shares and the B Shares at least quarterly through its annual reports, interim accounts and further Regulatory Information Service announcements.

The calculation of the NAV per Share 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.

Part 1 - Investment Review

The investment portfolio of the B Share Pool and the Ordinary Share Pool as at the date of this document is as follows and includes valuations as at 30 September 2020, being the latest practicable date closest to the date of the Prospectus. All of the investments of the Company are in UK companies.

B Share Pool

Unquoted Investments	Equity held %	Investment at cost £'000	Unrealised profit/(loss) £'000	Carrying value at 30 September 2020 £'000	Movement in the 9 months ended 30 September 2020* £'000
Fabacus Holdings Limited	2.0	500	-	500	(64)
Old St Labs Limited	3.5	500	-	500	-
Ten80 Group Limited	7.5	400	-	400	-
Silkfred Limited	<1.0	500	(125)	375	(125)
Qudini Limited	2.2	500	(200)	300	(200)
Bright Network (UK) Limited	1.7	235	-	235	-
ADC Biotechnology Limited	<1.0	150	-	150	-
Total unquoted investments		**2,785**	**(325)**	**2,460**	**(389)**

Quoted Investments	Shares held	Investment at cost £'000	Unrealised profit/(loss) £'000	Carrying value at 30 September 2020 £'000	Movement in the 9 months ended 30 September 2020* £'000
SkinBioTherapeutics Plc	4,502,107	721	157	878	248
OptiBiotix Health Plc	350,000	140	38	178	38
Total quoted investments		**861**	**195**	**1,056**	**286**
Total investments		**3,646**	**(130)**	**3,516**	**(103)**

Ordinary Share Pool

Unquoted Investments	Equity held %	Investment at cost £'000	Unrealised profit/(loss) £'000	Carrying value at 30 September 2020 £'000	Movement in the 9 months ended 30 September 2020* £'000
Arecor Limited	1.3	142	63	205	-
Fuel 3D Technologies Limited	<1.0	299	(104)	195	(81)
Insense Limited	4.6	509	(388)	121	-
ImmunoBiology Limited	1.2	868	(868)	-	-
OR Productivity Limited	7.9	765	(765)	-	(232)
Microarray Limited	1.8	132	(132)	-	-
Total unquoted investments		**2,715**	**(2,194)**	**521**	**(313)**

Quoted Investments	Shares held	Investment at cost £'000	Unrealised profit/(loss) £'000	Carrying value at 30 September 2020 £'000	Movement in the 9 months ended 30 September 2020* £'000
Scancell Holdings Plc	12,000,000	726	1,254	1,980	1,140
Total quoted investments		**726**	**1,254**	**1,980**	**1,140**
Total investments		**3,441**	**(940)**	**2,501**	**827**

* the change in valuation for the 9 months ended 30 September 2020 is in relation to the remaining existing portfolio

Part 1 - The Manager, Management Arrangements and Costs

The Manager

Seneca Partners Limited, which is authorised and regulated by the FCA to conduct investment business, is the investment manager of the Company under the terms of an investment management agreement entered into on 9 May 2018 (the "IMA"). Pursuant to the IMA, the Manager is the Alternative Investment Fund Manager of the Company and provides discretionary investment management services to the Company in respect of the investments of the Company. Further to a side letter to the IMA dated 9 May 2018, the Manager agreed that the management of investments in the Ordinary Share Pool is delegated by the Manager back to those members of the Board who are members of CAC for the duration of the IMA, or (if shorter) the period of the existence of the Ordinary Share Pool. The Manager also provides administration services to the Company and further to a side letter to the IMA dated 16 July 2019, also provides management accounting services. In relation to the management and administration services the Manager is paid an annual management fee of 2% of the net asset value of the B Share Pool, and will, with effect from the 1 August 2019, also be entitled to an annual fee of £9,000 (plus VAT, if applicable) in relation to the management accounting services. These are payable quarterly in arrears, with 75% of the annual management fee being charged to the Company's capital reserves (subject to the Company, after taking advice from the Auditors, determining a different proportion).

The Company is responsible for its normal third party costs including (without limitation) listing fees, accounting, audit and taxation services, legal fees, company secretarial fees, sponsor fees, registrars' fees, receiving agent fees (other than in relation to the Offer), Directors' fees and other incidental costs.

In relation to the Annual Running Costs of the Company, until 30 June 2021 all of those costs will be allocated to the B Share Pool only, and after the end of that period, such costs will be allocated to the Ordinary Share Pool and the B Share Pool pro-rata to their respective net asset values. The Manager has also agreed to cap the Annual Running Costs allocated to the Ordinary Shares at 3% of the net asset value of the Ordinary Share Pool, and the Annual Running Costs allocated to the B Shares at 3% of the net asset value of the B Shares Pool.

The Manager's appointment continues until terminated by either party giving to the other not less than 12 months' previous written notice at any time after 9 May 2023 (the fifth anniversary of the date of the IMA), subject to earlier termination in certain circumstances.

Performance Incentive Fees - B Share Pool

As is customary in the venture capital industry and in order to ensure that the interests of the Manager and the B Shareholders are aligned, the Manager is entitled to receive a Performance Incentive Fee on the investments in the B Share Pool if those investments have performed well.

The Performance Incentive Fee is an amount equal to 20% of the Shareholder Proceeds arising in respect of any Performance Period, provided that the payment of such a fee is conditional on (i) a return being generated on the B Share Pool for B Shareholders in respect of that period of more than 5% per annum (pro-rated if that period is less than a year) and (ii) that such a return calculated for the period from the date of the IMA (9 May 2018) to the end of the relevant Performance Period exceeds 5% per annum.

Performance incentive fees in relation to the Ordinary Shares are also potentially payable to past and current members of the CAC (see paragraph 5.5 in Part 4 of this document).

The performance incentive fees will be calculated separately on the Ordinary Shares and the B Shares.

Dividend Policy - B Shares

Generally, under the VCT Rules, a VCT must distribute by way of dividend such amount as to ensure that it retains not more than 15% of its income from shares and securities.

The Company's target is to maintain dividends of at least 3p per annum in relation to the Company's B Shares with an ambition to increase this to c.5% per annum of the B Share NAV by 2023 (subject to B Share Pool investment performance and an intention to also maintain a relatively stable NAV per B Share). The Company also intends to distribute a large proportion of the net profits it receives from realisations in excess of those reasonably required to be retained to support the annual dividend ambitions of the Company by way of special tax-free dividends, subject again to maintaining a relatively stable NAV per B Share. This is intended to provide Investors with an attractive income stream and a relatively stable NAV per B Share, subject to the requirements and best interests of the Company. All distributions are expected to be free of UK income tax to individuals aged 18 or over who acquired their shares within the annual £200,000 limit. The Company's ability to pay dividends is subject to the existence of legislative requirements, available cash reserves and adequate distributable reserves of the Company and, accordingly, no profit forecast should be inferred or implied from such statements. Dividends are variable and not guaranteed.

It should be noted that the VCT Rules apply on a company-wide basis. However, under the Articles, the Company will allocate the economic benefit from the two separate asset pools to the Ordinary Shares or to the B Shares respectively. Therefore, if the Ordinary Share Pool assets produce income from shares and securities, that income will not be shared with the B Shareholders and vice versa.

Share buy-back policy - B Shares

There is likely to be an illiquid market and in such circumstances B Shareholders may find it difficult to sell their Shares in the market. In order to try to improve the liquidity in the B Shares, the Company operates a share buy-back policy. The Company may repurchase shares which Shareholders wish to sell, at a discount of no more than 5% to net asset value per B Shares, less transaction costs payable to market makers and stockbrokers. Any purchase of B Shares will be subject to authority from Shareholders, the Listing Rules, having the necessary cash resources and distributable reserves available for the purchase and the Board believing it to be in the best interests of the Company at the relevant time. B Shares bought back by the Company may be cancelled or held in treasury for later sale in the market. B Shares which have not been held for five years before disposal will no longer qualify for income tax relief and, therefore, any upfront income tax reliefs obtained on subscription will be subject to clawback by HMRC. Shareholders should seek professional advice in relation to any disposal of Shares. The Company has an authority to buy back up to 14.99% of the issued B Share capital of the Company.

Reporting to Shareholders

The Directors believe that communication with Shareholders is important. In addition to announcements being released through a Regulatory Information Service, Shareholders will receive a copy of the Company's annual report and accounts (expected to be published by April each year) and a copy of the Company's interim results (expected to be published by September each year).

The Board is looking to reduce the cost and environmental impact of production and circulation of Shareholder documents where practical. As a result of an increasing number of Shareholders expressing an interest in accessing annual and half-yearly reports electronically, the Company introduced a process for electronic communications. In the Application Form Investors can request that hard copies of the annual and half-yearly reports are posted to them. Otherwise, an email or a letter will be sent to Shareholders to notify them that such documents are available for download on the Company's website, which will reduce the number of documents printed and sent by post.

Corporate Governance

The UK Corporate Governance Code published by the Financial Reporting Council in July 2018 (the "Code") applies to the Company. The section in the Code headed "Application" acknowledges externally managed investment companies (which typically have a different board and company structure) may wish to use the AIC Code to meet their obligations under the Code. The Board considers that reporting against the principles and recommendations of the AIC Code will provide better information to Shareholders.

Accordingly, the Company has complied with, and will continue to apply the recommendations of the AIC Code and the relevant provisions of the Code save that (i) new Directors do not receive a formal induction on joining the Board, although they do receive one tailored to them on an individual basis, (ii) the Company does not have a chief executive officer or a senior independent Director (although the Chairman is an independent director), (iii) the Company does not have an internal audit function at this time as the Directors do not consider that an internal audit would be an appropriate control for this VCT (although the Company has conducted a formal review as to whether there is a need for such a function); (iv) as all the Directors are non-executive, it is not considered appropriate to appoint a remuneration committee; and (v) the Company does not have a nomination committee (as these matters are dealt with by the Board).

In light of the responsibilities retained by the Board and the audit committee and of the responsibilities delegated to the company secretary, the Company has not appointed a chief executive, deputy chairman or a senior independent non-executive director.

Status of the Company

The Company is unregulated, although as a VCT, the Company needs to meet a number of conditions set out in tax legislation in order for tax reliefs to apply.

Taxation and HMRC approval

The Directors intend to manage the Company's affairs in order that it continues to comply with the legislation applicable to VCTs. In this regard Philip Hare & Associates LLP has been appointed to advise on tax matters generally and, in particular, on VCT status. HMRC granted the Company approval as a VCT, and Philip Hare & Associates LLP will assist the Manager (but report directly to the Board) in monitoring VCT status and maintaining full approval.

Life of the Fund

It is intended that the Company should have an unlimited life, but also that Shareholders should have the opportunity to review the future of the Company at appropriate intervals.

In order, therefore, for the future of the Company to be considered by the Shareholders, the Articles contain a provision requiring the Directors at the annual general meeting falling after the fifth anniversary of the last allotment of Shares in the Company (and at five yearly intervals thereafter) to propose an ordinary resolution that the Company shall continue in being as a venture capital trust. If that resolution is not passed, the Directors will be required to call a general meeting where a special resolution for the re-organisation or reconstruction of the Company would be proposed, and if not passed, a special resolution requiring the Company to be wound-up voluntarily. If neither of these special resolutions are passed, the Company will continue as a venture capital trust.

Part 1 - Costs of the Offer, Annual Fees, Expenses and Offer Price

Costs of the Offer

PROMOTER FEE

For its role as promoter of the Offer, the Manager will charge the Company a Promoter Fee of 5.5% of the monies subscribed (and, where any Adviser Charge is being facilitated by the Company on behalf of the Investor, or is being paid directly by an Investor, a Promoter Fee of 3% of the monies subscribed will be charged to the Company by the Manager (which excludes the amount of any Adviser Charge), plus in each case VAT, if applicable). Out of its fees, the Manager (not the Investors) will be responsible for paying all of the costs of the Offer including initial and trail commission (as described under the paragraph headed "Commission" below) to intermediaries (where permitted).

The number of B Shares to be issued under the Offer will be determined by the "blended" issue cost. Applicants will have a different issue cost attributable to their Application for Offer Shares under the Offer depending on the level of Promoter Fee and Adviser Charges agreed with their financial adviser, or any commission which is permitted to be paid to financial intermediaries, in all cases adjusted for any early or loyalty discount. The Manager has also agreed to reduce the Promoter Fee in respect of Applications accepted under the Offer by an amount equal to any Loyalty Investment Incentive or Early Investment Incentive discount applicable in relation to an Application. The Manager may further agree to waive any part of its fee in respect of any specific Investors or group of Investors for the benefit of such Investors. The benefit of any investment incentive discount or any waiver will be applied to reduce the costs applied to those Investors by an equivalent amount, thereby increasing the number of Offer Shares to be allotted to such Investors.

Any initial or trail commissions payable in relation to the Offer (see the section "Commission" on page 46) will be payable by the Manager out of its Promoter Fee.

Income tax relief is available on the total amount subscribed for Offer Shares (including the amounts used to pay the Promoter Fee but not including the amount of any Adviser Charge to be facilitated by the Company prior to subscription for Offer Shares), subject to VCT Rules, personal circumstances and changes in the availability of tax reliefs.

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

ADVISER CHARGE

Commission is generally not permitted to be paid to authorised financial advisers who provide a personal recommendation to UK retail clients on investments in VCTs. Instead of commission being paid by the Company, a fee will usually be agreed between the adviser and the Investor for the advice and related services ("Adviser Charge"). This fee can either be paid directly by the Investor to the intermediary or, if it is a one off fee, and does not exceed an amount equal to 4.5% of the monies remitted to the Company with an Investor's Application, may be made by the Company. If the payment of the Adviser Charge is to be made by the Company on behalf of the Investor, then the Investor's financial adviser is required to specify the amount of the charge on the Application Form.

COMMISSION

Commission is permitted to be paid to intermediaries under FCA rules in respect of execution only clients (where no advice or personal recommendation has been provided). Such intermediaries who, acting on behalf of their clients, return valid Application Forms bearing their FCA number will usually receive an initial commission of 2.5% of the monies subscribed by their clients under the Offer and no trail commission, or 2% of the monies subscribed by their clients under the Offer and provided that the intermediary continues to act for the Investor and the Investor continues to be the beneficial owner of the Offer Shares, and subject to applicable laws and regulations, an annual trail commission of up to 0.5% of the NAV per Offer Share. This annual trail commission will be payable until the earlier of (i) the fourth anniversary of the closing of the Offer and (ii) the IMA between the Company and the Manager being terminated. Initial and trail commission will be payable by the Manager out of its Promoter Fee.

Other Fees

TRANSACTION FEES

The Manager will be entitled to charge the underlying investee companies fees for arrangement and structuring and, to the extent that other services are provided, additional fees may be agreed. For the avoidance of doubt, these fees are not borne by the Company. Subject to FCA inducement and conflict of interest rules, fees may be paid to introducers in respect of the introduction of transactions.

ANNUAL FEES/EXPENSES AND ANNUAL RUNNING COSTS

Under the terms of the IMA, the Manager and the Company have agreed that in relation to those third-party costs which comprise the Annual Running Costs, until 30 June 2021 those Annual Running Costs will be borne by the B Share Pool. After the end of this initial period, the Ordinary Share Pool and the B Share Pool will be allocated their share of the Company's Annual Running Costs (pro-rata to the net asset value of the respective share pool).

Each of the Directors, including the Chairman, is paid an annual fee of £15,000, amounting in aggregate to no more than £75,000 per annum.

Since the Manager will have responsibility for overseeing the administration of the Company as a whole, it has agreed with the Company to cap the Annual Running Costs allocated to the B Share Pool, with the costs so allocated not to exceed 3% of the net asset value of the B Share Pool. The Manager has also agreed after 30 June 2021 (during which no Annual Running Costs will be borne by the Ordinary Share Pool) to cap the Annual Running Costs allocated to the Ordinary Share Pool at 3% of the net asset value of the Ordinary Share Pool. In each case the Manager will indemnify the Company to give effect to the caps in favour of each of the respective share pools.

Unless otherwise agreed by the Manager and the Company, all costs and expenses (including any VAT) incurred by the Manager in the proper performance of its duties under the IMA will be borne by the Company.

Details of the Offer

It is proposed to raise up to £20 million by means of the Offer, being the principal offer of £10 million and the over-allotment facility of a further £10 million which may be utilised at the Board's discretion where it believes it is in the best interests of the Company to do so. Subscription amounts are payable in full, by cheque or bankers' draft or electronic transfer, on subscription. The subscription for the Offer will open on 13 October 2020 and is expected to close no later than 5.00 p.m. on 1 April 2021, with all subscription monies payable in full in cash (cleared funds) by 30 March 2021 in the case of the Offer for the 2020/2021 tax year, and at 5.00 p.m. on 28 May 2021, with all subscription monies payable in full in cash (cleared funds) by 26 May 2021 in the case of the Offer for the 2021/22 tax year (unless, in either case, the Offer has been fully subscribed by an earlier date or earlier at the discretion of the Directors). The closing date of the Offer, and the deadline for receipt of applications for the final allotment, may be extended by the Directors at their absolute discretion to a date no later than 24 September 2021.

The Offer is not underwritten. The maximum net proceeds of the Offer, assuming full subscription (with the over-allotment facility fully utilised) with all applications received through intermediaries offering financial advice (with the full amount of Early Investment Incentive and Loyalty Investment Incentive with a Promoter Fee of 1.5% applying to all subscriptions), is expected to be £19,700,000. The Company will pay the Manager a Promoter Fee on the value of accepted applications for Offer Shares under the Offer (to be capped at an aggregate amount of £340,000). The profile of a typical Investor is a UK tax resident individual who seeks a venture capital strategy with a focus on the payment of regular dividends from realisations of growth capital investments with sufficient income and capital available to be able to commit an investment in the Company for at least five years and who is attracted by the income tax relief available for a VCT investment.

Applications will be accepted on a "first come, first served" basis (provided cheques are not post-dated), subject always to the discretion of the Directors. If the Offer is over-subscribed (or over-subscribed after use of the over-allotment facility), an Applicant's Application may be rejected or may be accepted for an amount lower than that actually applied for. In these cases, the amount paid on application, or the balance, will be returned, without interest, by bank transfer or cheque sent through the post at the Applicant's risk to the address stated in the Applicant's Application Form. Investors are, therefore, encouraged to submit their Application Forms early in order to be confident that their subscriptions will be successful. Multiple applications are permitted.

The minimum application level under the Offer is £3,000. The maximum aggregate investment in all VCTs in any one tax year on which tax relief is available is £200,000 per Investor (spouses have separate limits and, therefore, together can invest up to £400,000 in aggregate in each tax year).

The Offer may not be withdrawn after dealings in the Offer Shares have commenced.

The full Terms and Conditions of application are set out in Part 6 of this document. An Application Form (including details of the application procedure) accompanies this document.

The Pricing of the Offer

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

Number of Offer Shares =	Amount remitted with the Application, less: (i) Adviser Charge to be facilitated (if any); and (ii) Promoter Fee[6]	÷	Latest published NAV per B Share[7]

The Manager has agreed to reduce its Promoter Fee in respect of Applications accepted under the Offer by an amount equal to any Loyalty Investment Incentive and/or the Early Investment Incentive applicable in relation to an Application. The Manager may further agree to waive any part of its Promoter Fee in respect of any specific Investors or group of Investors for the benefit of such Investors. The benefit of any incentive discount on the Promoter Fee or any waiver of all or part of the Promoter Fee, or the waiver of any commissions by financial intermediaries, will be applied to reduce the costs applied to the relevant Investor, thereby increasing the number of Offer Shares to be allotted to such Investor.

Illustrative examples (based on an application amount under the Offer of £10,000 and an illustrative NAV per Offer Share of 90.4p)

(i) Adviser Charge to be facilitated = £nil

Promoter Fee (Execution-only Transaction) of 3% (5.5% with 2.5% financial intermediary commission waived) = £300

Number of Offer Shares = (10,000 – 0 – 300) ÷ 0.904 = 10,730

(ii) Adviser Charge to be facilitated = £nil

Promoter Fee (direct Applicant) of 5.5% = £550

Number of Offer Shares = (10,000 – 0 – 550) ÷ 0.904 = 10,453

(iii) Example Adviser Charge to be facilitated = £300

Promoter Fee (advised) of 3% = £291

Number of Offer Shares = (10,000 – 300 – 291) ÷ 0.904 = 10,408

(iv) Example Adviser Charge to be facilitated = £nil

Promoter Fee (Execution-only Transaction with both Early Investment Incentive and Loyalty Investment Incentive applied) of 1.5% (5.5% with 2.5% financial intermediary commission waived and with the Early Investment Incentive of 1% and Loyalty Investment Incentive of 0.5%) = £150

Number of Offer Shares = (10,000 – 0 – 150) ÷ 0.904 = 10,896

[6] less any reduction for Loyalty Investment Incentive and/or the Early Investment Incentive and/or commission waived by financial intermediaries (where applicable)

[7] The latest published NAV per B Share will be adjusted for any dividends declared that are ex-dividend but not yet paid, as appropriate.

It should be noted that the example Adviser Charges set out above have been provided to illustrate the pricing of the Offers and should not be considered as a recommendation as to the appropriate levels of Adviser Charges.

The Offer Price applying in respect of an Investor, therefore, varies according to the applicable NAV per Offer Share used in the Pricing Formula, whether or not the Investor is eligible for the Loyalty Investment Incentive and/or Early Investment Incentive discount and whether any commission or Adviser Charge is to be payable from the monies provided with the Application.

Income tax relief should be available on the total amount subscribed, subject to VCT regulations and personal circumstances, which in each of the above examples would be £3,000 (£10,000 at 30%) apart from (iii), where it would be £2,910 (£9,700 at 30%).

Allotment, Dealings and Settlement

Application will be made to the FCA for the Offer Shares to be issued pursuant to the Offer to be admitted to the premium listing on the Official List and to the London Stock Exchange for the Offer Shares to be admitted to trading on its main market for listed securities.

It is expected that the Admission of Offer Shares will become effective, and that trading in those Shares will commence, within ten Business Days of their allotment.

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

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

Part 2 - Taxation Considerations for Investors

1. Individual Shareholders

The following is a summary of the tax benefits available to VCTs and their individual shareholders who are either Qualifying Subscribers or Qualifying Purchasers.

The tax treatment of Investors in VCTs will depend on their individual circumstances. Investors who are in any doubt as to their tax position are recommended to take professional advice.

A number of tax benefits are available to individuals, aged 18 or over, who invest in shares in a VCT. The tax benefits available to those individuals are different, depending on whether the individual subscribes for shares or acquires shares otherwise than by way of subscription. There is also a limit (the Qualifying Limit) on the amount which, in any tax year, an individual may invest in VCTs which will qualify for any tax benefits. The current limit is £200,000 in any one tax year. Spouses have separate limits and each, therefore, has an annual limit of £200,000 meaning that together spouses may invest up to £400,000 per tax year in aggregate.

Investments in VCTs in excess of the Qualifying Limit will not be eligible for any tax benefits.

Set out below is a summary of the tax benefits available to Qualifying Subscribers and Qualifying Purchasers.

2. Qualifying Subscribers (not Qualifying Purchasers)

The tax relief is available on aggregate investments in VCTs of up to £200,000 in any one tax year. Where advantage is taken of this relief, a Qualifying Subscriber will be able to obtain total initial tax relief of up to 30% of the amount of his investment, as shown in the table below.

Maximum effect of initial tax relief

	No VCT tax relief	30% income tax relief
Initial investment	£10,000	£10,000
30% income tax relief	–	(£3,000)
Effective current cost of the investment	£10,000	£7,000

Relief from income tax, which will be available in the year of subscription, cannot exceed the amount which reduces the income tax liability of the Qualifying Subscriber in that year to nil. Relief may not be available if there is a loan linked with the investment.

Relief will not be available, or, where given, will be withdrawn, either in whole or in part, where there is any disposal (except on death) of the shares (or of an interest in them or right over them) before the end of the period of five years beginning with the date on which the shares were issued to the Qualifying Subscriber.

With effect from 6 April 2014 income tax relief is not available in respect of a subscription for shares in a VCT where the investor has sold shares in that VCT and the sale was conditional upon the subscription, or the subscription was conditional upon the sale, or the subscription was made within six months of the sale (before or after). This will also have effect in relation to a subscription for shares in a VCT which is deemed to be a successor or predecessor of the VCT because there has been a merger of VCTs, or a restructuring of a group of companies of which the VCT is a member, where it is known at the time of the subscription for shares that the VCTs intend to merge. The measure will not affect subscriptions for shares where the monies being subscribed represent dividends which the investor has elected to reinvest.

3. Qualifying Subscribers and Qualifying Purchasers

The reliefs below are only available on investments (whether acquired by subscription or otherwise) up to a maximum of £200,000 in VCTs in any one tax year for investors who are at least 18 years of age.

3.1 Exemption from capital gains tax

Any gain or loss accruing to Qualifying Subscribers or Qualifying Purchasers on a disposal of shares in a company which was a VCT at the time he, or she, acquired the shares, and remained a VCT throughout his, or her, period of ownership, will neither be a chargeable gain, nor an allowable loss, for the purposes of capital gains tax.

3.2 Exempt dividend income

Dividend income will be exempt from tax. No tax credits will be repayable in respect of dividends paid.

3.3 Procedure for obtaining income tax reliefs available to Qualifying Subscribers

All Qualifying Subscribers will automatically be provided with certificates enabling them to claim income tax relief. The certificate will specify details of the shareholder, the date on which the shares were issued and the amount paid for the shares, and also will certify that the shares have been issued to a Qualifying Subscriber, and that certain other conditions are met to the best of the VCT's knowledge and belief. The relief may not be available unless the Qualifying Subscriber holds such a certificate.

The Investor may use the certificate to claim income tax relief either by obtaining from HMRC an adjustment to his tax coding under the PAYE system or by waiting until the end of the tax year and using a Self Assessment Tax Return to claim the relief.

Dividends received on shares acquired in VCTs up to the qualifying maximum value of £200,000 per tax year need not be shown in the investor's Self Assessment Tax Return.

4. Loss of VCT Status

The following is a summary of the tax consequences for VCTs and their shareholders resulting from a loss of VCT status.

4.1 VCTs

Exemption from corporation tax on chargeable gains will not be available in relation to any gain realised after the VCT status is lost (and on any gain realised by the VCT if approval is deemed never to have been given).

4.2 Qualifying Subscribers

Income tax relief on investment

Where VCT approval is treated as never having been given, or where it is withdrawn before the shares have been held for five years, the relief will be withdrawn in full, and the Qualifying Subscriber will be assessed to tax in the tax year in which the relief was given on an amount equal to that relief. Interest on overdue tax may arise.

4.3 Qualifying Subscribers and Qualifying Purchasers

4.3.1 Exempt dividend income

Dividend income will not be exempt from tax if the dividend is paid in respect of profits or gains arising or accruing in any accounting period in which the VCT is not approved as such.

4.3.2 Exemption from capital gains

Where VCT approval is treated as never having been given, any gains and losses arising on a disposal of shares in the VCT will be taxable and allowable in the ordinary way. Where VCT approval is withdrawn at any time (whether or not the shares have been held for five years), the Qualifying Subscriber or the Qualifying Purchaser will be treated as having disposed of his shares immediately before the VCT ceased to be approved, for an amount equal to their market value at that time, and as having immediately reacquired them at that value. Thus, any capital gain/loss up to that date will be exempt from tax, but any gains/losses arising after that date will be taxable in the ordinary way.

Part 3 - Taxation of the Company

Qualifying as a VCT

1. In order to qualify as a VCT, a company must satisfy the following conditions in each accounting period:

   i. it must be approved as a VCT by HMRC;

   ii. it must not be a close company;

   iii. throughout the period, each class of its ordinary share capital has been quoted on a regulated market in the EU or European Economic Area;

   iv. it must derive its income in the period wholly or mainly from shares or securities;

   v. it must have at least 80% by VCT value of its investments throughout the period in newly issued shares or securities (where the securities are not redeemable within five years of issue) comprised in Qualifying Holdings. At least 70% by value of those Qualifying Holdings must be in shares which carry no preferential rights to assets on a winding-up nor any rights to be redeemed, although they may have certain preferential rights to dividends;

   vi. for share issues after 31 December 2018 it must invest at least 30% of new funds raised in Qualifying Holdings by the anniversary of the end of the accounting period in which the funds were raised;

   vii. it must have at least 10% by VCT value of each of its investments in any Qualifying Company in ordinary shares which carry no preferential rights;

   viii. it must not invest more than 15% by VCT value (at the point of investment or addition to an existing investment) in a single company or group (other than a VCT, or other similar company);

   ix. it must generally not retain more than 15% of the income which it derives from shares and securities in the period;

   x. it must not make an investment in a company which causes that company to receive more than £5 million (£10 million for Knowledge Intensive Companies) of State Aid investment (including from VCTs) in the twelve months ending on the date of the investment.;

   xi. it must not return capital to shareholders before the third anniversary of the end of the accounting period during which the subscription for shares occurs;

   xii. no investment made by the Company in a company which causes that company to receive more than £12 million (£20 million if the company is deemed to be a Knowledge Intensive Company) of State Aid investment (including from VCTs) over the company's lifetime;

   xiii. no investment can made by the Company in a company whose first commercial sale was more than seven years prior to the date of investment, except where previous Risk Finance State Aid was received by the company within those seven years or where the company is entering a new market and a turnover test is satisfied (ten years where the company is deemed to be a Knowledge Intensive Company);

   xiv. no funds received from an investment into a company can be used to acquire another existing business or trade; and

xv. the VCT must not make a Non-qualifying Investment other than those specified in section 274 ITA 2007.

2. In order, however, to facilitate the launch of VCTs, there is a relaxation of some of these tests during the Company's first and, in the case of the test referred to in paragraph 1(v) above, up to the beginning of the accounting period in which the third anniversary of the issue of shares falls (see below under the heading, "Approval as a VCT").

Qualifying Holdings

3. A Qualifying Holding consists of shares in, or securities of, a Qualifying Company (see below under heading "Qualifying Companies" for further details). A Qualifying Company must:

i. be unquoted (which will, in the case of a company which was unquoted at the time of the VCT's investment, be deemed to be the case for a further five years after the company ceases to be unquoted). Companies whose shares are traded on AIM or AQSE are treated as unquoted;

ii. have gross assets of £15 million or less immediately pre-investment and £16 million or less immediately post investment (in the case of companies which have Qualifying Subsidiaries (see below), the test is applied on a group basis);

iii. have a permanent establishment in the UK;

iv. not be able to control (whether on its own or together with a connected person) any company which is not a Qualifying Subsidiary;

v. not be controlled by another company (on its own or together with a connected person);

vi. have fewer than 250 employees immediately pre-investment (500 for a Knowledge Intensive Company); and

vii. not have any property managing subsidiaries which do not fall into the definition of relevant Qualifying Subsidiaries (see below).

The company's first commercial sale must be no more than seven years before the VCT's investment (ten years for a Knowledge Intensive Company) prior to the date of investment, except where previous Risk Finance State Aid was received by the company within those seven years or where the company is entering a new market and a turnover test is satisfied. Funds received from an investment by a VCT cannot be used to acquire another existing business or trade.

Qualifying Investments are limited to aggregate investments of £5 million in the twelve months ending on the date of the investment (£10 million for a Knowledge Intensive Company) and £12 million in total (£20 million for a Knowledge Intensive Company).

Qualifying Companies

4. A Qualifying Company is a company which exists to carry on one or more Qualifying Trades (see below) or is the parent of a trading group, where each of its subsidiaries is a Qualifying Subsidiary and the group as a whole is not engaged in non-qualifying activities (see below).

5. For the purposes of the Qualifying Holdings test in paragraph 3(iv) above, a subsidiary will be a relevant Qualifying Subsidiary if at least 90% of its issued share capital and its voting power is directly owned by the Qualifying Company or by a wholly owned Qualifying Subsidiary. A

relevant Qualifying Subsidiary can also be a wholly owned subsidiary of a 90% owned subsidiary. Certain other tests as to the distribution of the subsidiary's profits and assets on a winding-up must also be satisfied.

6. In the case of the Qualifying Holdings test in paragraph 3(iv) above, a subsidiary will be a Qualifying Subsidiary if the majority of its issued share capital is owned by the Qualifying Company and the other tests are also satisfied.

7. A trade will be a Qualifying Trade only if it does not to a substantial extent include non-qualifying activities (non-qualifying activities include dealing in land or shares, providing financial services or activities which are largely land-based, such as farming, hotels and nursing homes). In the case of a company which is preparing to carry on a Qualifying Trade, the Qualifying Trade must begin within two years of the issue to the VCT of the shares or securities, and must continue thereafter.

8. The risk-to-capital condition introduced in the Finance Act 2018 requires that the Qualifying Company has long term growth plans and that the investment made by the VCT is at risk.

Approval as a VCT

9. A VCT must be approved as such at all times by HMRC. Approval has effect from the time specified in the approval, which cannot be earlier than the time at which the application for approval is made.

10. A VCT cannot be approved until the relevant tests (see above under the heading, "Qualifying as a VCT") have been satisfied throughout the most recent complete accounting period of the VCT and HMRC is satisfied that the tests will be satisfied in relation to the accounting period of the VCT which is current at the time the application is made.

11. However, in order to facilitate the launch of VCTs, HMRC may grant provisional approval to a VCT, notwithstanding that not all the relevant tests are satisfied at the time of the application, provided that HMRC is satisfied that the tests will be satisfied within a certain period. In particular, HMRC may grant provisional approval if it is satisfied that:

    i. the relevant tests in paragraphs 1(iii), 1(iv), and 1(vii) to 1(ix) under the heading, "Qualifying as a VCT" above will either be satisfied in the accounting period current when the application for approval is made or the following accounting period;

    ii. the relevant test in paragraphs 1(v) under the heading, "Qualifying as a VCT" above, will be satisfied in relation to any accounting period beginning not more than three years after the time when approval is given, or if earlier, when it has effect; and

    iii. the relevant tests in paragraphs 1(ii) to 1(xiv) under the heading, "Qualifying as a VCT" above, will continue to be satisfied in all subsequent accounting periods.

12. The Company has been granted approval as a VCT effective from admission of the Ordinary Shares to the Official List and to trading on the main market of the London Stock Exchange. The Company has received confirmation from HMRC that the B Shares will also be regarded as eligible shares.

Withdrawal of approval

13. Approval as a VCT may be withdrawn by HMRC if the relevant tests (see above under the heading, "Approval as a VCT") are not satisfied. Withdrawal of approval generally has effect from the time when notice of withdrawal 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 the tests were satisfied. The actions proposed to be taken by the Company in the case of a withdrawal of approval will be announced through a regulatory information service.

Where provisional approval is withdrawn, approval is deemed to have never been given. The taxation consequences of approval being deemed to have never been given are set out above under the heading "Loss of VCT status".

Part 4 - Additional Information

1. The Company

1.1 The Company was incorporated and registered in England and Wales on 22 May 2001 under the name BioScience VCT plc with registered number 04221489 as a public company limited by shares under the CA 1985. On 26 April 2006 the name of the Company was changed to Hygea vct plc and on 23 August 2018 to Seneca Growth Capital VCT Plc. The principal legislation under which the Company operates (and under which the B Shares have been created) is the CA 2006 and the regulations made thereunder. By virtue of the fact the Company is a VCT it will be subject to the regulations of HMRC, the CA 2006, the FCA and other relevant regulations and legislation.

1.2 On 8 October 2001 the Registrar of Companies issued the Company with a trading certificate under section 117 of the CA 1985 (now section 761 of CA 2006) entitling it to commence business.

1.3 The Company is domiciled in England and its registered office, and its principal place of business, is at 9 The Parks, Haydock, WA12 0JQ. The telephone number of the Company is 01942 271746.

1.4 The Company does not have (and has not had since incorporation) any subsidiaries and it neither owns nor occupies any premises. The Company does not have (and has not had in the Reporting Period) any employees.

1.5 The Company revoked its status as an investment company under section 266 of the CA 1985 (now section 833 of CA 2006) on 21 January 2010.

1.6 The Company is not regulated to conduct investment business under the FSMA, and is neither regulated nor authorised by any particular regulatory authority. The Company has been granted approval as a VCT under section 274 of ITA 2007 and the Directors have managed and intend to manage the affairs of the Company in such a manner so as to comply with section 274 of ITA. The Company, as a company whose shares are admitted to the Official List, is subject to the Listing Rules and the Disclosure and Transparency Rules.

1.7 The Company's auditors are UHY Hacker Young of Quadrant House, 4 Thomas More Square, London E1W 1YW. UHY Hacker Young is registered with the Institute of Chartered Accountants of England and Wales to carry out audit work.

2. Share capital

2.1 As at 9 October 2020, being the latest practicable date prior to the publication of this document, the issued share capital of the Company was 8,115,376 Ordinary Shares and 7,392,201 B Shares, each with a nominal value of 1 pence each.

Ordinary Shares

ISIN	GB0031256109
SEDOL code	3125610

B Shares

ISIN	GB00BG13MH08
SEDOL code	BG13MH0

The LEI of the Company is 213800VP9N3LOQZ22441.

The B Shares to be issued pursuant to the Offer will rank pari passu in all respects with the existing B Shares. The B Shares will be in registered form and temporary documents of title will not be issued.

2.2 At close of the Offer, assuming the maximum subscription is raised and the Offer is not increased, Existing Shareholders will hold approximately 41.6% of the enlarged issued share capital of the Company.

2.3 Save for Share Nominees Limited (which holds 587,382 Shares constituting 3.79% of the issued share capital of the Company), no single Shareholder currently holds more than 3% of the Company's Ordinary Shares or B Shares nor is the Company directly or indirectly under the control of any person nor, to the Company's knowledge, are there any arrangements in place, the operation of which may result in a change of control of the Company.

2.4 No share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option. No shares of the Company represent anything other than capital. No shares of the Company are held by or on behalf of the Company itself. There are no convertible securities, exchangeable securities or securities with warrants attached to them currently in issue by the Company.

2.5 Shareholder authority for the Company to create, allot and issue new B Shares was obtained by the passing of the following ordinary and special resolutions at its annual general meeting held on 28 April 2020:

2.5.1 in addition to existing authorities, the Directors were generally and unconditionally authorised in accordance with section 551 of the CA 2006 to exercise all the powers of the Company to allot:

2.5.1.1 B Shares up to an aggregate nominal amount of £350,000 in connection with offer(s) for subscription;

2.5.1.2 B Shares for cash and otherwise than pursuant to the authority set out in paragraph 2.5.1.1 above, up to an aggregate nominal amount of £80,000;

2.5.1.3 Ordinary Shares for cash, up to an aggregate nominal amount of £4,058;

provided that such authority is to expire at the later of the conclusion of the Company's annual general meeting next following the passing of this resolution and the expiry of 15 months from the passing of this resolution (unless previously revoked, varied or extended by the Company in a general meeting) but so that such authority shall allow the Company to make offers or agreements before the expiry thereof which would or might require relevant securities to be allotted after the expiry of such authority and the Directors shall be entitled to allot shares pursuant to any such offers or agreements as if the authority conferred by this resolution had not expired;

2.5.2 in addition to existing authorities, the Directors pursuant to section 571(1) of the CA 2006 were empowered to allot or make offers or agreements to allot equity securities (as defined in section 560(1) of the CA 2006) for cash pursuant to the authority referred to in the resolution in paragraph 2.5.1 above as if section 561(1) of the CA 2006 did not apply to any such allotments and so that:

2.5.2.1 reference to allotment in that resolution shall be construed in accordance with section 560(2) of the CA 2006; and

2.5.2.2 the power conferred by such resolution shall enable the Company to make any offer or agreement before the expiry of the said power which would or might require equity securities to be allotted after the expiry of the said power and the Directors may allot equity securities in pursuance of such offer or agreement notwithstanding the expiry of such power

and this power, unless previously varied, revoked or renewed, shall come to an end at the conclusion of the annual general meeting of the Company next following the passing of this resolution or, if earlier, on the expiry of 15 months from the passing of this resolution.

2.6 The Company will be subject to the continuing obligations of the FCA and the London Stock Exchange with regard to the issue of securities for cash and the provisions of section 561 of the CA 2006 (which confers on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash) will apply to share capital of the Company which is not subject to the disapplications referred to in sub-paragraph 2.5.2 above.

3. Articles of the Company

3.1 The object of the Company is to carry on business as a general commercial company and the business of a venture capital trust company. The liability of members is limited.

3.2 The articles contain provisions to the following effect:

3.2.1 Voting Rights

Subject to any disenfranchisement as provided in paragraph 3.2.5 below each Ordinary Share and B Share shall carry the right to receive notice of or to attend or vote at any general meeting of the Company and on a show of hands every holder of

Shares present in person (or being a corporation, present by authorised representative) shall have one vote and, on a poll, every holder of Shares 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.

The Ordinary Shares and the B Shares also separately carry the right to vote on matters affecting their own class.

3.2.2 Rights attaching to the different share classes

Under the Articles, the Company has two share classes, the Ordinary Shares and the B Shares.

The Company shall identify which assets and liabilities of the Company belong to the Ordinary Share Pool and the B Share Pool and shall maintain records so that the assets attributable to the Ordinary Shares and the B Shares can at all times, be separately identified.

Initially, the B Share Pool will consist of the net cash proceeds of the B Share issue and thereafter the investments made by the Company for the B Share Pool using those proceeds.

The Board shall procure that the Company allocates to the Ordinary Share Pool and the B Shares Pool such proportion of the income, expenses and liabilities of the Company incurred or accrued as the Directors consider to be attributable to the Ordinary Shares and the B Shares (taking into account the other provisions of the Articles in relation to Annual Running Costs).

The Annual Running Costs of the Company that arise in the Initial Period will be allocated to the B Share Pool. After the end of this period, each of the Ordinary Share Pool and the B Share Pools will be allocated a share of the Company's Annual Running Costs (pro-rata to the net asset value of the respective share pools). The performance incentive fees that relate separately to the Ordinary Shares and the B Shares will be attributed solely to the relevant share pool. Likewise, the annual management fee that relates to the B Shares will be attributed solely to the B Share Pool.

Dividends payable in relation to Ordinary Shares may only be paid out of the Ordinary Share Pool and that dividends payable in relation to the B Shares may only be paid out of the B Share Pool.

Ordinary Shareholders have the right to the assets in the Ordinary Share Pool and the B Shareholders have the right to the assets in the B Share Pool whether on a winding up, return of capital or other distribution.

The Articles also provide that Ordinary Shares may convert, on a relative net asset value basis in accordance with the provisions of the Articles, into B Shares. The conversion will be at the absolute discretion of the Directors, and will be subject to either (i) the latest published NAV per Ordinary Share being less than 5p per Share; or (ii) a special resolution (proposed by the Board) being passed at a separate class meeting of the Ordinary Shareholders confirming that is in the interests of the Ordinary Shareholders for the conversion of the Ordinary Shares to commence.

3.2.3 Transfer of Shares

Subject to paragraph 3.2.16 below, the Shares are in registered form and will be freely transferable free of all liens. All transfers of Shares must be effected by a transfer in writing in any usual form or any other form approved by the Directors. The instrument of transfer of 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 transfer of a partly paid Share, provided that such refusal does not prevent dealings taking place on an open and proper basis and may also refuse to register any instrument of transfer unless:

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

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

3.2.3.3 the transferees do not exceed four in number

3.2.4 Dividends

The Company may in general meeting by ordinary resolution declare dividends to be paid to members in accordance with the Articles, 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 by the profits of the Company available for distribution. 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. The Acts (as defined in the Articles), the Company or the Board may by resolution specify any date as the date on which persons registered as the holders of shares shall be entitled to receipt of any dividend. 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 and may be invested or otherwise made use of by the Board.

Dividends payable in relation to Ordinary Shares may only be paid out of the Ordinary Share Pool and that dividends payable in relation to the B Shares may only be paid out of the B Share Pool.

The Directors may, with the prior sanction of an ordinary resolution of the Company, offer Shareholders the right to elect to receive in respect of all or part of their holding of Shares, additional Shares credited as fully paid instead of cash in respect of all or part of such dividend or dividends and (subject as hereinafter provided) upon such terms and conditions and in such manner as may be specified in such ordinary resolution.

3.2.5 Disclosure of Interest in Shares

If any Shareholder or other person appearing to be interested in Shares is in default in supplying after the 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 CA 2006, the Directors may, for such period as the default shall continue, impose restrictions upon the relevant Shares.

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

3.2.6 Distribution of Assets on Liquidation

The Ordinary Shareholders have the right to the assets in the Ordinary Share Pool and that holders of B Shareholders have the right to the assets in the B Share Pool whether on a winding up, return of capital or other distribution.

The Articles provide that the liquidator may, with the sanction of a special resolution and any other sanction required by the CA 2006, divide amongst the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members.

3.2.7 Changes in Share Capital

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.

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

Subject to the CA 2006, 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 CA 2006, purchase its own shares.

The Company may by ordinary resolution convert any fully paid up shares into stock of the same class as the shares which shall be so converted, and reconvert such stock into fully paid up shares of the same class and of any denomination.

3.2.8 Variation of Rights

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

3.2.9 Directors

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

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

Subject to the provisions of the Acts (as defined in the Company's Articles), the Directors may from time to time appoint one or more of their body to hold any employment or executive office (including that of chief executive or managing director) for such term (subject to the provisions of the Statutes) and subject to such other conditions as the Board thinks fit in accordance with the Articles.

A Director may continue to be or become a director or other officer, servant or member of any company promoted by the Company or in which they 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 chairman of the Company (who need not be a Director of the Company) and may determine his duties and remuneration and the period for which he is to hold office.

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

3.2.10 Directors' Interests

3.2.10.1 A Director who is in any way, directly or indirectly, interested in a transaction or arrangement with the Company shall, at a meeting of the Directors, declare, in accordance with the CA 2006, the nature of his interest.

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

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

(a) the giving to him of any guarantee, security or indemnity in respect of money lent or an obligation incurred by him at the request of or for the benefit of the Company or any of its subsidiary undertakings;

(b) the giving to a third party of any guarantee, security or indemnity in respect of a debt or an obligation of the Company or any of its subsidiary undertakings for which he has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

(c) any proposal concerning the subscription by him of shares, debentures or other securities of the Company or any of its subsidiary undertakings or by virtue of his participating in the underwriting or sub-underwriting of an offer of such shares, debentures or other securities;

(d) any proposal concerning any other company in which he is interested, directly or indirectly, whether as an officer or shareholder or otherwise, provided that he and any persons connected with him do not to his knowledge hold an interest in shares representing 1% or more of any class of the equity share capital of such company or of the voting rights available to members of the relevant company;

(e) any proposal relating to an arrangement for the benefit of the employees of the Company or any subsidiary undertaking which does not award him as such any privilege or advantage not generally awarded to the employees to whom such arrangement relates; and

(f) any arrangement for purchasing or maintaining for any officer or auditor of the Company or any of its subsidiaries insurance.

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

3.2.11 Remuneration of Directors

3.2.11.1 The ordinary remuneration of the Directors shall be such amount as the Directors shall from time to time determine (provided that unless otherwise approved by the Company in general meeting the aggregate ordinary remuneration of such Directors, including fees, shall not exceed £75,000 per year) to be divided among them in such proportion and manner as the Directors may determine.

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

3.2.11.3 The emoluments and benefits of any executive Director for his services as such shall be determined by the Directors and may be of any description, including membership of any pension or life assurance scheme for employees or their dependants or, apart from membership of any such scheme, the payment of a pension or other benefits to him or his dependants on or after retirement or death.

3.2.12 Retirement of Directors

At each Annual General Meeting of the Company one-third of the Directors who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to but not exceeding one-third shall retire from office. If there are fewer than three Directors who are subject to retirement by rotation, one Director shall retire from office. A retiring Director shall be eligible for re-election. A Director shall be capable of being appointed or re-appointed despite having attained any particular age and shall not be required to retire by reason of his having attained any particular age, subject to the provisions of the CA 2006.

3.2.13 Borrowing Powers

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

The Company's articles permit borrowings of amounts up to 25% of the aggregate of (i) the amount paid up (or credited as paid up) on the allotted or issued share capital of the Company and (ii) the amount standing to the credit of the reserves, whether or not distributable, after adding or deducting any balance standing to the credit or debit of the profit and loss account, as adjusted in accordance with the Company's articles of association.

3.2.14 Use of reserves

The Articles provide that any reserve (whether created upon the cancellation of the share premium account or the capital redemption reserve arising in each case from the issue of Ordinary Shares or B Shares or from the buyback of any of those shares (or of any shares deriving from them) or otherwise) may be used for the benefit of both the Ordinary Shareholders and the B Shareholders.

3.2.15 Duration of Company

3.2.15.1 The Directors shall procure that at the annual general meeting of the Company held after the fifth anniversary of the last allotment of shares in the Company (from time to time) in the Company (and thereafter at five yearly intervals) an ordinary resolution will be proposed to the effect that the Company shall continue in being. If such resolution is not passed the Board shall within four months of that meeting convene a general meeting to propose either or both of the following:

(a) a special resolution for the reorganisation or reconstruction of the Company; or

(b) a special resolution to wind up the Company voluntarily.

On any voluntary winding-up of the Company, the liquidator may, with the sanction of a special resolution and any other sanctions required by law, divide amongst the members in specie the whole or any part of the assets of the Company in such manner as he may determine.

3.2.16 Uncertificated Shares

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument. The Articles are consistent with CREST membership and allow for the holding and transfer of shares in uncertificated form subject to the Uncertificated Securities Regulations 2001. The B Shares have been made eligible for settlement in CREST.

3.2.17 General Meetings

Annual general meetings shall be held at such time and place as may be determined by the Directors.

An Annual General Meeting shall be convened by not less than 21 clear days' notice in writing or otherwise in accordance with the Articles. All General Meetings shall be convened by not less than 14 clear days' notice in writing or otherwise in accordance with Articles.

The Board may convene a General Meeting whenever it thinks fit. A General Meeting shall also be convened on such requisition, or in default may be convened by such requisitionists, as provided by sections 303-306 CA 2006. At any meeting convened on such requisition or by such requisitionists no business shall be transacted except that stated by the requisition or proposed by the Board.

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.

4. Directors

4.1 Directors' shareholdings in the Company are as set out in the table below:

Director	Number of Ordinary Shares	Percentage of Ordinary Shares in issue	Number of B Shares	Percentage of B Shares in issue
John Hustler	190,000	2.3%	-	-
Richard Roth	209,612	2.6%	15,000	0.2%
Richard Manley	-	-	51,010	0.7%
Alex Clarkson	-	-	-	-

Richard Manley and Alex Clarkson have indicated that they each intend to subscribe for £10,000 of B Shares in the Offer.

All the Ordinary Shares have the same rights relative to each other and all the B Shares have the same rights relative to each other and there are no different rights attaching to the Shares held by the Directors within the relevant class attaching to the Shares in the table above.

4.2 Save as disclosed in Paragraph 4.1 above, no Director nor any person connected with any Director has any interest in the share capital or loan capital of the Company whether beneficial or non-beneficial and no shares in the capital of the Company are being reserved for allocation to Existing Shareholders or Directors.

4.3 There are no service contracts in existence between the Company and any of its Directors nor are any such contracts proposed. The services of the Directors are provided to the Company pursuant to letters of appointment, each of which may be terminated upon three months' notice given by either party, and which are summarised at paragraph 5.4 below. All the Directors are non-executive. Save in respect of these letters of appointment, no member of any administrative, management or supervisory body has a service contract with the Company.

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

Current Directorships and partnership interests	Previous directorships and partnership interests
John Hustler	
Hustler Venture Partners Limited Octopus Titan VCT plc Seneca Growth Capital VCT Plc Hygea VCT Limited	RenaissanceRe Syndicate Management Limited
Richard Roth	
Oxford Technology Venture Capital Trust PLC Oxford Technology 2 Venture Capital Trust PLC Oxford Technology 3 Venture Capital Trust PLC Oxford Technology 4 Venture Capital Trust PLC OT2 Managers Limited	TYM (UK) Limited

OT4 Managers Limited
Seneca Growth Capital VCT Plc
Take 3.4 TV Partnership
Take 3.10 TV Partnership
The Dell (St Albans) Limited

Richard Manley
Biz Hub Limited
Glenside Leasing and Asset Finance (Holdings) Limited
Glenside 2019 Limited
Gorilla Accounting Limited
Hilltop Capital Investments Limited
Legacy Preference Limited
Quest Preference Limited
Rockar 2016 Limited
Rockar Limited
Seneca 101 Management Limited
Seneca Banking Consultants Limited
Seneca BC Holdings Limited**
Seneca Capital Carry GP Limited
Seneca Capital Investments Ltd
Seneca Capital Ltd
Seneca Capital Holdings Limited
Seneca Capital No. 2 GP LLP
Seneca Capital Carry No. 2 LP
Seneca Capital Investments No. 2 LP
Seneca Corporate Finance Limited
Seneca Corporate Management Limited
Seneca Finance Limited
Seneca General Partner No.1 LLP
Seneca Growth Capital VCT Plc
Seneca Investments Limited
Seneca Land Limited
Seneca Nominees Limited
Seneca Partners Limited
Seneca Private Equity Ltd
Seneca Property 101 Limited
Seneca Property 101A Limited
Seneca Property 101B Limited
Seneca Property 101BD Limited
Seneca Property 101C Limited
Seneca Property 101D Limited
Seneca Property 101E Limited
Seneca Property 101EF Limited
Seneca Property 101F Limited
Seneca Property 101G Limited
Seneca Property 102 Limited
Seneca Property 103 Limited
Seneca Property 104 Limited
Seneca Property 104 H Limited
Seneca Property 105 Limited
Seneca Property 105 H Limited
Seneca Property 105 HH Limited
Seneca Property 105 HHH Limited
Seneca Property Investments Limited

Cooper Stern Limited*

Seneca Capital No. 1 GP Limited*
Seneca Income and Growth VCT Limited*
Seneca (Homebuy) Limited*
SenOne LLP
SBC Forensics LLP*

Seneca Pub Company Limited
Seneca Secured Finance Limited
Seneca Secured Lending Limited
Seneca Securities 2 Limited
Seneca Securities Ltd
Seneca Social Housing Limited
Senone LLP
SPE Blackout LLP
SPE Blue LLP
SSH Angel 1 Limited
The Wire Partnership LLP
Towers Holdings Limited

Alex Clarkson
Bamburgh Capital Limited
Compass Bioscience Group Limited
Diagnostic Capital Limited
Palatine Private Equity LLP
Paradigm Services (UK) Limited
Paradigm Investments Limited
Northgene Limited
ReadyGo Diagnostics Limited
Shoo 627 Limited***
Wellstate Commercial Limited

**dissolved via voluntary strike-off*

***placed into Members' Voluntary Liquidation*

****dissolved via compulsory strike off*

4.5 None of the Directors nor any director of the Manager has for at least the previous five years: (i) had any convictions in relation to fraudulent offences; or (ii) been associated with bankruptcies, receiverships or liquidations (save for members' voluntary liquidations) in relation to an entity for which they have been acting as members of the administrative, management or supervisory bodies or senior management who was relevant to establishing that the entity had the appropriate expertise and experience for the management of its business; or (iii) been subject to any official public incrimination and/or sanctions by any statutory or regulatory authority (including designated professional bodies) or been disqualified by a Court from acting as a director or member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any issue.

4.6 Save in respect of Richard Manley who is a director of the Manager, the Directors do not have any conflicts of interest between their duties to the Company and their private interests and/or their other duties.

4.7 The audit committee of the Company (the "Committee") comprises Richard Roth (chairman), John Hustler, Richard Manley and Alex Clarkson and meets at least twice a year. The Company's auditors may be required to attend such meetings. The Committee shall prepare a report each year addressed to the Shareholders for inclusion in the Company's annual report and accounts. The main duties of the Committee are:

4.7.1 to review and approve the interim and annual results of the Company and the statutory accounts before submission to the Board;

4.7.2 to review management accounts;

4.7.3 to consider the appointment of the external auditor, the level of audit fees and to discuss with the external auditor the nature and scope of the audit; and

4.7.4 to consider matters of corporate governance as may generally be applicable to the Company and make recommendations to the Board in connection therewith as appropriate.

4.8 The Company does not have a remuneration committee.

5. Material Contracts

The following constitutes a summary of the principal contents of each material contract entered into by the Company, otherwise than in the ordinary course of business, in the two years immediately preceding the date of this document or which are expected to be entered into prior to Admission. Save as set out below, there are no other contracts, not being contracts entered into in the ordinary course of business, entered into by the Company which contain any provision under which the Company has an obligation or entitlement which is material to the Company as at the date of this document:

5.1 2020 Offer Agreement

Under an offer agreement dated 13 October 2020 (the "2020 Offer Agreement") and made between the Company (1), the Directors (2), the Sponsor (3), and the Manager (4), the Sponsor has agreed to act as sponsor to the Offer and the Manager as agent of the Company has agreed to use its reasonable endeavours to procure subscribers under the Offer. Under the agreement, the Manager shall be paid a Promoter Fee on all monies subscribed under the Offer (in the case of advised Investors this amount being after the deduction of any Adviser Charge payable to financial intermediaries on behalf of the Applicants) less (i) an amount equal to any Early Investment Incentive or Loyalty Investment Incentive applicable in respect of that application, and (ii) any amount that the Manager has agreed to waive in respect of that Application. Promoter Fees shall be capped at an aggregate amount of £340,000.

The Manager shall pay all costs and expenses of or incidental to the Offer and Admission, including initial commissions payable to financial intermediaries, and shall pay trail commissions to financial intermediaries where applicable.

Under the 2020 Offer Agreement, which can be terminated by the parties in certain circumstances, the Company, the Directors and the Manager have given certain warranties and indemnities. Warranty claims must be made by no later than three months after the date of the second annual general meeting of the Company following the closure of the Offer at which Shareholders approve the Company's accounts. The warranties and indemnities are in the usual form for a contract of this type and the warranties are subject to limits of an amount equal to the total proceeds raised by the Company pursuant to the Offer (for the Manager) and a year's director's fees for each Director. The Company has also agreed to indemnify the Sponsor in respect of its role as sponsor and under the Offer Agreement. The 2020 Offer Agreement can be terminated by the Sponsor or the Manager, inter alia, if any statement in the Prospectus is untrue, any material omission from the Prospectus arises or any breach of warranty occurs.

5.2 2019 Offer Agreement

Under an offer agreement dated 16 July 2019 (the "2019 Offer Agreement") and made between the Company (1), the Directors (2), Howard Kennedy Corporate Services LLP ("Howard Kennedy"), (3) and the Manager (4), Howard Kennedy agreed to act as sponsor to the Offer and the Manager as agent of the Company agreed to use its reasonable endeavours to procure subscribers under the Offer. Under the agreement, the Manager was paid a Promoter Fee on all monies subscribed under the Offer (in the case of advised Investors this amount being after the deduction of any Adviser Charge payable to financial intermediaries on behalf of the Applicants) less (i) an amount equal to any Early Investment Incentive or Loyalty Investment Incentive applicable in respect of that application, and (ii) any amount that the Manager agreed to waive in respect of that Application. Promoter Fees were capped at an aggregate amount of £338,000.

The Manager paid all costs and expenses of or incidental to the 2019 Offer and Admission, including initial commissions payable to financial intermediaries, and will pay trail commissions to financial intermediaries where applicable.

Under the 2019 Offer Agreement, which could have been terminated by the parties in certain circumstances, the Company, the Directors and the Manager gave certain warranties and indemnities. Warranty claims must be made by no later than three months after the date of the second annual general meeting of the Company following the closure of the 2019 Offer at which Shareholders approve the Company's accounts. The warranties and indemnities were in usual form for a contract of this type and the warranties were subject to limits of an amount equal to the total proceeds raised by the Company pursuant to the 2019 Offer (for the Manager) and a year's director's fees for each Director. The Company also agreed to indemnify Howard Kennedy in respect of its role as sponsor and under the 2019 Offer Agreement. The 2019 Offer Agreement could have been terminated, inter alia, if any statement in the Prospectus was untrue, any material omission from the Prospectus arose or any breach of warranty occurred.

5.3 Investment Management Agreement

Under an investment management agreement between the Company and the Manager dated 9 May 2018 (the "IMA"), with effect from 23 August 2018 the Company appointed the Manager as its Alternative Investment Fund Manager, with the Manager agreeing to provide management services to the Company on a discretionary basis in respect of the investments to be made by the Company in accordance with the provisions of the IMA. The Manager also provides administration services to the Company and, further to a side letter to the IMA dated 16 July 2019, has provided management accounting services since 1 August 2019.

Under the IMA, the Manager is entitled to an annual management fee of 2% of the net asset value of the B Share Pool and, since 1 August 2019, is entitled to an annual fee of £9,000 (plus VAT, if applicable) in relation to management accounting services. These fees are payable quarterly in arrears.

In relation to the Annual Running Costs of the Company, it has been agreed that until 30 June 2021 all of those costs will be allocated to the B Share Pool only, and after the end of that period, such costs will be allocated to the Ordinary Share Pool and the B Share Pool pro-rata to their respective net asset values. The Manager and the Company have further agreed to cap such costs allocated to the Ordinary Share Pool at 3% of the net asset value of the Ordinary Share Pool, and those costs allocated to the B Share Pool at 3% of the net asset value of the B Share Pool. The Manager indemnifies the Company for any excess over these caps, with an amount equal to such excess either being paid by the Manager to the Company or refunded by way of a reduction to its fees under the IMA (with any such payment or refund to be allocated to the relevant share pool). Annual Running Costs means the annual running costs and expenses incurred by the Company in its business including irrecoverable VAT but excluding (a) exceptional and extraordinary costs; (b) any performance fees in relation to any class of Shares; and (c) any costs relating solely to the making, holding or realisation of investments in the Ordinary Share Pool or the B Share Pool.

Under the IMA, the Manager is also entitled to a Performance Incentive Fee in relation to the B Share Pool of an amount equal to 20% of the Shareholder Proceeds arising in respect of any

Performance Period, provided that the payment of such a fee is conditional upon (i) a return being generated on the B Share Pool for B Shareholders in respect of that Performance Period of more than 5% per annum (pro-rated if that period is less than a year) and (ii) that such a return calculated for the period from the date of the IMA to the end of the relevant Performance Period exceeds 5% per annum. For the avoidance of doubt, no Performance Incentive Fee will be payable to the extent that the Shareholder Proceeds paid by the Company to the holders of the B Shares have been justified by reference to distributable reserves otherwise attributable to the Ordinary Shares or the Ordinary Share Pool (as permitted in accordance with the Articles).

Further to a side letter to the IMA dated 9 May 2018, the Manager has agreed that the management of investments in the Ordinary Share Pool has been delegated by the Manager back to those members of the Board who are members of the CAC for the duration of the IMA, or (if shorter) the period of the existence of the Ordinary Share Pool. In relation to the delegation of the necessary obligations and responsibilities back to those members of the Board who are members of the CAC in relation to this, the Company has agreed to indemnify the Manager for any losses or claims which the Manager may suffer as a result of the Company failing to comply with undertakings and responsibilities delegated to it by the Manager, or the Manager being alleged, or found to, be in breach of the terms of the IMA or any applicable laws or regulations in its capacity as the Alternative Investment Manager of the Company.

Under the IMA the Manager has also agreed that it will arrange for investments (or any documents of title relating to them) to be lodged for safe custody with the Company or any other delegate of the Company.

Under the terms of the IMA, the Manager has the right to appoint (and remove) a director and an observer to the Board.

The Manager is entitled to charge the underlying investee companies fees for arrangement and structuring and, to the extent that other services are provided, additional fees may be agreed.

Unless otherwise agreed by the Manager and the Company, all costs and expenses (including any value added tax charged to the Manager in respect of such costs or expenses for which it is not entitled to claim credit or set off) incurred by the Manager in the proper performance of its duties under the IMA shall be borne by the Company.

The Manager's appointment under the IMA took effect on 23 August 2018 and will continue until terminated by either party giving to the other not less than 12 month's previous written notice at any time after the fifth anniversary of the date of the IMA, subject to earlier termination in certain circumstances.

5.4 Directors' Letters of Appointment

Each of the Directors has entered into a letter of appointment with the Company (dated 5 April 2018 in the case of John Hustler and Richard Roth, 23 August 2018 in the case of Richard Manley and 9 December 2019 in the case of Alex Clarkson). Each appointment is for a term of three years from the date of the respective letter. Each party can terminate the relevant appointment by giving to the other not less than three months' notice in writing. Under those letters each Director is required to perform the duties normally attendant on the office of a non-executive director, including the review of the performance of the Company's portfolio of investments and consideration of investment opportunities (which are not expected to include executive duties or responsibilities). John Hustler and Richard Roth are also a member of the CAC, which is responsible for the management of the Ordinary Share portfolio.

Each Director is entitled to a fee of £15,000 per annum (which is inclusive of all travelling, subsistence and other expenses). In relation to his membership of the CAC, as remuneration for that role, each of the current Directors (and certain of the former directors) - with the exception of Richard Manley and Alex Clarkson - will receive a share of any sums paid out under the performance incentive fees in relation to the Ordinary Shares depending on the terms and conditions of the relevant category of fee - see below).

In respect of the last reporting period to 31 December 2019, each of John Hustler and Richard Roth received a fee of £12,897 and Alex Clarkson received a fee of £981. In relation to fees payable to Charles Breese, a former director, for that period, a payment of £6,375 was made to Charles Breese up to his resignation on 10 June 2019. The Company then entered into an agreement with Charles Breese following his resignation under which he would continue to provide support and information relating to the Ordinary Share investment portfolio for a short period to ensure an effective hand over. The agreement was for a period of six months from 10 June 2019 at a cost to the Company of £3,500 (inclusive of VAT). In addition to this fee, Charles Breese may be entitled to a pro rata proportion of performance fees, as set out in note 6 to the Company's annual accounts for the period ended 31 December 2019.

Richard Manley, as a director of the Manager, has elected to waive his director's fee until the Annual Running Costs fall within the cap referred to in paragraph 5.3 above.

5.5 Agreement relating to the Performance Incentive Fees for the Ordinary Share Pool

By a letter agreement dated 30 July 2007 between the Company and its directors at that time (James Otter, John Hustler and Charles Breese) (the "2007 Letter Agreement") the Company established the Commercial Advisory Committee ("CAC") and appointed it to act as the investment manager of Company and the Ordinary Share Pool (a role previously fulfilled by Octopus Investments Limited). The terms of the 2007 Letter Agreement were amended and restated by an agreement dated 7 May 2014 between the parties to the 2007 Letter Agreement, and the arrangements in the 2007 Letter Agreement (as amended) were then varied on 7 October 2015, with a new agreement between the Company, those directors who were parties to the 2007 Letter Agreement and Richard Roth (a new director appointed on 7 October 2015) replacing the previous agreement (the "Performance Incentive Fees Agreement").

Under the Performance Incentive Fees Agreement, performance incentive fees may become payable to the past, present and future members of the CAC in relation to the performance of the Ordinary Shares. The performance incentive fees payable in relation to the Ordinary Shares is comprised of two distinct performance incentive fees: the "Accrued Performance Incentive Fee" and the "Further Performance Incentive Fee" (as described below).

In respect of the period to 31 December 2014, an aggregate performance incentive fee on the Ordinary Share class of up to £702,000 (the "Accrued Performance Incentive Fee") shall be payable to James Otter (a former director of the Company who was also a member of the CAC), Charles Breese (a former director of the Company who was also a member of the CAC) and John Hustler, in equal proportions (with the liability to pay a director his share of such fee being extinguished if the fee is due for payment five years after his ceasing to be a member of the CAC). The amount of the Accrued Performance Incentive Fee shall be 25% of any dividends and capital distributions returned to Ordinary Shareholders, which in total exceed the sum of

80p per Ordinary Share. This includes dividends paid to the date of the Prospectus on the Ordinary Shares, being 60.25p per Share, excluding any initial tax relief on the subscription for those Shares (the "Hurdle")). As a result of this, for every £1 potentially distributable in excess of the Hurdle, 80p shall be distributed to Ordinary Shareholders and 20p shall be paid as the Accrued Performance Incentive Fee, up until an amount of 114.65p per Ordinary Share has been distributed to Ordinary Shareholders, after which no further payment is payable in respect of the Accrued Performance Incentive Fee or otherwise under the terms of the 2007 Letter Agreement (as amended).

The Accrued Performance Incentive Fee shall be paid to James Otter, Charles Breese and John Hustler at the same time as payments are made to the Ordinary Shareholders.

All distributions by way of dividends and capital distributions in relation to the Ordinary Share class shall count towards the Accrued Performance Incentive Fee and where non-cash dividends are declared, the Company's auditors shall assess their value by reference to a distribution per share.

Following payment in full of the Accrued Performance Incentive Fee, a further performance incentive fee may become payable to the CAC in relation to the period after 7 October 2015 (the "Further Performance Incentive Fee"). The Further Performance Incentive Fee shall be calculated as one-ninth of sums returned to Ordinary Shareholders by way of dividends and capital distributions of whatever nature, which in total exceed the "Further Hurdle" (excluding any initial tax relief on the subscription for the Ordinary Shares).

The "Base Figure" for the Further Hurdle shall be 90.4p per Ordinary Share, and shall be increased by a sum equal to notional interest thereon, at the rate of 1.467% per quarter from 1 January 2015, compounded with quarterly rests. For the purposes of determining the increase in the Base Figure, the amount on which notional interest is to accrue in each quarter shall be reduced by the amount of all sums returned to Ordinary Shareholders by way of dividends and capital distributions in the previous quarter. Shareholders will need to have received distributions of 114.65p per Ordinary Share, together with the amount to take account of notional interest as calculated above, before any Further Performance Incentive Fee is payable.

If the CAC considers it necessary to engage external advisers in support of managing its portfolio, the costs of this will be borne by the Company.

The Further Performance Incentive Fee shall be divided among such members of the CAC (past, present and future) who have been members of that committee since the 7 October 2015, on a pro rata basis, linked to the relative amount of time since the date of the 7 October 2015 agreement for which each individual has been a member of the CAC. An individual will not be entitled to payment of any of Further Performance Incentive Fee if he ceased to be a member of the CAC in certain conditions, or ceased to be a member of the CAC more than five years before the payment of any amount of Further Performance Incentive Fee becomes due.

For the purposes of the Further Performance Incentive Fee, the method of determining distributions will follow that used in calculating the Accrued Performance Incentive Fee.

6. General

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

6.2 The Manager will receive management fees and other payments from the Company as described in paragraph 5 above. The Manager (in its capacity as promoter of the Offer) will receive commission payments in relation to the Offer from the Company as described in paragraph 5.1 above. Save as disclosed in this paragraph, no amount or benefit has been paid or given to any promoters and none is intended to be paid or given.

6.3 The Company's accounting reference date is 31 December in each year.

6.4 Seneca Partners Limited was incorporated and registered in England and Wales on 19 March 2010 as a private company limited by shares under the CA 2006 with registered number 07196273, and is authorised and regulated by the FCA. Its principal place of business is at 9 The Parks, Haydock, WA12 0JQ. The principal legislation under which it operates is the CA 2006.

6.5 The Offer is not underwritten. The expenses of and incidental to the Offer and the listing of the Offer Shares including registration and listing fees, printing, advertising and distribution costs, legal and accounting fees and expenses will be payable by the Manager on the terms set out in the Offer Agreement. If the maximum of £10 million is raised under the Offer (assuming the over-allotment facility is not utilised), with all applications received through intermediaries offering financial advice (with the full amount of Early Investment Incentive and Loyalty Investment Incentive with a Promoter Fee of 1.5% applying to all Applications), the net proceeds will amount to £9,850,000. If the over-allotment facility is utilised, and the maximum of £20 million is raised, the net proceeds will amount to approximately £19,700,000 (assuming again that all applications are received through intermediaries offering financial advice (with the full amount of Early Investment Incentive and Loyalty Investment Incentive with a Promoter Fee of 1.5% applying to all Applications).

6.6 Save in connection with the Offer, the Offer Shares have not been marketed to and are not available to the public.

6.7 Save for:

6.7.1 fees paid to the Directors in their roles as non-executive directors of the Company;

6.7.2 any performance related incentive fee which may become payable to those Directors (and former directors of the Company) who are or have been members of the CAC in relation to the management of the Ordinary Share Pool as detailed in paragraph 5.5 above; and

6.7.3 fees paid to the Manager under the IMA,

there have been no related party transactions or fees paid by the Company during the period since 31 December 2019 to the date of this document.

6.8 The Company is of the opinion that it has sufficient working capital for its present requirements, that is, for at least the next twelve months following the date of this document.

6.9 The following table shows the capitalisation for the Company as at 30 September 2020.

Shareholders' equity - Combined	£'000
Called up share capital	155
Legal reserve (share premium account)	3,676
Special distributable reserve	7,636
Other reserves	(1,738)
Total	9,729

On 5 October 2020, the Company declared a dividend of 5p per Ordinary Share. Apart from this, there has been no material change in the capitalisation of the Company since 30 September 2020.

6.10 As at the date of this Prospectus, the Company does not have loan capital outstanding, any other borrowings nor guaranteed, unguaranteed, secured and unsecured indebtedness, including indirect and contingent indebtedness.

6.11 The Company does not assume responsibility for the withholding of tax at source.

6.12 The Company has to satisfy a number of tests to qualify as a VCT and will be subject to various rules and regulations in order to continue to qualify as a VCT, as set out in Part 3 of this document. In addition, the following restrictions are imposed upon the Company under the rules relating to admission to the Official List:

6.12.1 it, or any of its subsidiaries, must not conduct any trading activity which is significant in the context of the group as a whole;

6.12.2 it must not invest more than 10% in aggregate, of the value of its total assets (at the time the investment is made) in other listed closed-ended investment funds except listed closed-ended investment funds which themselves have published investment policies to invest no more than 15% of their total assets in other closed-ended investment funds; and

6.12.3 it must manage and invest its assets in accordance with the investment policy set out on page 36 which contains information about the policies which it will follow relating to asset allocation, risk diversification and which includes maximum exposure.

6.13 Shareholders will be informed, by means of the interim and/or annual report or through a Regulatory Information Service announcement if the investment restrictions which apply to the Company as a VCT detailed in this document are breached.

6.14 The Manager has given, and has not withdrawn, its written consent to the issue of this document with the inclusion of its name in this document in the form and context in which they are included.

6.15 The Manager accepts responsibility for the information contained in or referred to in the sections entitled "Key Points" in the Chairman's Letter (on pages 22 and 23 of this document), “About the Manager”, “Investment Strategy for the B Share Pool” and “Deal Flow and Investment Selection” in “Part 1 – Overview” (on pages 24 to 27 of this document), in the section entitled "Part 1 – B Share Pool Investment Portfolio" (on pages 28 to 32 of this document) and in the section entitled "Part 1 – Seneca Management and Investment Team" (on pages 33 to 34 of this document) which are referenced in this paragraph 6.15. Such information has been included, in the form and context in which it appears, with the consent of the Manager, who has authorised, and takes responsibility for, such information under rule 5.5.3(2)(f) of the Prospectus Rules. To the best of the knowledge of the Manager the information contained in the parts referred to in this paragraph 6.15 are in accordance with the facts and make no omission likely to affect their import.

6.16 The Sponsor has given and have not withdrawn its written consent to the issue of this document with the references to them in the form and context in which they appear.

6.17 The issued share capital of the Company as at the date of this document is 8,115,376 Ordinary Shares and 7,392,201 B Shares. Assuming a full subscription of £20 million at an Offer Price of 90.4 pence per Offer Share (with the over-allotment facility fully utilised), and with the full amount of Early Investment Incentive and Loyalty Investment Incentive with a Promoter Fee of 1.5% applying to all subscriptions, the existing B Shares would represent approximately 19.8% of the enlarged issued share capital of the Company.

6.18 As at 30 September 2020, the date of the latest published NAV, the unaudited NAV per Ordinary Share was 37.6 pence and per B Share was 90.4 pence. An existing holder of B Shares who does not subscribe for Offer Shares pursuant to the Offer would experience no dilution in terms of NAV per share (as the assets of the Company will be increased by the proceeds of the Offer and the upfront costs of the Offer are borne by subscribers) but would experience dilution in terms of their voting power.

6.19 The results of the Offer will be announced through a Regulatory Information Service within three Business Days of the closing date of the Offer.

6.20 The Company and the Directors consent to the use of the Prospectus, and accept responsibility for the content of the Prospectus, with respect to subsequent resale or final placement of securities by financial intermediaries, from the date of the Prospectus until the close of the Offer. The Offer is expected to close no later than 5.00 p.m. on 28 May 2021, unless previously extended by the Directors to a date no later than 24 September 2021. There are no conditions attaching to this consent. Financial intermediaries may use the Prospectus in the UK.

6.21 In the event of an offer being made by a financial intermediary, the financial intermediary will provide information to investors on the terms and conditions of the Offer at the time the offer is made. Any financial intermediary using the Prospectus must state on its website that it is using the Prospectus in accordance with the consent and the conditions attached thereto and the consent set out in paragraph 6.20.

6.22 The maximum number of Offer Shares which are the subject of this Prospectus is 21,792,035 Offer Shares, based on NAV per B Share of 90.4p.

6.23 No person receiving a copy of this document or an Application Form in any territory other than the UK may treat the same as constituting an offer or invitation to him to subscribe for or purchase Offer Shares. No action has been taken to permit the distribution of this document in any jurisdiction outside the UK where such action is required to be taken. All applicants under the Offer will be required to warrant that they are not a US person (as defined in the United States Securities Act of 1933).

6.24 All information regarding the Manager in this document has been sourced by the Company from the Manager and has been accurately reproduced and that, as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

6.25 Where other information set out in this document has been sourced from third parties, the source has been identified at the relevant place in the document and the Company confirms that this information has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published, no facts have been omitted which would render the reproduced information inaccurate or misleading.

7. Disclosures under MAR

The following table sets out the disclosures under MAR, made by the Company in the last 12 months.

Date	Title of Announcement	Disclosure
8 October 2019	Update for the quarter ended 30 September 2019	The Company announced that the unaudited NAV was 34.6p per Ordinary Share as at 30 September 2019 and the unaudited NAV per B Share was 95.2p per B Share as at 30 September 2019.
8 October 2019	Issue of Equity	The Company announced that it had allotted and issued 665,105 new B Shares.
10 October 2019	Director / PDMR Shareholding	The Company announced that Richard Manley had acquired 26,260 B Shares.
27 November 2019	Issue of Equity	The Company announced it had allotted and issued 308,679 new B Shares.
27 February 2020	Final Results	Final Results for the year ended 31 December 2020
10 March 2020	B Share Net Asset Value	The Company announced that the unaudited NAV of a B Share as at 6 March 2020 was 88.7p per B Share.
10 March 2020	Issue of Equity	The Company announced that it had allotted and issued 555,892 new B Shares.
31 March 2020	Net Asset Value(s)	The Company announced that the unaudited NAV per B Share as at 30 March 2020 was 79.5p and the unaudited NAV per Ordinary Share as at 30 March 2020 was 23.1p.
3 April 2020	Issue of Equity	The Company announced that it had allotted and issued 379,680 B Shares.

20 April 2020	Omega Diagnostics, Net Asset Value, New B Share Pool Investments	The Company announced the partial realisation of its Ordinary Share investment in Omega Diagnostics Group plc, the unaudited NAV per Ordinary Share was 30.3p as at 20 April 2020 and the commitment to three further investments from its B Share Pool between 1 January 2020 and 20 April 2020.
27 April 2020	Update on Omega, Optibiotix and NAVs	The Company announced the partial realisations of its Ordinary Share investment in Omega Diagnostics plc, the B Share investment in Optibiotix Health plc, the unaudited NAV of 35.8p per Ordinary Share as at 27 April 2020 and the unaudited NAV of 89.3p per B Share as at 27 April 2020.
29 April 2020	Issue of Equity	The Company announced that it had allotted and issued 48,151 new B Shares.
24 June 2020	B Share – Extension of Offer	The Company announced the extension of its B Share offer launched on 16 July 2019 to 5pm on 13 July 2020.
10 July 2020	Issue of Equity	The Company announced it had allotted and issued 47,030 new B Shares and the closure of the 2019 Offer.
30 July 2020	Half-year Report	Half-year report for the six months ended 30 June 2020 and intention to fundraise.
16 September 2020	Investment Realisations and NAV	The Company announced the realisation of its remaining investment in Omega Diagnostics Group plc, and the partial realisation of its investment in Scancell Holdings Plc, both of which were held in the Ordinary Share Pool. The unaudited NAV per Ordinary Share as at 14 September 2020 was 35.8 pence.
5 October 2020	Ordinary Share Second Interim Capital Dividend	The Company announced a second interim capital dividend of 5p per Ordinary Share with a payment date of 30 October 2020.
5 October 2020	NAV update for the quarter ended 30 September 2020	The Company announced that the unaudited NAV was 37.6p per Ordinary Share as at 30 September 2020 and the unaudited NAV per B Share was 90.4p per B Share as at 30 September 2020.

8. Financial Information

A. INTRODUCTION

The financial information in relation to the Company contained in the following section of this Part 4 has been extracted without material adjustment from the audited statements and accounts of the Company for the period ended 31 December 2019 and from the unaudited information interim report for the six month period ended 30 June 2020 (the "Reporting Period"). In respect of the audited statements, UHY Hacker Young as the Company's auditor for the period ended 31 December 2019 made unqualified reports under section 495, section 496 and section 497 of the CA 2006 Act in relation to that period. The audited statements and accounts of the Company have been delivered to the Registrar of Companies and such accounts did not contain any statements under section 498(2) or (3) of the CA 2006, as applicable.

B. PUBLISHED ANNUAL REPORT AND ACCOUNTS AND INTERIM ACCOUNTS

Historical Financial Information

Audited financial information on the Company is published in the annual report for the year ended 31 December 2019 and unaudited information in the interim report for the six month period ended 30 June 2020. Such reports contain descriptions of the Company's financial condition, changes in financial condition and results of operation for the relevant Reporting Period and the pages referred to below are being incorporated by reference.

Where these documents make reference to other documents, such other documents, together with those pages of the annual reports and the interim accounts that are not referred to below, are not relevant to Investors for the purposes of this Prospectus and are not incorporated into and do not form part of this document.

Such information includes the following:

Nature of information	2019 Annual Report	2020 Interim Report
Income statement (or equivalent)	Pages 54-56	Pages 10-12
Reconciliation of movements in shareholders' funds (or equivalent)	Pages 57-59	Pages 16-18
Balance sheet	Pages 60-62	Pages 13-15
Cash flow statement	Pages 63-65	Pages 19-21
Notes to the financial statements	Pages 66-79	Pages 22-23
Auditor's report	Pages 48-53	Page n/a

Operating and Financial Review

Nature of information	2019 Annual Report	2020 Interim Report
Chairman's statement	Pages 7-11	Pages 3-6
Investment/Portfolio Review	Pages 12-24	Pages 7-8
Directors' Responsibility Statement	Page 47	Page 9

Copies of the annual and interim reports of the Company are available free of charge at its registered office or from its website, the address of which is www.senecavct.com. The announcement of the results of the Company is available on the website of the London Stock Exchange at www.londonstockexchange.com. The Company paid an interim dividend of 1.5 pence per B Share on 15 May 2020. The Company also paid an interim capital dividend of 8 pence per Ordinary Share on 28 August 2020. The Company also declared an interim capital dividend of 5 pence per Ordinary Share on 5 October 2020, which is payable on 30 October 2020.

C. NO SIGNIFICANT CHANGE

Save in respect of:

(a) the interim capital dividends declared and paid on the Ordinary Shares (as described in paragraph 8B above);

(b) the Company's investment ADC Biotechnology Limited (as described in Part 1 – Investment Review on page 39);

(c) the Company's full realisation of its investment in Omega Diagnostics Group Plc and the partial realisation of its investment in Scancell Holdings Plc (each from the Ordinary Share Pool and each as announced on 16 September 2020); and

(d) The Company's Net Asset Value update for the quarter ended 30 September 2020 for each the Ordinary Share Pool and B Share Pool as announced on 5 October 2020

since 30 June 2020 (being the date to which the latest unaudited interim financial information has been published) to the date of this document, there has been no significant change in the financial or trading position of the Company.

9. Takeovers and Mergers

A. MANDATORY TAKEOVER BIDS

The City Code on Takeovers and Mergers (the "City Code") applies to all takeover and merger transactions in relation to the Company and operates principally to ensure that shareholders are treated fairly and are not denied an opportunity to decide on the merits of a takeover and that shareholders of the same class are afforded equivalent treatment. The City Code provides an orderly framework within which takeovers are conducted and the Panel on Takeovers and Mergers (the "Panel") has now been placed on a statutory footing. The Takeovers Directive was implemented in the UK in May 2006 and since 6 April 2007 has effect through the CA 2006. The Takeovers Directive applies to takeovers of companies registered in an EU member state and admitted to trading on a regulated market in the EU or the EEA States.

The City Code is based upon a number of General Principles which are essentially statements of standards of commercial behaviour. General Principle One states that all holders of securities of an offeree company of the same class must be afforded equivalent treatment and if a person acquires control of a company the other holders of securities must be protected. This is reinforced by Rule 9 of the City Code which requires that a person, together with persons acting in concert with him, who acquires shares carrying voting rights which amount to 30% or more of the voting rights to make a general offer. "Voting rights" for these purposes means all the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting. A general offer will also be required where a person, who, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights, acquires additional shares which increase his percentage of the voting rights. Unless the Panel consents, the offer must be made to all other shareholders, be in cash (or have a cash alternative) and cannot be conditional on anything other than the securing of acceptances which will result in the offeror and persons acting in concert with him holding shares carrying more than 50% of the voting rights.

There are not in existence any current mandatory takeover bids in relation to the Company.

B. SQUEEZE OUT

Section 979 of the CA 2006 provides that if, within certain time limits, an offer is made for the share capital of a company, the offeror is entitled to acquire compulsorily any remaining shares if it has, by virtue of acceptances of the offer, acquired or unconditionally contracted to acquire not less than 90% in value of the shares to which the offer relates and in a case where the shares to which the offer relates are voting shares, not less than 90%, of the voting rights carried by those shares. The offeror would effect the compulsory acquisition by sending a notice to outstanding shareholders telling them that it will compulsorily acquire their shares and then, six weeks from the date of the notice, pay the consideration for the shares to the relevant company to hold on trust for the outstanding shareholders. The consideration offered to shareholders whose shares are compulsorily acquired under the CA 2006 must, in general, be the same as the consideration available under the takeover offer.

C. SELL OUT

Section 983 of the CA 2006 permits a minority shareholder to require an offeror to acquire its shares if the offeror has acquired or contracted to acquire shares in a company which amount to not less than 90% in value of all the voting shares in the company and carry not less than 90%, of the voting rights. Certain time limits apply to this entitlement. If a shareholder exercises its rights under these provisions, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

10. Documents for Inspection

Copies of the following documents are available for inspection at https://senecavct.co.uk/reports-documents/, www.senecavct.co.uk/key-documents/ and at the offices of Hill Dickinson LLP at 50 Fountain Street, Manchester M2 2AS, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this document until the close of the Offer:

10.1 the Articles;

10.2 the annual accounts of the Company for the periods ended 31 December 2019 and the interim report of the Company for the 6 month periods ended 30 June 2020; and

10.3 this document.

Dated: 13 October 2020

Part 5 - Definitions

"2019 Offer"	the offer for subscription of B Shares launched by the Company on 16 July 2019
"2019 Offer Agreement"	the offer agreement entered into on 16 July 2019 between the Company, the Manager, the former sponsor Howard Kennedy Corporate Services LLP and the directors of the Company (on that date) in respect of the 2019 Offer
"2019 Prospectus"	the prospectus issued by the Company in respect of the 2019 Offer
“Admission”	the admission of the Offer Shares allotted pursuant to the Offer to the premium segment on the Official List and to trading on the London Stock Exchange’s main market for listed securities
“Adviser Charge”	the fee (inclusive of VAT) payable to an intermediary, agreed with the Investor for the provision of a personal recommendation and/or related services in relation to an investment in the Offer Shares, and detailed on the Application Form if payment is to be facilitated by the Company
“AIC”	the Association of Investment Companies
“AIC Code”	the AIC’s Code of Corporate Governance issued in February 2019 (as updated)
“AIF Regulations”	the Alternative Investment Fund Managers Regulations 2013 (as amended)
“AIM”	AIM, the market of that name operated by the London Stock Exchange
“Alternative Investment Fund Manager”	the Manager in its role as the AIFM (as defined in the AIF Regulations) of the Company
“Annual Running Costs”	the annual running costs and expenses incurred by the Company in its business including irrecoverable VAT (but excluding (a) exceptional and extraordinary costs; (b) any annual management fees or performance fees in relation to any Shares; and (c) any costs relating solely to the making, holding or realisation of investments in the Ordinary Share Pool or the B Share Pool)
“Applicant”	a person who makes an application whether by lodging an Application Form or otherwise in accordance with the Terms and Conditions of Application
“Application”	a valid application for B Shares pursuant to the Offer

“Application Form”	the application form for use in respect of the Offer which can be found on the Company’s website: www.senecavct.co.uk/key-documents/
“Articles”	the articles of association of the Company (as amended from time to time)
"B Share Pool"	the pool of assets and liabilities allocated to the B Shares in accordance with the Articles
“B Shareholder”	a holder of B Shares
"B Shares”	B ordinary shares of 1 pence each in the capital of the Company
“Board” or “Directors”	the board of directors of the Company
“Business Days”	any day (other than a Saturday) on which clearing banks are open for normal banking business in sterling
“CAC”	the Commercial Advisory Committee of the Company which currently consists of John Hustler and Richard Roth
“CA 1985”	Companies Act 1985
“CA 2006”	Companies Act 2006 (as amended)
“Company”	Seneca Growth Capital VCT Plc
“Conflicts Policy”	the conflicts policy of the Manager from time to time
“Disclosure and Transparency Rules”	the disclosure guidance and transparency rules of the FCA
“Early Investment Incentive”	the early investment incentive discount in respect of applications made under the Offer as described on page 18
“EEA States”	the member states of the European Economic Area
“Existing Seneca Investors”	those Investors under the Offer who are, or have been, clients of Seneca
“Existing Shareholders”	the existing Shareholders (or beneficial holders of Shares) in the Company as at the date of this Prospectus (and each an "Existing Shareholder")
“FCA”	the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of FSMA
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“HMRC”	Her Majesty’s Revenue & Customs

“IMA”	the investment management agreement between the Company and the Manager dated 9 May 2018 as described more fully in Part 4 of this document
“Independent Board”	those members of the Board from time to time who are independent of the Manager
“Interested Party”	the Manager, or any of its officers, employees, agents and affiliates and the Directors and any person or company with whom they are affiliated or by whom they are employed
“Investors”	individuals aged 18 or over who subscribe for B Shares under the Offer (and “Investor” means any one of them)
“IPEVC Valuation Guidelines”	International Private Equity and Venture Capital Valuation Guidelines
“ITA 2007”	Income Tax Act 2007 (as amended)
“Knowledge Intensive Company”	a company satisfying the conditions in Section 331(A) of Part 6 ITA of the proposed draft legislation
“Listing Rules”	the listing rules of the FCA
“London Stock Exchange”	London Stock Exchange plc
“Loyalty Investment Incentive”	the loyalty investment incentive discount in respect of applications made under the Offer as described on page 18
“MAR”	Market Abuse Regulation (596/2014/EU) (as amended)
“ML Regulations”	The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (as amended)
“NAV” or “net asset value”	net asset value
“AQSE”	the Aquis Stock Exchange, a recognised investment exchange under the FSMA and a recognised stock exchange under S1005 (1)(b) ITA 2007 operated by Aquis Exchange Plc
“Non-qualifying Investments”	the assets of the Company that are not Qualifying Investments
“Offer”	the offer for subscription of up to £10 million of Offer Shares (as may be increased in accordance with the over-allotment facility)
“Offer Price”	price per Offer Share under the Offer as determined by the Pricing Formula from time to time
"Offer Shares"	the B ordinary shares of 1 pence in the capital of the Company available for subscription pursuant to the Offer
“Official List”	the official list of the FCA

"Ordinary Share Pool"	the pool of assets and liabilities allocated to the Ordinary Shares in accordance with the Articles
"Ordinary Shareholder"	a holder of Ordinary Shares
"Ordinary Shares"	ordinary shares of 1 pence each in the capital of the Company
"Performance Incentive Fee"	the performance related incentive fee payable to the Manager in relation to the B Shares Pool as described on page 41 of this document
"Performance Period"	any period of time commencing on the day following the prior Performance Period (the first of which is the date of the IMA) and ending on any quarter day of the Company, by reference to which any Shareholder Proceeds are being declared
"Pricing Formula"	the mechanism by which the Offer Price may be adjusted according to the latest published NAV of the B Shares, the level of the Promoter Fee and Adviser Charge, as described in Part 1 of this document
"Promoter Fee"	the fee payable by the Company to the Manager, calculated as a percentage of monies subscribed in the Company with an Investor's Application , in return for which the Manager will pay the costs of the Offer. Note the amount of money subscribed is the amount remitted less any amount requested to be facilitated as an Adviser Charge.
"Professional Client"	a Professional Client (as defined in section 3.5 of the FCA's Conduct of Business Sourcebook)
"Prospectus"	this document dated 13 October 2020 relating to the Offer
"Prospectus Regulation"	the Prospectus Regulation (EU) 2017/1129 and amendments thereto
"Prospectus Regulation Rules"	the prospectus rules published by the FCA under section 73A of FSMA
"Qualifying Company"	a company satisfying the requirements of Chapter 4 of Part 6 of ITA 2007 and "Qualifying Companies" shall be construed accordingly
"Qualifying Holdings"	has the meaning set out in paragraph 3 of Part 3 of this Prospectus
"Qualifying Investments"	shares in, or securities of, a Qualifying Company held by a VCT which meets the requirements described in Chapter 4 of Part 6 ITA 2007
"Qualifying Limit"	the Investor's subscription limit of £200,000 per tax year
"Qualifying Purchaser"	an individual who purchases Shares from an existing Shareholder and is aged 18 or over and satisfies the conditions of eligibility for tax relief available to investors in a VCT

"Qualifying Investor" or "Qualifying Subscriber"	an individual, aged 18 or over, who subscribes for Shares within the Qualifying Limit
"Regulatory Information Service"	a regulatory information service that is on the list of regulatory information services maintained by the FCA
"Reporting Period"	the period from 1 January 2019 to 30 June 2020
"Risk Finance State Aid"	State aid received by a company as defined in Section 280B (4) of ITA
"Seneca" or "Manager"	Seneca Partners Limited
"Shareholder"	a holder of Shares
"Shareholder Proceeds"	in relation to the B Shares and calculated on a per Share basis in relation to the relevant Share all amounts paid by way of dividend or other distributions, share buy backs, proceeds on a sale or liquidation of the Company and any other proceeds or value received or deemed to be received by the holders of the relevant Shares (excluding any income tax relief on subscription)
"Shares"	Ordinary Shares and/or B Shares as the context requires (and each a "Share")
"SME"	small and medium-sized enterprise
"Sponsor"	SPARK Advisory Partners Limited
"Statutes"	means every statute (including any orders, regulations or other subordinate legislation made under it) from time to time in force concerning companies insofar as it applies to the Company
"Terms and Conditions of Application"	the terms and conditions of the Offer set out in Part 6 of this Document
"VCT" or "venture capital trust"	a company satisfying the requirements of Chapter 3 of Part 6 of ITA 2007 for venture capital trusts
"VCT Rules"	Part 6 ITA 2007 and every other statute (including any orders, regulations or other subordinate legislation made under them) for the time being in force concerning VCTs

Part 6 - Terms and Conditions of Application

The following terms and conditions apply to the Offer.

Save where the context otherwise requires, words and expressions defined in this document have the same meanings when used in these Terms and Conditions of Application, the Application Form and the Application Procedure.

1. The right is reserved by the Company to reject any Application in whole or in part and/or scale down, or to accept, any Application. The contract created by the acceptance of any Application will be conditional on the Admission to the Official List and to trading on the London Stock Exchange's market for listed securities of the Offer Shares in the Company becoming effective, unless otherwise so resolved by the Board. If any Application is not accepted, or if any contract created by acceptance does not become unconditional, or if any Application is accepted for a lower amount than the amount applied for, or the Offer is fully subscribed or otherwise closed, the Application monies or the balance of the amount paid on Application (including, any Adviser Charge in respect of that part of the Application) will be returned without interest (i) by post or (ii) by bank transfer (depending on how the funds were provided) at the risk of the Applicant. In the meantime, application monies will be held in a designated bank account in the name of the Company. The Offer is open from 13 October 2020 and is expected to close no later than 5.00 p.m. on 1 April 2021, with all subscription monies payable in full in cash (cleared funds) by 30 March 2021 in the case of the Offer for the 2020/21 tax year, and at 5.00 p.m. on 28 May 2021, with all subscription monies payable in full in cash (cleared funds) by 26 May 2021 in the case of the Offer for the 2021/22 tax year (unless it has been fully subscribed by an earlier date). The Board reserves the right to close the Offer earlier or extend the Offer to a date not later than 24 September 2021 at its discretion).

2. By completing and delivering an Application Form in respect of the Offer, you:

   (a) offer to subscribe the monetary amount stated on the Application Form (less any Adviser Charge agreed to be facilitated) in respect of the Company for such number of Offer Shares in the Company (or such lesser amount for which your Application is accepted and subject to paragraph 12 below) obtained by applying the Pricing Formula.

   (b) direct, or authorise your financial adviser to direct, the Registrars to send documents of title for the number of Offer Shares for which your Application is accepted, and/or a crossed cheque for or, if appropriate, return by bank transfer, any monies returnable, by post at your risk to your address as set out on your Application Form (or, in respect of a direction to issue shares to a nominee, documents of title will be sent to the nominee);

   (c) in consideration of the Company agreeing that it will not, prior to the Offer closing, offer any Offer Shares for subscription to any persons other than as set out in the Prospectus, agree that your Application may not be revoked and that this paragraph constitutes a separate collateral contract with the Company which will become binding upon receipt of your Application Form, duly completed, by the Receiving Agent;

(d) warrant that you will provide a cheque/bankers' draft with that Application Form, or arrange for a bank transfer to be made on the same day as you deliver the Application Form, and that your remittance will be honoured on first presentation and agree that, if such remittance is not so honoured, you will not be entitled to receive share certificates for the Offer Shares in the Company applied for or to enjoy or receive any rights or distributions in respect of such shares unless and until you make payment in cleared funds for such shares and such payment is accepted by the Company (which acceptance shall be in the Company's absolute discretion and may be on the basis that you indemnify it against all costs, damages, losses, expenses and liabilities arising out of, or in connection with, the failure of your remittance to be honoured on first presentation) and that at any time prior to unconditional acceptance by the Company of such late payment in respect of such shares, that Company may (without prejudice to its other rights) treat the agreement to allot such shares as void and may allot such shares to some other person, in which case you will not be entitled to any refund or payment in respect of such shares (other than return of such late payment);

(e) agree that all cheques and bankers' drafts may be presented for payment upon receipt and any definitive document of title and any monies returnable to you may be retained pending clearance of your remittance and the completion of any verification of identity required by the ML Regulations and that such monies will not bear interest;

(f) undertake to provide satisfactory evidence of identity and source of funds within such reasonable time (in each case to be determined in the absolute discretion of the Company and the Manager as promoter) to ensure compliance with the ML Regulations;

(g) agree that, in respect of those Offer Shares for which your Application has been received and processed and not rejected, acceptance of your Application shall be constituted by the Company instructing the Registrars to enter your name on its share register;

(h) agree that, having had the opportunity to read this Prospectus, you are deemed to have had notice of all information and representations concerning the Company, the Offer and the Offer Shares contained herein (whether or not so read);

(i) confirm that (save for advice received from your financial adviser) in making such application you are not relying on any information or representation in relation to the Company other than that contained in this Prospectus and you, accordingly, agree that no person responsible solely or jointly for this Prospectus or involved in the preparation thereof will have any liability for any such information or representation;

(j) agree that all Applications, acceptances of Applications and contracts resulting therefrom under the Offers shall be governed by and construed in accordance with English Law and that you submit to the jurisdiction of the English Courts and agree that nothing shall limit the right of the Company to bring any action, suit or proceedings arising out of or in connection with any such Applications, acceptances of Applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;

(k) authorise the Company, the Receiving Agent, the Registrar or the Manager or any other person authorised by them, as your agent, to do all things necessary to effect registration of any Offer Shares subscribed for by you into your name and authorise any representatives of the Company, the Registrars or the Manager to execute any document required therefore and to enter your name on the register of members of the Company;

(l) agree to provide the Company, the Receiving Agent, the Registrar or the Manager with any information which they may request in connection with your Application and/or in order to comply with the VCT regulations or other relevant legislation (as the same may be amended from time to time);

(m) warrant that, in connection with your Application, you have observed and complied with the laws of all requisite territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your Application in any territory and that you have not taken any action which will or may result in the Company, the Registrar, the Receiving Agent or the Manager or any of their respective agents infringing any laws or acting in breach of the regulatory or legal requirements of any territory directly or indirectly in connection with the Offer or in consequence of any acceptance of your Application;

(n) confirm that you have read and complied with paragraph 3 below and warrant as provided therein;

(o) confirm that you have reviewed the restrictions contained in paragraph 4 below and warrant as provided therein;

(p) warrant that you are not under the age of 18 years;

(q) agree that your Application Form is addressed to the Receiving Agent, and (where completed in hard copy) forwarded to the address shown on the Application Form;

(r) warrant that if you sign or complete the Application Form on behalf of somebody else or yourself and another or others jointly or a corporation you have the requisite power to make such investments as well as the authority to do so and such person will also be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions of Application and undertake (save in the case of signature by an authorised financial adviser on behalf of the Investor) to enclose a power of attorney or a copy thereof duly certified by a solicitor with the Application Form (or, in the case of an online application, provide such power of attorney duly certified on demand);

(s) warrant that you are not subscribing for the Offer Shares using a loan which would not have been given to you or any associate, or not given to you or any associate on such favourable terms, if you had not been proposing to subscribe for the Offer Shares;

(t) warrant that the Offer Shares are allotted to you for bona fide commercial purposes and not as part of a scheme or arrangement, the main purpose of which, or one of the main purposes of which, is the avoidance of tax;

(u) warrant that you are not a US person or resident of Canada and that you are not applying on behalf of or with a view to the offer, sale or delivery, directly or indirectly, to or for the benefit of any US person or resident of Canada;

(v) warrant that the information contained in the Application Form is accurate and that the Application Form has been completed to the best of your knowledge;

(w) agree that the Manager, the Receiving Agent or the Registrars will not regard you (or your nominee) as its customer by virtue of your having made an application for Offer Shares or by virtue of such application being accepted;

(x) agree that allocations of Offer Shares will be rounded down to the nearest whole share and that surplus amounts will not be aggregated to purchase (an) additional share(s) in the Company, and only refunds in excess of £1 will be issued; and

(y) consent to the information provided on the Application Form being provided to the Receiving Agent and the Registrars to process shareholding details and send notifications to you.

3. No action has been or will be taken in any jurisdiction by, or on behalf of, the Company which would permit a public offer of Offer Shares in the Company in any jurisdiction where action for that purpose is required, other than the United Kingdom, nor has any such action been taken with respect to the possession or distribution of this Prospectus other than in the UK. No person receiving a copy of this Prospectus or an Application Form in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him or her, nor should he or she in any event use such Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to him or her or such Application Form could lawfully be used without contravention of any registration or other legal requirements. It is the responsibility of any person outside the United Kingdom wishing to make an application for Offer Shares to satisfy themself as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any of the formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.

4. The Offer Shares have not been, and will not be, registered under the United States Securities Act 1933, as amended, or under the securities laws of any state or other political subdivision of the United States of America ("USA"), and may not be offered or sold in the USA, its territories or possessions or other areas subject to its jurisdiction. In addition, the Company has not been, nor will be, registered under the United States Investment Company Act of 1940, as amended. No Application will be accepted if it bears an address in the USA.

5. Multiple Applications under the Offer are permitted and will be processed in order of receipt. Applications will be accepted on a first come, first served basis, subject always to the discretion of the Board. The right is reserved to reject in whole or in part and scale down any Application or any part thereof including, without limitation, Applications in respect of which any verification of identity which either of the Company or the Receiving Agent consider may be required for the purposes of the ML Regulations has not been satisfactorily supplied. The Board in its absolute discretion may decide to close, suspend or extend the Offer to a date up to and including a date no later than 24 September 2021. The Offer shall be suspended if the issue of such Offer Shares in the Company would result in a breach of the Listing Rules, the Company not having the requisite Shareholder authorities from time to time to allot Offer Shares or a breach of any other statutory provision or regulation applicable to the Company. Dealings prior to the issue of certificates for Offer Shares will be at the risk of Applicants. A person so dealing must recognise the risk that an Application may not have been accepted to the extent anticipated or at all.

6. The rights and remedies of the Company and the Manager under these Terms and Conditions of Application are in addition to any rights and remedies which would otherwise be available to either of them, and the exercise or partial exercise of one will not prevent the exercise of others.

7. Applicants who are Existing Shareholders or Existing Seneca Investors will receive a Loyalty Investment Incentive discount equal to 0.5% of the total monies subscribed with the Application (excluding any applicable Adviser Charge) in relation to valid Applications accepted by the deadline of 5.00 p.m. on 30 November 2020. Such incentive will be applied through the Pricing Formula (as referred to in Part 1 of this document). The determination by the Board as to the eligibility of an Applicant as an Existing Shareholder or an Existing Seneca Investor will be final.

8. Applicants will receive an Early Investment Incentive discount equal to 1% of the total monies subscribed with the Application (excluding any applicable Adviser Charge) in relation to valid Applications accepted by the deadline of 5.00 p.m. on 30 November 2020. Such incentive will be applied through the Pricing Formula (as referred to in Part 1 of this document).

9. Intermediaries providing 'execution-only' services that return valid Application Forms bearing their FCA number in respect of any application accepted from a client for whom the 'execution-only' intermediary acts, will usually be offered initial commission of up to 2.5% of the monies subscribed by their clients under the Offer (with no trail commission), or up to 2% of the monies subscribed by their clients under the Offer. Execution-only intermediaries may waive all or part of the initial commission offered for the benefit of their client (such amount will be taken into account in determining the number of Offer Shares to be allotted under the Pricing Formula i.e. more Offer Shares will be allotted than would be the case where commission is not waived and is paid to the 'execution-only' intermediary). If the 'execution-only' intermediary has been offered the lower level of initial commission of up to 2% referred to above, and provided that the 'execution-only' intermediaries' client continues to hold the Offer Shares, such intermediaries will normally be paid an annual trail commission of 0.5% of the total monies subscribed with the Application (excluding any applicable Adviser Charge). This annual trail commission will be payable until the earlier of (i) the fourth anniversary of the closing of the Offer and (ii) the IMA between the Company and the Manager being terminated, with the amounts expected to be payable as at 31 December 2021, 2022, 2023 and 2024. Commissions will only be paid to intermediaries who have made a claim in relation to the commission and have provided the Company with all the requisite information and only if, and to the extent that, commissions are permitted under legislation and regulations. Trail commission will not be payable if the 'execution-only' intermediary subsequently gives advice in respect of a holding. The Company should be immediately notified that trail commission payments should cease.

10. The Company will, through the Receiving Agent, provide facilitation services in respect of any Adviser Charges (together with any VAT thereon, if applicable) agreed between an Investor and his or her financial adviser (subject to a maximum facilitation amount equal to 4.5% of the total monies remitted with the Application). Any additional Adviser Charges in excess of the amount agreed to be facilitated will not be facilitated and will need to be paid directly by the Investor.

11. If the Investor and the financial adviser agree that an Adviser Charge is to be facilitated by the Company, an Application Form must be countersigned by the financial adviser to confirm (i) that the facilitation amount has been agreed; and (ii) that the financial adviser has read and agrees to be bound by the Terms and Conditions of Application that apply to the Offer. The charging of VAT on an Adviser Charge is the sole responsibility of the financial adviser. Should any facilitated charge undertaken by the Company exclude the payment of any such VAT, the Investor will, at all times, remain solely responsible to make up such VAT deficit (if any) to the financial adviser. If the amount remitted by an Investor is less than the aggregate amount

required to meet both the application for subscription of Offer Shares pursuant to the Offer, and the Adviser Charge to be facilitated by the Company (subject to a maximum amount equal to 4.5% of the total monies remitted with the Application), the amount of the subscription for Offer Shares will be reduced accordingly. Alternatively, if the maximum amount possible to be facilitated (equal to 4.5% of the total monies remitted with the Application) would be exceeded, the amount of the Adviser Charge to be facilitated will be reduced to 4.5% of the total monies remitted with the Application.

12. The Manager has agreed to reduce its Promoter Fee in respect of Applications accepted under the Offer by an amount equal to any Loyalty Investment Incentive discount or Early Investment Incentive discount as applicable in relation to an Application. The Manager may further agree to waive any part of the Promoter Fee in respect of any specific or group of Investors for the benefit of such Investors.

13. The maximum amount to be raised in relation to the Company is £10 million (or £20 million if the over-allotment facility is utilised in full). The Offer will close once the Company has reached its maximum subscription of £10 million (or £20 million if the over-allotment facility has been utilised in full).

14. The Offer will be suspended if at any time the Company is prohibited by statute or other regulations from issuing Offer Shares.

15. The Company reserves the right to make the Offer available through one or more platforms (subject to information being received in respect of any Applicant and the intended underlying beneficial holder of Offer Shares as may be requested by or on behalf of the Company). Further, the Company may issue Offer Shares directly to a nominee through CREST if requested by the Applicant (as provided for on the Application Form) and agreed by the Company.

16. The Company may make one or more revised or additional Application Form(s) available and any additional terms and conditions thereon shall be deemed to be included herein as part of these Terms and Conditions of Application.

17. The right is also reserved to treat as valid any Application not complying fully with these Terms and Conditions of Application for the Offer or not in all respects complying with the Application Procedure. In particular, but without limitation, the Company may accept Applications made otherwise than by completion of an Application Form where the Applicant has agreed in some other manner acceptable to the Company to apply in accordance with these Terms and Conditions of Application. Applications which are not accompanied by cheques or bankers' drafts available for immediate presentation or by other valid payment means (such that the application monies are received by the Receiving Agent by the time the Application is processed), will be dealt with at the Board's discretion. If any dispute arises as to the date or time on which an Application is received, the Board's determination shall be final and binding.

18. The Application Form forms part of these Terms and Conditions of Application.

SENECA
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