

Rensburg Aim VCT plc
Rensburg VCT plc
2nd November 2005

Merger of Rensburg Aim VCT and Rensburg VCT and a proposed new offer for subscription by Rensburg Aim VCT

Introduction

The boards of Rensburg Aim VCT and Rensburg VCT announce that they have reached agreement on the terms for the proposed merger of the two companies to be effected by way of a scheme of arrangement under section 425 of the Act. In summary, it is proposed that Rensburg VCT Relevant Holders will receive one New Rensburg Aim VCT Share for every one Rensburg VCT Share held. In addition, if there is a difference in the NAVs per share of Rensburg VCT and Rensburg Aim VCT at the time of the Merger, a special dividend will be paid to either Rensburg VCT Relevant Holders or Rensburg Aim VCT Relevant Holders.

Rensburg Aim VCT and Rensburg VCT are both listed venture capital trusts, have similar investment objectives (with a substantial proportion of their investment portfolios overlapping) and are both managed by Rensburg Investment Management. The Manager has indicated its support for the Merger. The Manager will continue to manage the Enlarged Rensburg Aim VCT, but on revised terms that include a reduced investment management fee.

Last year, the Government published regulations, which became effective on 17 September 2004, which allow for the merger of venture capital trusts without the loss of VCT specific tax reliefs. Prior to the adoption of these new regulations, the merger of VCTs was impractical as it would have led to the loss of VCT status for one of the merging VCTs and hence the loss of VCT tax reliefs for shareholders.

It is also intended that a new offer for subscription of up to £10 million will be launched by Rensburg Aim VCT following the Merger.

Principal Terms of the Scheme and the Merger

The Scheme involves the cancellation of Rensburg VCT's issued share capital (save for one Rensburg VCT Share to be issued to Rensburg Aim VCT which will, for technical reasons, remain in issue throughout the process) and the issue of one new Rensburg VCT Share to Rensburg Aim VCT in consideration for which New Rensburg Aim VCT Shares will be issued to Rensburg VCT Relevant Holders. Rensburg VCT will become a wholly owned subsidiary of Rensburg Aim VCT. Following the Merger, existing share certificates for Rensburg VCT Shares will have no value.

Under the terms of the Scheme, Rensburg VCT Relevant Holders will receive one New Rensburg Aim VCT Share for every one Rensburg VCT Share held at 6.00 pm on the Scheme Record Date.

In addition:

- if on the Scheme Record Date the NAV per Rensburg VCT Scheme Share exceeds the NAV per Rensburg Aim VCT Scheme Share then, following the Merger, Rensburg VCT Relevant Holders will also receive a special dividend per Rensburg VCT Scheme Share equal to the difference between the NAVs per share of the two companies;
- if, however, the NAV per Rensburg Aim VCT Scheme Share exceeds the NAV per Rensburg VCT Scheme Share then, following the Merger, a special dividend equal to the difference between the NAVs per share of the two companies will be paid to Rensburg Aim VCT Relevant Holders;
- if the NAV per Rensburg Aim VCT Scheme Share equals the NAV per Rensburg VCT Scheme Share then no special dividend will become due to either the Rensburg Aim VCT Relevant Holders or the Rensburg VCT Relevant Holders.

It is expected that the special dividend (if any) will be paid by 11 January 2006. The purpose of the payment of a special dividend as described above is to balance any difference in the NAVs per share of the two companies at the time of the Merger.

Valuation

The NAVs per share of Rensburg Aim VCT and Rensburg VCT will be calculated in accordance with the terms of the Scheme. In summary, the formulae for calculating the NAVs per share provide that the assets and liabilities of Rensburg Aim VCT and Rensburg VCT will be valued as at the Scheme Record Date. The value of the investments in AIM Companies, companies whose shares are listed on the Official List, fixed-interest investments and unit trusts will be calculated by reference to the bid price as at the close of business on the Scheme Record Date. Unquoted Companies will be valued at the Scheme Record Date in accordance with BVCA Guidelines.

Retention of VCT Status and Tax Reliefs

Rensburg Aim VCT has received confirmation from HM Revenue & Customs that it will continue to qualify as a VCT following the Merger. Individuals holding existing Rensburg Aim VCT Shares and New Rensburg Aim VCT Shares to be issued pursuant to the Merger will continue to benefit from VCT tax reliefs.

Benefits for Shareholders

The board of Rensburg Aim VCT and the Independent Directors consider that the principal benefit of the Merger will be a reduction in the annual running costs, expressed as a percentage of net assets.

For the year ended 31 March 2005, the running costs of Rensburg VCT (including irrecoverable VAT) amounted to £454,000, representing 3.9% of the net assets as at the year end. The running costs included £348,000 (including irrecoverable VAT) in respect of the investment management fee, calculated at 2.5% of net assets (on the basis set out in the management agreement between the Manager and Rensburg VCT).

For the year ended 28 February 2005, the annual running costs of Rensburg Aim VCT (including irrecoverable VAT) amounted to £492,000, representing 3.2% of the net assets as at the year end. The running costs included £377,000 (including irrecoverable VAT) in respect of the investment management fee, calculated at 2.0% of net assets (on the basis set out in the management agreement between Rensburg Aim VCT and the Manager) and also £30,000 paid to the Manager for administrative and company secretarial services. These figures are extracted from Rensburg Aim VCT's audited accounts for the year ended 28 February 2005.

Following the Merger, there will be a reduction in the Manager's fee to the Enlarged Rensburg Aim VCT to 1.8% of net assets. This fee will be inclusive of the further amount currently paid by Rensburg Aim VCT to the Manager for the provision of administrative and company secretarial services. There will also be a reduction in some of the other costs of the Enlarged Rensburg Aim VCT, for example directors' fees, insurance, audit and printing costs. These cost savings principally result from the fact that there will be one listed company, rather than two, following the Merger. Based on the combined net assets of Rensburg Aim VCT and Rensburg VCT, as extracted from their latest audited accounts, the annual running costs of the Enlarged Rensburg Aim VCT (including irrecoverable VAT) would be £698,000, representing 2.6% of their net assets. The combined annual running costs of Rensburg Aim VCT and Rensburg VCT (including irrecoverable VAT), as extracted from their respective audited accounts for the years ended 28 February 2005 and 31 March 2005, were £946,000. The reduction in operating costs of the Enlarged Rensburg Aim VCT, compared to the combined costs of Rensburg Aim VCT and Rensburg VCT, amounts to approximately £248,000, representing a reduction of 26.2%.

In addition to the principal Merger benefit of reduced annual running costs as a percentage of net assets, the directors of Rensburg Aim VCT and the Independent Directors believe that the Enlarged Rensburg Aim VCT will also have greater critical mass and enhanced credibility in the market.

Costs of the Merger

The costs of the Merger are estimated to amount to approximately £308,000.

Information on Rensburg Aim VCT

Rensburg Aim VCT is a venture capital trust established in 1998 which commenced trading in 1999. As at 30 September 2005, Rensburg Aim VCT held investments in 34 AIM Companies and four Unquoted Companies, with an aggregate value of £7.8 million, and held listed equity and fixed-interest investments, cash and other assets with an aggregate value of £8.9 million. Rensburg Aim VCT's audited net asset value as at 28 February 2005 was £15.1 million (74.3p per Rensburg Aim VCT Share). It has distributed cumulative dividends of 14.0p per Share since its launch, the latest dividend having been paid in July 2005. On 2 November 2005, Rensburg Aim VCT also declared an interim dividend of 1.0p per share, payable on 30 December 2005.

Information on Rensburg VCT

Rensburg VCT is a venture capital trust established in 1996 which commenced trading in the same year. As at 30 September 2005, Rensburg VCT held investments in 35 AIM Companies and six Unquoted Companies, with an aggregate value of £7.7 million, and held listed equity and fixed-interest investments, cash and other assets with an aggregate value of £4.2 million. Rensburg VCT's audited net asset value as at 31 March 2005 was £11.6 million (73.1p per Rensburg VCT Share) and its gross assets were £12.2 million. In the period ended 31 March 2005, Rensburg VCT made a loss before tax of £10,000. Rensburg VCT has distributed cumulative dividends of 38.5p per Rensburg VCT Share since its launch, the latest dividend having been paid in August 2005.

Rensburg Aim VCT and Rensburg VCT have invested in 28 of the same Qualifying Companies, leading to a substantial overlap in their portfolios.

Investment Policy of Rensburg Aim VCT

The investment policy in respect of Qualifying Investments will continue to be to invest principally in AIM Companies or companies that intend to join AIM within 12 months of the investment date. They will also usually satisfy most of the following criteria:

- have a good track record;
- operate in growth markets;
- offer superior products or services compared with their competitors;
- have sufficient funds to finance growth; and
- have experienced, committed (in terms of share ownership and options) and balanced management teams.

Dividend Policy

Following the Merger, the policy of the Enlarged Rensburg Aim VCT will be to maximise distributions to Shareholders. A privileged feature of a VCT is the ability to distribute dividends, including net realised capital profits, tax free to private investors. Dividends will usually be paid on a half yearly basis in July and December of each year. The New Rensburg Aim VCT Shares will not be entitled to the interim dividend declared on 2 November 2005 or the Scheme Dividend, but otherwise will rank equally with the existing shares for future dividends.

Share Buy Back Policy

Rensburg Aim VCT operates a policy of purchasing Rensburg Aim VCT Shares in the market, at a price equivalent to Rensburg Aim VCT's most recently published net asset value per Rensburg Aim VCT

Share less a 10% discount, subject to complying with the requirements of the UK Listing Authority, VCT Rules and the Takeover Code.

The maximum number of Rensburg Aim VCT Shares that may be purchased by Rensburg Aim VCT in any year is 10% of the total number of issued Rensburg Aim VCT Shares.

Changes to the Board of Rensburg Aim VCT

It has been agreed that, if the Merger becomes effective, Peter Smart and Barry Anysz will continue as directors of Rensburg Aim VCT. Bill Cran and Richard Battersby (currently directors of Rensburg VCT) will be appointed to the board of Rensburg Aim VCT, with Bill Cran to act as Chairman.

If the Merger becomes effective, Rowan Sumner and Christopher Honeyborne will retire from the board of Rensburg Aim VCT.

Transfer of Assets from Rensburg VCT to Rensburg Aim VCT

Following the Merger becoming effective, Rensburg VCT will transfer to Rensburg Aim VCT, by means of a distribution in specie, its investment portfolio interests and any other net assets (including cash), subject to any necessary consents or waivers of pre-emption rights being obtained from investee companies or their shareholders and other requisite documents being entered into.

Management Agreement

The Enlarged Rensburg Aim VCT will continue to be managed by the Manager. A new management agreement has been entered into between Rensburg Aim VCT and the Manager which will take effect upon the Merger becoming effective. The terms of this new agreement will be substantively the same as the existing management agreement, save that:

- the annual management fee will be reduced from 2.0% to 1.8% of net assets (commencing on the Effective Date), inclusive of the administration and accounting services provided by the Manager, which currently cost an additional £30,000 per annum; and
- there will be a revised performance incentive arrangement. The Manager will receive 20% of any increase in Rensburg Aim VCT's net asset value per share (after adding back dividends) in excess of 6% per annum, multiplied by the weighted average number of Rensburg Aim VCT Shares in issue, to take account of share issues and buy backs. The revised performance incentive will be based on the performance over a three year period and any fee will be payable at the end of the period. The first period will run from 1 March 2006 to 28 February 2009. The existing performance incentive arrangement between Rensburg Aim VCT and the Manager will be terminated with effect from the completion of the Merger.

Under the Listing Rules, transactions with a VCT's investment manager are deemed to be with a related party. Due to its relative potential size, the revised performance incentive arrangement also constitutes a class 1 transaction under the Listing Rules. For each of these reasons, the proposed new performance incentive arrangement therefore requires the approval of Rensburg Aim VCT Shareholders. The necessary approval is being sought by way of a resolution at an extraordinary general meeting of Rensburg Aim VCT.

Fund Raising

It is intended, once the Merger is completed, to effect a further fund raising to seek to raise up to a further £10 million by way of an offer for subscription of shares in the Enlarged Rensburg Aim VCT.

The funds raised will be managed by the Manager and will be invested according to the investment policy of Rensburg Aim VCT set out above. The new funds will enable the board to diversify further the Enlarged Rensburg Aim VCT's portfolio of investments by investing in both existing and new AIM Companies.

For a period of two years from 6 April 2004, the income tax relief available for investment in new VCT shares was increased from 20% to 40%, up to a maximum of £200,000 invested per tax year (previously £100,000). Investors subscribing to this proposed offer for subscription before the end of the current tax year will therefore be able to benefit from the increased 40% income tax relief.

The necessary approval of Rensburg Aim VCT Shareholders for the implementation of the Fund Raising is being sought by way of a resolution at an extraordinary general meeting of Rensburg Aim VCT.

A further prospectus will be issued, giving details of the Fund Raising, shortly after the completion of the Merger.

Proposed Appointment of Promoter to the Fund Raising

It is intended that the Manager will act as promoter in connection with the Fund Raising and will market the offer for subscription to independent financial advisers and potential investors.

Rensburg Aim VCT will enter into an agreement with the Manager under which the Manager will be paid a commission of 5% of the monies raised. Out of this fee, the Manager will pay all agreed costs of the Fund Raising, including the fees of the sponsor, trail commission payable to independent financial advisers and legal fees.

Under the Listing Rules, transactions with a VCT's investment manager are deemed to be with a related party. Also, as the promoter's agreement will be entered into shortly after the revised performance incentive arrangement, it has been aggregated with the performance incentive arrangement for the purposes of the class tests under the Listing Rules and is consequently a class 1 transaction. The proposed appointment of the Manager as promoter to the Fund Raising therefore requires Shareholder approval. The necessary approval is being sought by way of a resolution at an extraordinary general meeting of Rensburg Aim VCT.

Shareholder Meetings

The implementation of the Scheme will require approval by a special resolution of Rensburg VCT Shareholders to be proposed at an extraordinary general meeting of Rensburg VCT expected to be held on 28 November 2005. The Scheme will also require separate approval by Rensburg VCT Shareholders at a meeting of Rensburg VCT convened on the direction of the Court, also expected to be held on 28 November 2005. The approval required at the Rensburg VCT Court meeting, at which voting will be conducted by way of a poll, is a majority in number of those Rensburg VCT Shareholders present and voting, whether in person or by proxy, representing not less than 75% in value of the Rensburg VCT Shares held by such Shareholders.

The Merger will also require the approval of the Rensburg Aim VCT Shareholders by a special resolution to be proposed at an extraordinary general meeting of Rensburg Aim VCT expected to be held on 28 November 2005.

The Scheme can only be implemented if all the conditions have been satisfied or, where relevant, waived. Assuming the satisfaction or, where appropriate, waiver of the conditions, the Scheme will become effective on the delivery to the Registrar of Companies in England and Wales by Rensburg VCT of the Court order sanctioning the Scheme (and related reduction of capital) and the registration of such Court order. Once the Scheme becomes effective, it will be binding on all Rensburg VCT Shareholders whether or not they voted in favour.

Subject to receiving the necessary approvals, the Scheme is expected to become effective on 19 December 2005.

Recommendations

The board of Rensburg Aim VCT considers the Proposals to be in the best interests of Rensburg Aim VCT Shareholders as a whole. The board of Rensburg Aim VCT further considers the proposed appointment of the Manager as promoter to the Fund Raising and the proposed new performance incentive arrangements for the Manager to be fair and reasonable as far as Rensburg Aim VCT Shareholders are concerned and have been so advised by Williams de Broë. In giving its advice, Williams de Broë has taken into account the Rensburg Aim VCT directors' commercial assessment of these transactions.

Barry Anysz is also a director of Rensburg VCT and has not taken part in the board of Rensburg Aim VCT's consideration and recommendation of the Merger.

Accordingly, the board of Rensburg Aim VCT (other than Barry Anysz who has abstained from the Board's decision making as described above) recommends that Shareholders vote in favour of the Resolutions to be proposed at the Rensburg Aim VCT extraordinary general meeting, as the directors of Rensburg Aim VCT, other than Barry Anysz, intend to do in respect of their aggregate shareholdings of 195,296 Shares representing 0.9% of the current issued share capital of Rensburg Aim VCT. As an employee of the Manager, Barry Anysz has also not taken part in the Rensburg Aim VCT board's consideration of the proposed new performance incentive arrangements for the Manager and the proposed appointment of the Manager as promoter to the Fund Raising.

The Independent Directors of Rensburg VCT, who have been so advised by RSM Robson Rhodes LLP, consider the terms of the Merger to be in the best interests of Rensburg VCT Shareholders as a whole. In giving its advice, RSM Robson Rhodes LLP has taken account of the Independent Directors' commercial assessment.

The Independent Directors unanimously recommend that Rensburg VCT Shareholders vote in favour of the resolutions to be proposed at the Rensburg VCT court meeting and the Rensburg VCT extraordinary general meeting, as they intend to do in respect of their own aggregate beneficial shareholdings of 66,299 Rensburg VCT Shares representing 0.43% of the issued share capital of Rensburg VCT.

Richard Battersby and Bill Cran are not deemed to be independent due to their involvement as Proposed Directors of the Enlarged Rensburg Aim VCT and Barry Anysz is not deemed to be independent as he is a director of Rensburg Aim VCT. Accordingly, Richard Battersby, Bill Cran and Barry Anysz have taken no part in the consideration and recommendation of the Merger.

Settlement, Admission and dealings

Settlement of the consideration to which any Rensburg VCT Shareholder is entitled under the Scheme will be implemented in full, in accordance with the terms of the Scheme, free of any liens, right of set off, counterclaims or other analogous rights to which Rensburg Aim VCT may otherwise be, or claim to be, entitled against such Rensburg VCT Shareholder.

Application will be made to the UK Listing Authority for the New Rensburg Aim VCT Shares to be admitted to the Official List and to the London Stock Exchange for the New Rensburg Aim VCT Shares to be admitted to trading on its market for listed securities. It is expected that Admission will become effective and that dealings on the London Stock Exchange, for normal settlement, will commence on the Effective Date.

The London Stock Exchange will be requested to cancel the trading in Rensburg VCT Shares on the London Stock Exchange's market for listed securities with effect from the close of business on the business day immediately prior to the Effective Date and the UK Listing Authority will be requested to cancel the listing of Rensburg VCT Shares from the Official List with effect from 8.00 am on the Effective Date. On the Effective Date, share certificates in respect of Rensburg VCT Shares will cease to be valid and should, if so requested by Rensburg VCT, be sent to Rensburg VCT. In addition, entitlement to Rensburg VCT Shares held within the CREST system will be cancelled on the Effective Date.

Further details on settlement, listing and dealing will be included in the documents to be sent to Rensburg Aim VCT Shareholders and Rensburg VCT Shareholders.

Directors and their interests

The interests of each of the directors of Rensburg Aim VCT and Proposed Directors and their immediate families in Rensburg VCT Shares which have been notified to Rensburg VCT pursuant to sections 324 and 328 of the Act or are required pursuant to section 325 of the Act to be entered in the register referred to in that section, and such interests of each of the directors of Rensburg Aim VCT in Rensburg Aim VCT Shares and the interests of persons with whom such directors are “connected” (as defined in section 346 of the Act) in Rensburg Aim VCT Shares all of which were beneficial, were as follows at 31 October 2005 (being the latest practicable date prior to this announcement):

Director	Number of Rensburg VCT Shares	Percentage of issued Rensburg VCT Shares	Number of Rensburg Aim VCT Shares	Percentage of issued Rensburg Aim VCT Shares
Bill Cran	11,250	0.07%	Nil	Nil
Barry Anysz	43,433	0.28%	26,088	0.12%
Richard Battersby	25,000	0.16%	30,608	0.14%
Robert Toomey	15,000	0.10%	10,000	0.05%
Timothy Wood	51,299	0.33%	64,347	0.29%
Peter Smart	Nil	Nil	23,182	0.11
Christopher Honeyborne	Nil	Nil	5,000	0.02%
Rowan Sumner	Nil	Nil	167,114	0.76%

Save for the Rensburg VCT Excluded Share to be issued in connection with the Scheme, Rensburg Aim VCT holds no shares in Rensburg VCT.

Additional information

The Scheme Document setting out full details of the Merger and the Scheme, together with notices of the court meeting and the Rensburg VCT extraordinary general meeting and the expected timetable, will be posted as soon as practicable to Rensburg VCT Shareholders. In addition, Rensburg VCT Shareholders will receive the prospectus in relation to the New Rensburg Aim VCT Shares. At the same time, Rensburg Aim VCT will send the circular, containing a notice convening the Rensburg Aim VCT extraordinary general meeting to Rensburg Aim VCT Shareholders, together with a copy of the prospectus.

Appendix I contains the conditions of the Merger and implementation of the Scheme.

Appendix II contains the definitions of terms used in this announcement.

Enquiries:

Rensburg Aim VCT plc 0113 243 8043
Barry Anysz

Rensburg VCT plc 0151 243 9088
Dr Robert Toomey

Williams de Broë Plc (financial adviser and broker to Rensburg Aim VCT plc) 0113 243 1619
Joanne Lake/Richard Lindley

Williams de Broë, which is authorised and regulated in the UK by the Financial Services Authority, is acting for Rensburg Aim VCT and no-one else in connection with the Proposals and will not be responsible to anyone other than Rensburg Aim VCT for providing the protections afforded to clients of Williams de Broë nor for providing advice in relation to the Proposals nor any other matter referred to in this announcement.

RSM Robson Rhodes LLP, which is authorised and regulated in the UK by the Financial Services Authority, is acting as financial adviser to Rensburg VCT in connection with the Proposals and no-one else and will not be responsible to anyone other than Rensburg VCT for providing the protections afforded to clients of RSM Robson Rhodes LLP nor for providing advice in relation to the Proposals nor any other matter referred to in this announcement.

Williams de Broë has given and not withdrawn its written consent to the inclusion in this announcement of its name and the references to it in the form and context in which they appear.

RSM Robson Rhodes LLP has given and not withdrawn its written consent to the inclusion in this announcement of its name and the references to it in the form and context in which they appear.

This announcement does not constitute an offer or invitation to acquire or exchange securities in Rensburg Aim VCT or Rensburg VCT. Any such offer or invitation will only be made in documents to be published in due course and any such acquisition or exchange should be made solely on the basis of information contained in any such documents.

The availability of the Proposals to persons who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdiction. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements.

The implications of the Scheme for persons resident in, or citizens of, jurisdictions outside the UK ('Overseas Shareholders') may be affected by the laws of the relevant jurisdictions. Such Overseas Shareholders should inform themselves about and observe any applicable legal requirements. It is the responsibility of each Overseas Shareholder to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required to be observed and the payment of any issue, transfer or other taxes in such jurisdictions.

Dealing disclosure requirements

Under the provisions of Rule 8.3 of the City Code on Takeovers and Mergers (the "Code"), any person who, alone or acting together with any other person(s) pursuant to an agreement or understanding (whether formal or informal) to acquire or control securities of Rensburg Aim VCT or Rensburg VCT, owns or controls, or becomes the owner or controller, directly or indirectly, of 1% or more of any class of securities of Rensburg Aim VCT or Rensburg VCT is required to disclose, by not later than 12.00 noon (London time) on the business day following the date of the relevant transaction, every dealing in any relevant securities of that company (or in any option in respect of, or derivative referenced to, any such securities) during the period to the date on which the Scheme becomes effective or is withdrawn.

Under the provisions of Rule 8.1 of the Code, all dealings in relevant securities of Rensburg Aim VCT or Rensburg VCT by Rensburg Aim VCT or Rensburg VCT or by any of their respective 'associates' (within the meaning of the Code) must also be disclosed.

If you are in any doubt as to the application of Rule 8 to you, please contact an independent financial adviser authorised under the Financial Services and Markets Act 2000, consult the Takeover Panel's

website at www.thetakeoverpanel.org.uk or contact the Panel on telephone number +44 (0) 20 7638 0129; fax +44 (0) 20 7236 7013.

Please note that the dealing disclosure requirements under Rule 8 of the Code will change, with effect from 7 November 2005. If you are in any doubt, please contact an independent financial adviser authorised under the Financial Services and Markets Act 2000, consult the Takeover Panel's website at www.thetakeoverpanel.org.uk or contact the Panel on telephone number +44 (0) 20 7638 0129; fax +44 (0) 20 7236 7013.

Appendix I

Conditions of the Merger and Implementation of the Scheme

The Merger can only become effective if all the conditions to the implementation of the Scheme have been satisfied (or waived where applicable in accordance with paragraph 4 below).

The Scheme will become effective upon the delivery to the Registrar of Companies in England and Wales of office copies of the Order of the Court and registration of the Order which, subject to the sanction of the Scheme by the Court, is expected to occur on or about 19 December 2005. Unless the Scheme becomes effective by no later than 30 December 2005, or such later date as Rensburg VCT and Rensburg Aim VCT may agree and the Court may permit, the Scheme will not become effective and the Merger will not proceed.

The conditions which need to be satisfied (or waived, if applicable) for the Scheme to be implemented are set out below:

1. The Merger is conditional upon the Scheme becoming unconditional and becoming effective by not later than 30 December 2005 or such later date as Rensburg Aim VCT and Rensburg VCT and the Court may agree.
2. The Scheme will be conditional upon:
 - (a) approval of the Scheme by a majority in number representing at least three-fourths in value of the holders of the Rensburg VCT Shares present and voting, either in person or by proxy, at the Rensburg VCT Court meeting;
 - (b) the resolution required to implement the Scheme and the associated reduction of capital, to adopt new Articles of Association and make amendments to the Memorandum of Association consequential on Rensburg VCT becoming a private limited company and to approve the payment of the special dividend (if it becomes payable) to the holders of the Rensburg VCT Scheme Shares being passed at the Rensburg VCT extraordinary general meeting;
 - (c) the resolution to approve the Merger and related matters and to authorise the allotment of New Rensburg Aim VCT Shares pursuant to the Scheme being passed at the Rensburg Aim VCT extraordinary general meeting;
 - (d) (i) the admission to the Official List of the New Rensburg Aim VCT Shares becoming effective in accordance with the Listing Rules or the UK Listing Authority agreeing to admit such shares to the Official List and (ii) the admission to trading of the New Rensburg Aim VCT Shares becoming effective in accordance with the rules of the London Stock Exchange or the London Stock Exchange agreeing to admit such shares to trading;

- (e) no notice having been received by Rensburg Aim VCT before close of business on the Scheme Record Date from HM Revenue & Customs which indicates that Rensburg Aim VCT may not remain approved as a venture capital trust pursuant to the VCT Rules; or
 - (f) the sanction (with or without modification) of the Scheme and confirmation of the reduction of capital involved in the Scheme by the Court, an office copy of the Order being delivered for registration to the Registrar of Companies in England and Wales and registration of the Order confirming the reduction of capital involved in the Scheme with the Register of Companies in England and Wales.
3. Subject as stated in paragraph 4 below, the Merger will be conditional upon, and accordingly the necessary action to make the Scheme effective will not be taken, unless the following conditions are satisfied or waived on or prior to the Scheme Record Date as referred to below:
- (a) no notification having been received by either of Rensburg Aim VCT or Rensburg VCT from the Office of Fair Trading in the United Kingdom indicating that it is the intention of the Secretary of State for Trade and Industry to refer the proposed Merger or any matter arising from it or related to it to the Competition Commission;
 - (b) no governmental authority, regulatory body, court or other person having instituted or threatened any action, proceedings or investigation, or enacted or proposed any statute, regulation or order, which would or might make the implementation of the Scheme and the other steps involved in the Merger void or illegal, or restrict or prohibit the implementation of the Merger, or impose material additional conditions in relation to that implementation, or otherwise adversely affect in any material respect the business of Rensburg Aim VCT or Rensburg VCT;
 - (c) since 31 March 2005 (in the case of Rensburg VCT), being the date to which the latest audited report and accounts of Rensburg VCT were made up and 28 February 2005 (in the case of Rensburg Aim VCT), being the date to which the latest audited report and account of Rensburg Aim VCT were made up, or as disclosed in the latest audited report and accounts of Rensburg Aim VCT or Rensburg VCT (as the case may be):
 - (i) there being no material pending or threatened litigation, arbitration proceedings, prosecution or other legal proceedings against Rensburg Aim VCT or Rensburg VCT; and
 - (ii) there having been no material adverse change in the business, financial or trading position or prospects or profits of Rensburg Aim VCT or Rensburg VCT.
4. Rensburg Aim VCT and Rensburg VCT, acting together, may waive all or any of the conditions contained in paragraphs 3(a), (b) and (c) in whole or in part on or before the Scheme Record Date.

Appendix II

Definitions

The following definitions apply throughout this document unless the context requires:

- “Act” the Companies Act 1985
- “Admission” admission of the New Rensburg Aim VCT Shares to the Official List and to trading on the London Stock Exchange’s main market for listed securities becoming effective in accordance with the Listing Rules and the admission and

	disclosure standards published by the London Stock Exchange
“AIM”	the Alternative Investment Market of the London Stock Exchange
“AIM Company”	a company whose shares are traded on AIM
“BVCA Guidelines”	the guidelines for valuation and disclosure of venture capital investments as published by the BVCA from time to time
“Court”	the High Court of Justice in England and Wales
“Effective Date”	the date on which the Scheme becomes effective, which is expected to be 19 December 2005
“Enlarged Rensburg Aim VCT”	Rensburg Aim VCT as enlarged following the implementation of the Scheme and the Merger
“Fund Raising”	the proposed fund raising of Rensburg Aim VCT of up to £10 million, by way of an offer for subscription
“fixed-interest investments”	fixed-interest investments traded on the London Stock Exchange’s market for listed securities, other fixed interest stocks or cash deposits
“ICTA”	the Income and Corporation Taxes Act 1988
“Independent Directors”	the independent directors of Rensburg VCT, being Robert Richard Toomey and Timothy Charles Jason Wood
“Listing Rules”	the listing rules of the UK Listing Authority
“Manager” or “Rensburg Investment Management”	Rensburg Investment Management Limited or its successor as manager of Rensburg Aim VCT’s investments
“Merger”	the proposed merger between Rensburg Aim VCT and Rensburg VCT to be effected by the Scheme
“NAV”	the net asset values to be calculated pursuant to the Scheme in respect of each Rensburg Aim VCT Share and each Rensburg VCT Share
“New Rensburg Aim VCT Shares”	new Shares to be issued fully paid to Rensburg VCT Relevant Holders as part of the Merger
“Official List”	the Official List of the UK Listing Authority
“Proposals”	the proposals relating to the approval of the Merger, the increases in authorised share capital of Rensburg Aim VCT, the grant of authority to allot New Rensburg Aim VCT Shares pursuant to the Merger and Fund Raising, the disapplication of shareholders’ statutory pre-emption rights in relation to the issue of New Rensburg Aim VCT Shares to be issued pursuant

to the Fund Raising, the proposed new performance incentive arrangements for the Manager and the proposed appointment of the Manager as promoter of the Fund Raising

“Proposed Directors”	William Michael Cran and Richard Godfrey Battersby to be appointed to the board of Rensburg Aim VCT following the Merger
“Qualifying Company” or “Qualifying Investment”	a relevant company within the meaning of Schedule 28B ICTA
“Rensburg Aim VCT”	Rensburg Aim VCT plc, registered in England and Wales with registered number 3588039
“Rensburg Aim VCT Relevant Holders”	holders of Rensburg Aim VCT Scheme Shares
“Rensburg Aim VCT Scheme Shares”	Rensburg Aim VCT Shares in issue at 6.00 pm on the Scheme Record Date
“Rensburg Aim VCT Shareholders”	holders of Rensburg Aim VCT Shares
“Rensburg Aim VCT Shares”	ordinary shares of 5p each in the capital of Rensburg Aim VCT
“Rensburg VCT”	Rensburg VCT plc, registered in England and Wales with registered number 3145895
“Rensburg VCT Relevant Holders”	holders of Rensburg VCT Scheme Shares whose names appear in the register of members of Rensburg VCT at 6.00 pm on the Scheme Record Date
“Rensburg VCT Shareholders”	holders of Rensburg VCT Shares
“Rensburg VCT Shares”	ordinary shares of 10p each in Rensburg VCT
“Scheme of Arrangement” or “Scheme”	the scheme of arrangement under section 425 of the Act to effect the Merger as summarised in this announcement in its present form or with any modification of it or addition to it or condition approved or imposed by the Court
“ Scheme Dividend”	the dividend to Rensburg Aim VCT Relevant Holders or Rensburg VCT Holders which may become payable under the terms of the Scheme
“Scheme Record Date”	two business days before the Effective Date
“Takeover Code”	the City Code on Takeovers and Mergers, as published by the Panel on Takeovers and Mergers
“UK Listing Authority”	the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000

“Unquoted Company”	a Qualifying Company whose shares are not traded on a recognised stock exchange
“VCT Merger Regulations”	the Venture Capital Trust (Winding Up and Mergers) (Tax) Regulations 2004
“VCT Rules”	ICTA, the VCT Merger Regulations and every other statute (including any orders, regulations or other subordinate legislation made under them) for the time being in force concerning VCTs and affecting the Company
“venture capital investment”	an investment in an AIM Company or Unquoted Company
“venture capital trust” or “VCT”	a company approved as a venture capital trust under section 842AA of ICTA by the board of HM Revenue & Customs
“Williams de Broë”	Williams de Broë Plc