



**THE** | **START-UP  
SERIES  
FUND**

**INFORMATION MEMORANDUM**

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# IMPORTANT INFORMATION

THIS NOTICE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT ABOUT THE ACTION YOU SHOULD TAKE IN REGARD TO THE CONTENTS OF THIS INFORMATION MEMORANDUM (“INFORMATION MEMORANDUM”) FOR THE START-UP SERIES FUND (THE “FUND”) YOU SHOULD CONTACT AN INDEPENDENT FINANCIAL ADVISER OR OTHER PROFESSIONAL ADVISER AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FSMA) WHO SPECIALISES IN ADVISING ON INVESTMENTS OF THIS TYPE.

RELIANCE ON THE INFORMATION MEMORANDUM FOR THE PURPOSE OF ENGAGING IN ANY INVESTMENT ACTIVITY MAY EXPOSE AN INDIVIDUAL TO A SIGNIFICANT RISK OF LOSING ALL OF THE PROPERTY OR OTHER ASSETS INVESTED.

YOUR ATTENTION IS DRAWN TO THE RISKS IN SECTION 6 OF THE INFORMATION MEMORANDUM.

NOTHING IN THIS DOCUMENT CONSTITUTES INVESTMENT, TAX, FINANCIAL, REGULATORY OR OTHER ADVICE BY AMERSHAM INVESTMENT MANAGEMENT LTD.

BEFORE INVESTING IN THE FUND YOU SHOULD READ CAREFULLY THE CONTENTS OF BOTH THE INFORMATION MEMORANDUM AND THIS APPLICATION FORM. EXPRESSIONS DEFINED IN THE INFORMATION MEMORANDUM SHALL (UNLESS THEY ARE DEFINED SEPARATELY IN THAT DOCUMENT) BEAR THE SAME RESPECTIVE MEANING IN THIS INFORMATION MEMORANDUM.

This Information Memorandum constitutes a financial promotion pursuant to section 21 of FSMA, and its contents have been approved by Amersham Investment Management Ltd (‘Amersham’) which is authorised and regulated by the Financial Conduct Authority in the United Kingdom with FRN number 507460 and whose registered office is 25 Lexington Street (1st Floor) London W1F 9AH. Any prospective Investor should not regard this Information Memorandum as constituting any advice relating to financial, legal, taxation or investment matters. All potential Investors should, as highlighted above, seek independent financial and tax advice from a financial adviser or other professional adviser authorised under FSMA before subscribing to the Fund.

Worth Capital Ltd is not an FCA authorised firm and will not be providing any investment services or undertaking any regulated activities in connection with the Fund.

The Information Memorandum is issued solely for the purpose of seeking Subscriptions from prospective Investors for investments in the Fund. This Information Memorandum is confidential and must not be copied, reproduced or distributed in whole or in part to any other person at any time without the Manager’s prior written consent.

The Fund is an Alternative Investment Fund (“AIF”) for the purposes of the EU Directive 2011/61/EU of the European Parliament and of the Council on the Alternative Investment Fund Managers (the “AIFMD”). It is not an unregulated collective investment scheme within the meaning of section 235 of FSMA nor a Non-Mainstream Pooled Investment by virtue of it being a fund complying with the meaning of Article 2 of the Schedule to the Financial Services and Markets Act 2000 (Collective Investment Schemes) Order 2001 and, pursuant to

clause 2 of the Investor Agreement, Investors are entitled only to the withdrawal rights prescribed by that clause.

Investors in the Fund will make Investments together and their Investments will be managed by Amersham on a common basis. The Fund will, therefore, constitute a collective investment undertaking within the meaning of the EU Directive 2004/39/EC of the European Parliament and of the Council on the Markets in Financial Instruments, as amended from time to time (the “MiFID”) and, by virtue of the exemption for collective investment undertakings in Article 2.1(h) of MiFID, the Fund falls outside the scope of MiFID.

The communication of this Application Form and the Information Memorandum and the contents thereof is made to and directed at persons reasonably believe to be such persons as are referred to below and must not be passed on, directly or indirectly, to any other person in the United Kingdom:

- a. professional clients or eligible counterparties as defined in the Conduct of Business Sourcebook (‘COBS’) of the FCA’s Handbook of Rules and Guidance;
- b. retail clients who confirm that they will receive advice on the investments referred to in the Information Memorandum from a financial adviser authorised and regulated by the FCA. The financial adviser will receive that confirmation on behalf of the person who has approved the Information Memorandum for the purpose of section 21 of FSMA. The financial adviser will be required to countersign the Application Form.
- c. to the extent that the recipient is a retail client who does not fall within category (b), only clients falling within the following categories:
  1. **certified high net worth investor**: the requirements that must be met for a person to qualify as a certified high net worth individual are that such person has signed, within the period of 12 months ending on the day on which the communication is made, a statement in the prescribed terms under COBS 4.12.6R.
  2. **certified sophisticated investor**: The requirements that must be met for a person to qualify as a certified sophisticated investor are that such a person:
    - a. has a current certificate in terms of COBS 4.12.7R being one signed and dated not more than three years before the date on which the promotion is made, in writing or other legible form, signed by an authorised person in terms of FSMA to the effect that the recipient of that promotion is sufficiently knowledgeable to understand the risks associated with investments of the kind set out in the Information Memorandum, and
    - b. has signed, within a period of 12 months ending with the day on which the communication is made, a statement in the prescribed terms under COBS 4.12.7R.
  3. **self-certified sophisticated investor**: The requirements that must be met for a person to qualify as a self-certified sophisticated investor are that such person has signed,

within the period of 12 months ending on the day on which the communication is made, a statement in the prescribed terms under COBS 4.12.8R. Self-certified sophisticated investors are advised to consult an authorised person in terms of FSMA specialising in advising on investments of the kind set out in the Information Memorandum in order to assist in understanding and evaluating the risks involved.

4. **certified restricted investors:** the requirements that must be met for a person to qualify as a certified restricted investor are that such person has signed,

## WARNINGS

The tax treatment referred to in this document depends on the individual circumstances of each Investor and may be subject to change in the future. In addition, the availability of any tax reliefs depends on the companies in which the Fund invests maintaining their qualifying status. Past performance is not a guide to future performance and may not be repeated. The value of an Investment may go down as well as up and an Investor may not get back the full amount invested.

Investment in the Fund carries substantial risk. Any investment in the Fund should be regarded as being medium to long term in nature. Investors' money subscribed to the Fund will be committed to investments which may be of a long term and illiquid nature. The companies in which the Fund invests will not be quoted on any regulated market and, accordingly, there will not be an established or ready market for any such shares. It may be difficult to obtain information regarding how much an investment is worth or how risky it is at any given time and the Manager may experience difficulty in realising the investments (for value or at all).

An investment in the Fund may only be made on the basis of this Information Memorandum and the Investor Agreement. Prospective Investors should not regard the contents of this Information Memorandum as constituting a recommendation or advice relating to any legal, taxation, regulatory or investment matters and are advised to consult their own professional advisers before contemplating any investment. The Manager, its directors, officers, employees and agents do not accept any liability for any direct, indirect or consequential loss or damage suffered by any person as a result of relying on any information or opinions contained herein or in any other communication in connection with an investment in the Fund except where such liability arises under FSMA, regulations made under FSMA or the FCA Rules and may not be excluded. The Manager has taken all reasonable care to ensure that the factual content hereof is accurate and that statements of opinion herein are reasonably held.

Subject to the Manager's overriding duty under the FCA Rules to ensure the content of this Information Memorandum is presented in a manner which is fair, clear and not misleading with respect to the persons to whom the Fund is promoted by it, the Manager accepts no responsibility to any recipient of this Information Memorandum for inaccuracies in factual representation or for any consequences to such persons as placing reliance upon statements of the Manager's opinion except to the extent required by law. Additionally, some material included in this Information Memorandum is derived from public or third-party sources and the Manager disclaims all

within the period of 12 months ending on the day on which the communication is made, a statement in the prescribed terms under COBS 4.7.10R.

- d. any person to whom the communication may otherwise lawfully be made.

The transmission of the Information Memorandum or the contents thereof to any other person is prohibited and persons not falling within the description set out above should not act or otherwise rely upon it.

liability for any errors or misrepresentations which any such inclusions may contain.

No person has been authorised to give any information, or to make any representation concerning the Fund other than the information set out in this Information Memorandum, and if given or made, such information or representation must not be relied on. This Information Memorandum is only intended for release in the United Kingdom and does not constitute an offer, or the solicitation of an offer, to buy or sell any security or share. It does not constitute a public offering in the United Kingdom. In addition, this Information Memorandum does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is unlawful or unauthorised or in which the person making such offer is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation. It is the responsibility of any person outside the United Kingdom wishing to make an application to invest in the Fund to satisfy himself as to full observance of the laws of any relevant territory in connection therewith.

Past performance is not necessarily a guide to future performance and Investors should be aware that share values and income from them may go down as well as up and Investors may not get back the amount subscribed. Changes in legislation in respect of The Seed Enterprise Investment Scheme and The Enterprise Investment Scheme in general, and qualifying investments and qualifying trades in particular, may affect the ability of the Fund to meet its objectives and/or reduce the level of returns which would otherwise have been achievable.

The Information Memorandum contains certain information that constitutes 'forward-looking statements' which can be recognised by use of terminology such as 'may', 'will', 'would', 'should', 'anticipate', 'estimate', 'intend', 'continue', or 'believe' or their respective negatives or other comparable terminology. Forward-looking statements are provided for illustrative purposes only. Due to various risks and uncertainties, actual events, results or performance may differ materially from those reflected or contemplated in such forward-looking statements. No person has been authorised to give any information, or to make any representation concerning the Fund other than the information set out in this Information Memorandum and if given or made, such information or representation must not be relied on. This Information Memorandum is only intended for release in the United Kingdom and does not constitute an offer, or the solicitation of an offer, in any jurisdiction in which such offer or solicitation is unlawful. It is the responsibility of any person outside the United Kingdom wishing to make an application to invest in the Fund to satisfy himself as to full observance of the laws of any relevant territory in connection

therewith. Prospective Investors should be aware that the arrangements described in this Information Memorandum represent a discretionary management service subject to the terms of the Investor Agreement. Investors appoint the Manager to invest their subscription monies on a discretionary basis into the Portfolio Companies. All investments made will be held in the name of the Nominee in a way that enables each Investor's entitlement to be separately identified. The Fund is not treated as an unregulated collective investment scheme (as

defined in section 235 of FSMA) but is an alternative investment fund as defined in the Alternative Investment Managers Directive 2011. The Fund has not been approved by HMRC under section 251 of the Income Tax Act 2007. The Manager reserves the right to update this Information Memorandum from time to time.

By submitting an Application Form, you agree to be bound by the terms and conditions set out above.

## TAXATION

The information contained in this Information Memorandum makes reference to the current laws concerning the Seed Enterprise Investment Scheme ("SEIS") and the Enterprise Investment Scheme ("EIS") Income Tax Relief and Share Loss Relief (together, the SEIS and EIS Reliefs), CGT Reinvestment Relief, CGT Deferral and the CGT Exemption (together, the CGT Reliefs), and IHT Relief. These levels and bases of relief may be subject to change. The tax reliefs referred to in this Information Memorandum are those currently available and their value depends on individual circumstances.

It is the intention that the Fund would invest in companies which are Qualifying Companies for the purposes of the SEIS regime and / or for the EIS regime. Following each qualifying investment which the Fund makes, it is envisaged that the appropriate SEIS and / or EIS Compliance Certificates will be issued to Investors which will enable them to claim SEIS and / or EIS Reliefs in respect of that Qualifying Investment. There is no guarantee however that SEIS and / or EIS Reliefs, CGT Reliefs or IHT Relief will be available on any investment made by the Fund or that if it is initially available it will not be subsequently

withdrawn. Any references to tax laws or rates in this Information Memorandum are based on current legislation and the proposed changes described in the next paragraph, all of which are subject to change and provided as a guide only. Prospective Investors are advised to take their own taxation advice and should consult their own professional advisers on the implications of investing in the Fund.

The Investment Manager intends to make investments that meet the criteria for qualification and intends to ensure that the Qualifying Companies obtain provisional advance assurances from HMRC that the proposed Investee Companies will meet the qualification criteria.

The information and illustrations in this Information Memorandum are stated as in a previous version of this Information Memorandum issued on 29 September 2016 and this updated version of the Information Memorandum is issued and dated 11 April 2018.

# KEY FACTS

<b>Fund name</b>	The Start-Up Series Fund (the “Fund”)
<b>Structure</b>	<p>The Fund is structured as an Alternative Investment Fund (“AIF”) organised to invest in Seed Enterprise Investment Scheme (SEIS) and Enterprise Investment Scheme (EIS) qualifying businesses.</p> <p>An investor may indicate a preference to invest in either SEIS and/or EIS businesses.</p>
<b>Objectives</b>	<p>The Start-Up Series Fund is organised to invest over time in tranches in qualified finalists from a series of competitions which commenced in October 2016. The competitions are conducted (in association with startups.co.uk) by Worth Capital who also provide commercial due diligence and post-investment support.</p> <p>Investments in the Fund will be focused both on early-stage SEIS companies in the Consumer Goods and Services sector and in certain B2B opportunities and then as these Portfolio Companies develop to a point where further capital is needed, follow-on EIS investment or EIS investment in other EIS qualifying companies.</p> <p>The Fund is planned to be built up to hold SEIS investments at any one time in up to 15 companies across 3-5 sectors where each investment made will be up to £150k in each investee company and up to 15 companies with an average investment £400k in each follow-on EIS investee company.</p>
<b>Fund Manager</b>	Amersham Investment Management Ltd.
<b>Minimum subscription</b>	£10,000 initial investment, with £5,000 increments (or such lower amount as determined at the Manager’s discretion).
<b>Investment term</b>	Investments to be held for minimum of three years to benefit from EIS or SEIS tax reliefs.
<b>Minimum fund size</b>	£450,000
<b>Maximum fund size</b>	£20,000,000
<b>Next Interim Closing Date</b>	31 July 2018 (or such other date as determined by the Manager).
<b>Investment period</b>	<p>The Fund is intended to continue to operate over the 2018/19 and subsequent tax years as an “evergreen” fund. There will continue to be a series of tranches of investments and the type and degree of diversification for an investor will depend on in which tranche(s) the investor is invested.</p> <p>Where the Fund closes later than the 2018/19 tax year, investments may fall into subsequent tax years.</p>
<b>Target return</b>	<p>SEIS: 240% after 5 years (i.e. original investment plus 1.4 x investment), plus tax reliefs.</p> <p>EIS: 190% after 5 years (i.e. original investment plus 0.9 x investment), plus tax reliefs.</p>
<b>Risks</b>	A summary of the risks associated with an investment in the Fund is contained in section 6 of this Memorandum.
<b>Suitability</b>	<p>The investment described in this Memorandum will not be suitable for all investors.</p> <p>The Fund may be suitable for UK taxpaying investors looking for a medium to long term investment whose personal circumstances allow them to seek SEIS and / or EIS relief.</p> <p>All potential Investors are accordingly advised to consult an investment adviser authorised under FSMA and an appropriately qualified taxation adviser prior to making an investment.</p>

# 1: INVESTMENT FOCUS

## INVESTMENT FOCUS

The Fund invests in product and service businesses that are in attractive markets, have innovative products or services that can create new consumption behaviours, demonstrate the marketing and communication skills to build strong brands and have routes to an exit at a high multiple.

The Fund invests in both Seed Enterprise Investment Scheme (SEIS) and Enterprise Investment Scheme (EIS) businesses. An investor may indicate a preference to invest in either SEIS and/or EIS businesses must may not select individual investments, which activity is carried out by the Manager.

### SEIS

The Fund's SEIS investments are sourced from the winners of the Start-Up Series – a monthly competition promoted by [www.startups.co.uk](http://www.startups.co.uk).

These SEIS investments are very young businesses and consequently carry high risk as well as potentially offering the prospect of high returns.

Typically, the Fund invests £150,000 in each Portfolio Company at a pre- money valuation of £350,000 to £1.5 million.

An investor may hold a 'mini-portfolio' of 4 to 6 of these SEIS investments to diversify risk. The selection of these holdings is at the discretion of the Fund Manager. A mini-portfolio is likely to be funded two to three times per year or possibly around each quarter.

An investor may invest in one or more portfolios over time.

### EIS

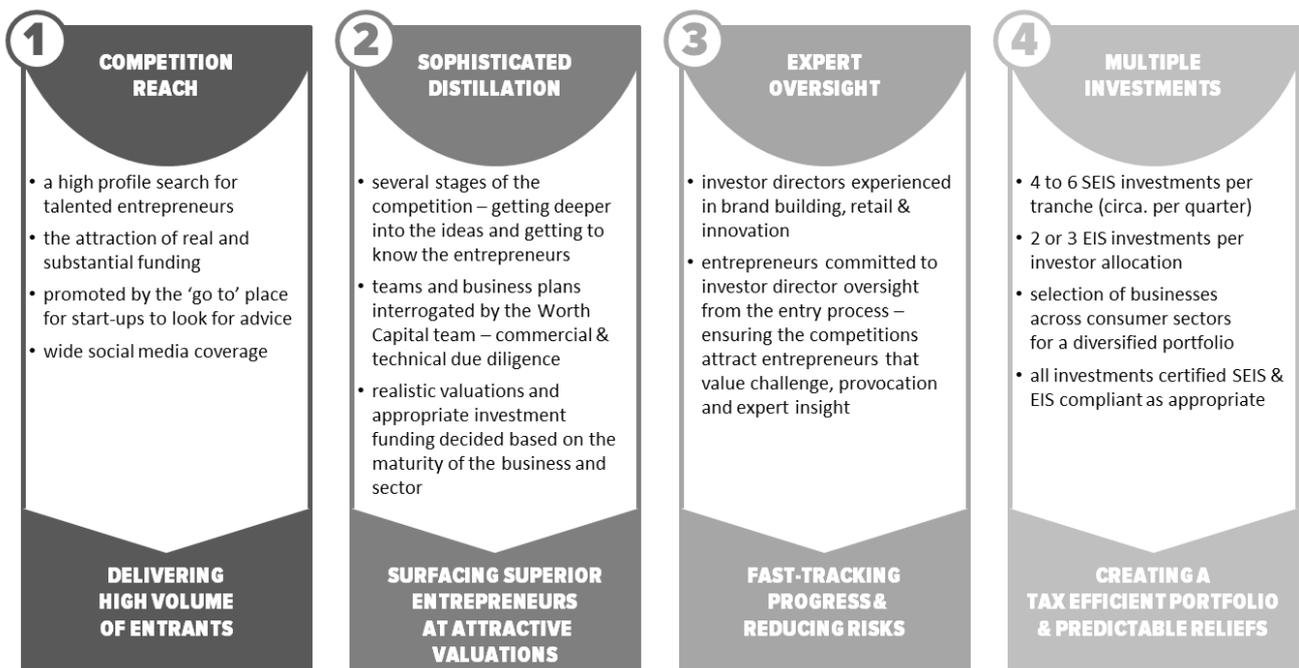
EIS investments will often be follow-on investments from the SEIS investments. They may also be sourced from outside the competition series. These EIS investments will still carry significant risks as the companies mature.

Typically, the Fund will invest £300,000 to £500,000 at a pre-money valuation of £1 million to £3 million. Such investment by the Fund may be alongside other investors e.g. other funds.

An investor may hold a 'mini-portfolio' of 2 or 3 of these EIS investments to diversify risk. The selection of these holdings is at the discretion of the Manager. A mini-portfolio is likely to be funded two to three times per year or possibly around each quarter.

## WORTH CAPITAL'S COMPETITION APPROACH TO INVESTING

Worth Capital have deliberately designed an investment process based around a competition to achieve 4 ways to enhance the possibility of increased returns and to reduce the risks of smaller company investment.



## 1. COMPETITION REACH

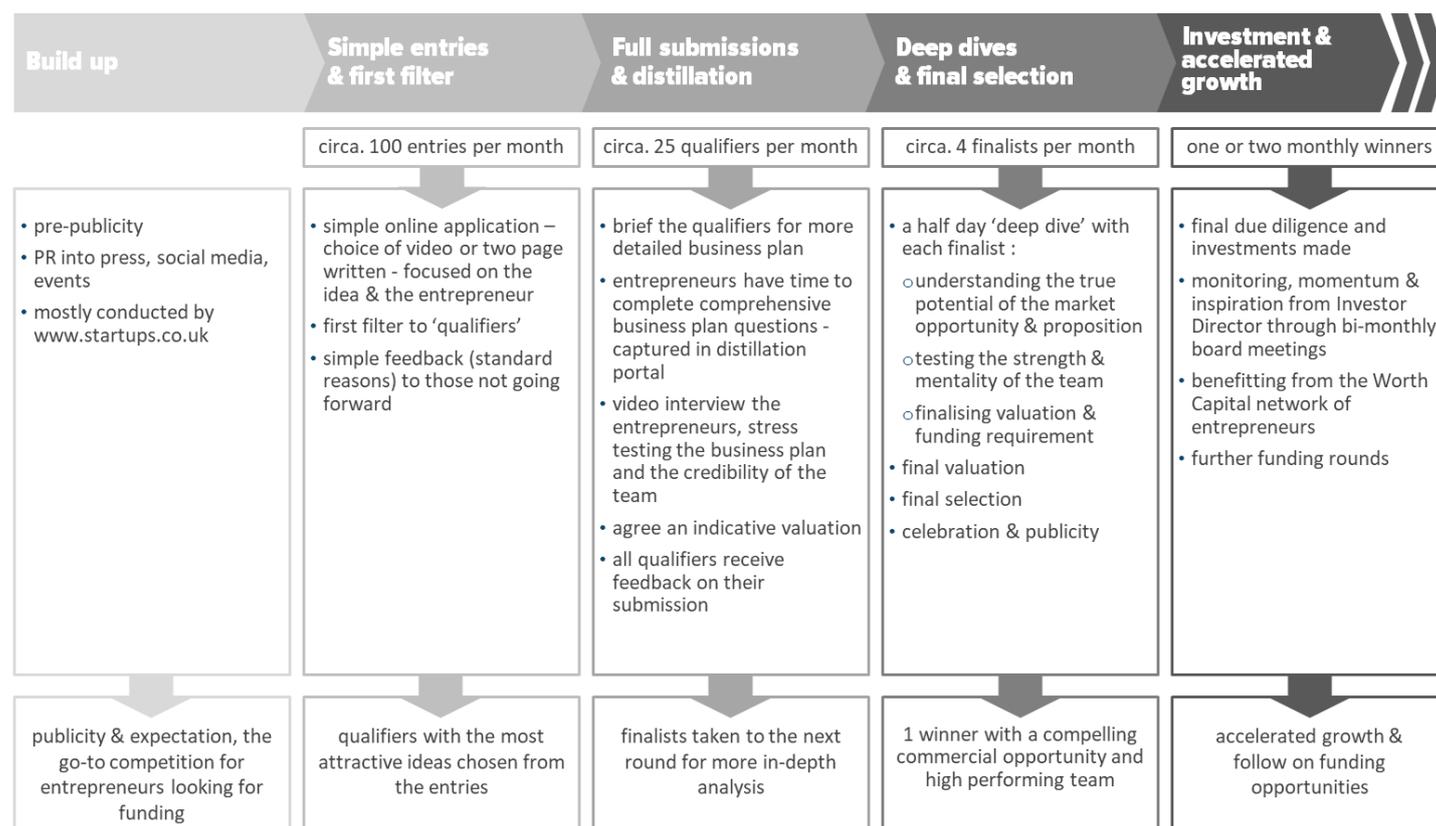
The competition reach is achieved through the **Start-Up Series** - a series of monthly competitions promoted by [www.startups.co.uk](http://www.startups.co.uk) which is the UK's largest independent online resource for anyone starting and building a new business.

[www.startups.co.uk](http://www.startups.co.uk) gives the competition high visibility:

- 83% of readers rate Startups.co.uk as the UK's most useful source for advice on starting, building & growing a business.
- 1.2 million monthly page impressions<sup>1</sup>
- 400,000 monthly unique visitors<sup>2</sup>
- 38,000 newsletter subscribers<sup>3</sup>
- 62,700 twitter followers<sup>4</sup>

## 2. SOPHISTICATED DISTILLATION

The founders of Worth Capital – along with guest judges – run a multi-stage assessment, filtering and judging process.



### 'Distillation' criteria

The value for investors is from targeting companies that are in the early stages of their development, but which possess an innovation, service or product that represents a significant high growth opportunity either in new or established markets. The expectation is for these companies to accelerate rapidly, generating better than benchmark results within a 3- to 7- year horizon.

SEIS advance assurance is a mandatory condition. Then, in priority order, the criteria used to distil and select the winners are:

1. passionate, full time & experienced management team, ready to listen & learn from consumer insight and experts around them.
2. a market segment that provides sufficient future breadth and scale and has a potential entry point for a new offering.
3. strong differentiated market proposition which has the potential to lead to strong brand awareness and value.
4. early visibility that management have ability to create and execute an operating plan for their business.
5. exit aspirations, realistically achievable in 5 to 7 years.

<sup>1</sup> Source: Google Analytics | average | January to June 2016

<sup>2</sup> Source: Google Analytics | average | January to June 2016

<sup>3</sup> Source: Crimson Business | August 2016

<sup>4</sup> Source: Twitter | August 2016

## Valuation & investment level

Once 'qualifiers' are selected, initial interviews are completed to delve into the business plan and test the credibility of the team. At this point indicative valuations will be agreed –subject to more comprehensive commercial and technical due diligence.

On this basis there is confidence in having sensible conversations with the 'finalists'. At this point half a day is spent with each business – diving deep into their proposition, strategy and plans and getting to know the entrepreneurs. At the same time the funds needed by the business are explored – taking account of their sector, their maturity and their investment plan. The aim is to help ensure that funds available to the qualified winning businesses will therefore be tailored to their requirements – neither too little to make a difference or taking equity unnecessarily.

This will set the investment level sought and commercial valuation that will be included in a term sheet that is binding on the companies should they win the competition, but that is still subject to technical due diligence and the investment decisions by the Fund Manager to invest in qualified winners.

### 3. EXPERT OVERSIGHT

A condition of entry into the competition will be a commitment to paying a small sum for two years of Investor Director oversight from one of the Worth Capital directors or a nominated substitute.

Worth Capital believes mandating an Investor Director will help to accelerate the growth of the winning businesses:

- the winning entrepreneurs are pre-filtered to be those open to help, pre-disposed to listen to insight and pivot their offer, strategy and plans accordingly – avoiding for investors the frustration of having a talented ownership team stuck in one myopic view of their idea.
- no idea is born fully formed – the Investor Director will stress test and improve the strategy, proposition & plans of the winning businesses.
- entrepreneurs will be helped to finesse execution plans, spot the critical challenges and risk and a little external influence helps to motivate management teams and give them belief and confidence to remain on track

The terms of the monitoring activities are agreed between the Manager, Worth Capital and the Portfolio Company prior to the commencement of the investment by way of letter and subscription agreements.

## INVESTMENTS MADE TO DATE BY THE START-UP SERIES FUND

The type of investments made by the fund is illustrated by the investments made to date (11 April 2018).

### New products



ITSY manufactures, retails & distributes products aimed to help parents with weaning children. Launching with a patent pending, portable, wireless, food processor, the ITSY BLITZ.  
**£150,000 SEIS investment pre-money valuation £325,000, 31.6% equity**



MOTO TATTOO is a revolutionary method to create custom motorcycle helmets - making them better quality, more customisable and much cheaper than existing options.  
**£127,523 SEIS investment pre-money valuation £650,000, 20.26% equity**



outfox

OUTFOX DRINKS are no-alcohol wines, beers and a cider –that taste great, are low sugar, low calorie and that keep the feel-good experience and rituals.  
**£150,000 SEIS investment at pre-money valuation of £800,000, 15.8% equity**



UNI-BLOCK is a building material with high insulation performance, quick to construct and with low build costs. This type of 'insulated concrete form' is used in circa 10% of new construction in North America but less than ½% in the UK. A relationship with CEMEX will drive sales.  
**£103,909 SEIS investment at pre-money valuation of £1,350,000, 7.15% equity**

### New services



NOT DOGS are meaty... without the meat. Hot dogs with innovative, homemade toppings with the aim to bring delicious meat-free fast food to the market in a more trustworthy, healthier way for people, animals and the environment.  
**£150,000 SEIS investment at pre-money valuation of £425,000, 26% equity**



RENTALSTEP helps responsible tenants to build their credit score and history, equivalent to someone paying their mortgage, therefore giving landlords tenants that are motivated to pay.  
**£150,000 SEIS investment at pre-money valuation of £350,000, 30% equity**



BLOW DRY PASS is a £99 monthly subscription to unlimited "good hair days" at the tap of a button. A mobile app using GPS to find branded blow dry counters in department stores, gyms, stations and other high footfall locations.  
**£99,964 SEIS investment at pre-money valuation of £650,000, 13.33% equity**

### New retail/distribution



MYZA is an online curated marketplace with a singular focus on sleep and the whole sleep experience. It has generous editorial -including advice from a team of leading sleep experts and professionals.  
**£100,000 SEIS investment at pre-money valuation of £350,000, 22.2% equity**



NIGHTLY is the new way to book hotels – giving travellers the option to switch hotels once during their trip to get the best value, a different experience and save as much as 70%.  
**£120,032 SEIS investment pre-money valuation £640,000, 15.79% equity**



TRIBE is a travel club for a mobile-first generation creating great pre-, during and post-holiday experiences, for individuals and groups, with clever tech and guaranteeing best value for money and experience  
**£150,000 SEIS investment at pre-money valuation of £1,300,000, 10.3% equity**



BUILDERS BAY is a marketplace for builders, self-builders, DIY enthusiasts and industry suppliers to buy, sell and source surplus, reclamation and new building materials, tools and plant. Serving the £28 billion building supplies industry.  
**£140,000 SEIS investment at pre-money valuation of £650,000, 17.7% equity**

## 2: THE TEAMS

### A COMPLEMENTARY PARTNERSHIP

Worth Capital operate the Start-Up Series, assess the deal flow, negotiate their view of a fair valuation and make commercial recommendations to Amersham Investment Management who challenge the rationale and choose to accept (or reject) a commercial recommendation, before conducting further independent due diligence, authorising the investments and managing the Fund. Worth Capital then continue to liaise closely with Portfolio Companies via an Investor Director, monitor the Portfolio Companies' progress and compile periodic reports on the Portfolio Companies for the Manager.

### THE PROMOTER: WORTH CAPITAL

The founders of Worth Capital believe that the commercial tide has shifted, and it is start-ups and early stage growth companies that have the most potential to challenge the normal rules of business and create new consumer behaviours. Therefore, Worth Capital was formed to help new entrepreneurs obtain funds and expertise to turn their ideas into successful sustainable businesses and to deliver excellent returns to the investors that help early stage start-ups.

The competition format, and the 'engine' of attracting entrants, distilling the entrants and providing oversight of the companies to achieve accelerated growth is operated by Worth Capital Ltd ('Worth Capital'), a private company co-founded by Paul Soanes and Matthew Cushen and including Paul Soanes and Matthew Cushen as Directors.

Worth Capital have a contract with MVF Digital Limited (the owner of [www.startups.co.uk](http://www.startups.co.uk)) for startups.co.uk to be the media partner to Worth Capital. MVF Digital have committed to extensive editorial coverage and promotional activity to deliver high awareness and to raise the prestige of the series.

A small Worth Capital team runs the 'engine' that sits behind competitions and supports the winning entrepreneurs.

#### PAUL SOANES

##### Co-founder & Director

An entrepreneur since leaving university, Paul founded iD in 1994, growing it into a top ten UK experiential marketing agency. He subsequently founded Brandspace, Europe's largest promotional space media agency and returned initial backers 17 x their original investment within 5 years.

He is now a highly experienced seed investor and has invested in over 25 businesses since 2008.

Paul & Matthew are focused on maximizing the return on investment for investors and realising the full potential of the entrepreneurs, their experience including:

- selecting & valuing the businesses to recommend for investment by the Fund
- commercial due diligence
- investor protection
- strategy & proposition development
- entrepreneur development
- accelerating growth reporting & annual valuations
- assessing requirements for further round funding.

#### MATTHEW CUSHEN

##### Co-founder & Director

An experienced leader in large businesses including Kingfisher & John Lewis. Then a retail consultant and subsequently a director of "What If!", the global innovation consultancy. For 5 years, working across sectors with the leadership teams of business such as IKEA, Tesco, Paddy Power & SABMiller.

An experienced and, so far, successful angel investor in a dozen businesses.

#### HAYLEY ETHERINGTON

##### Business Operations Director

Hayley has 12 years' experience in strategic client management and relationship development for brand and media partnerships, most recently at a leading marketing agency. She has worked with the Worth Capital founders for over 10 years.

Hayley looks after the operation of the competition and maximising the value generated for the entrepreneurs including:

- media relations
- PR & publicity
- editorial
- events
- competition operations & output.

## THE FUND MANAGER: AMERSHAM INVESTMENT MANAGEMENT LTD.

The Fund Manager is Amersham Investment Management Ltd ('Amersham'), a specialist investment management firm and fund manager. Founded in 2009 by two former principals of the Tradepoint Stock Exchange (which as a UK Recognised Investment Exchange in 2001 became, as Virt-x, part of the Swiss Stock Exchange), the firm is authorised and regulated in the UK by the Financial Conduct Authority as an investment manager and fund manager and as an Alternative Investment Fund Manager (AIFM) with FRN 507460.

### PAUL BARNES

#### FCCA MCSI, Director

Paul Barnes is a Fellow of the Association of Chartered Certified Accountants. He is also a Member of the Chartered Institute for Securities & Investment.

Paul has wide experience in venture development, financial management and corporate finance and M&A disciplines.

He developed and floated Tristel Plc, an infection control and hygiene products company on the London Stock Exchange's AIM market. Paul also developed and floated Oxford Catalysts Group PLC, now Velosys Group Plc, an innovator in synthetic fuels, on the LSE's AIM market. He established an FSA authorised and regulated corporate advisory firm, Beach Street Limited, which was sold in 2003. Paul maintains close links with business ventures as a non-executive director for a range of companies in healthcare and pharmaceuticals, biomass renewables, consumer products and wireless software engineering (the latter being Etherstack, a company which is listed on ASX, the Australian Stock Exchange).

### MICHAEL WALLER-BRIDGE

#### Chartered FCSI, MInstP, Director

Michael Waller-Bridge is a Chartered Fellow of the Chartered Institute for Securities & Investment.

Michael worked at the Advanced Systems Group and the Strategic Engineering Unit of the London Stock Exchange between 1986 and 1991 prior to co-founding Tradepoint, Europe's first official electronic equities Stock Exchange where he also served as CEO between 1994 and 1997. Tradepoint was admitted to the AIM market in 1996 and in 2001 became, as Virt-x, part of the Swiss Stock Exchange.

He has worked as an adviser with various ventures including Interactive Investor PLC, an online stockbroker, Sturgeon Ventures LLP, a business incubator and regulatory consultancy, and Pre-X Capital Management, a fund management firm.

Michael took degrees in Theoretical Physics (University of Kent) and a Master's in History of Science (Imperial College, London University), followed by an academic year as a Scientific Associate at CERN, the particle physics research organisation. He is an elected Member of the Institute of Physics, a Founding Member of the World Technology Network and an accredited Member of the Association of Photographers.

# 3: TAXATION

PLEASE NOTE THIS SECTION IS A CONDENSED SUMMARY OF THE TAXATION LEGISLATION AND SHOULD NOT BE CONSTRUED AS CONSTITUTING ADVICE, WHICH A POTENTIAL INVESTOR SHOULD OBTAIN FROM HIS OR HER OWN INVESTMENT OR TAXATION ADVISER BEFORE APPLYING UNDER THE OFFER.

TAX TREATMENT DEPENDS ON THE INDIVIDUAL CIRCUMSTANCES OF EACH INVESTOR AND MAY BE SUBJECT TO CHANGE IN THE FUTURE.

## KEY TAX RELIEFS

Qualifying Investors who qualify for SEIS may benefit from:	Qualifying Investors who qualify for EIS may benefit from:
50% income tax relief on amount subscribed (up to a maximum annual investment of £100,000 for the 2018/2019 tax year and/or £100,000 carried back to 2017/2018 tax year)	30% EIS income tax relief on amount subscribed (up to a maximum investment of £1 million for the 2018/2019 tax year and/or £1 million carried back to 2017/2018 tax year)
100% inheritance tax relief after two years (provided the investment is held at the time of death)	100% inheritance tax relief after two years (provided the investment is held at the time of death)
50% Capital Gains Tax exemption for chargeable gains reinvested (up to the maximum subscribed)	EIS Capital Gains Tax deferral for the life of the investment on amount subscribed
100% tax free growth (provided income tax relief has been given and not withdrawn and disposal takes place after the end of the SEIS Three Year Period)	100% tax free growth (provided income tax relief has been given and not withdrawn and disposal takes place after the end of the EIS Three Year Period)
Loss relief (a loss on shares disposed of can be set against an Investor's income or capital gain to reduce tax)	Loss relief (a loss on shares disposed of can be set against an Investor's income or capital gain to reduce tax)
Business Investment Relief (for certain UK resident non-UK domiciled Investors). No taxable remittance for foreign income or gains brought into the UK from offshore for qualifying investments for certain UK resident non-domiciled investors.	Business Investment Relief (for certain UK resident non-UK domiciled Investors). No taxable remittance for foreign income or gains brought into the UK from offshore for qualifying investments for certain UK resident non-domiciled investors.

## TAX RELIEF FOR INVESTORS

Each Portfolio Company will undertake to operate within the restrictions laid down by the SEIS/EIS legislation so that the SEIS/EIS taxation reliefs should be potentially available to subscribers.

Each Portfolio Company will submit an application for provisional approval to HM Revenue & Customs that its activities will qualify under SEIS/EIS legislation. There is no guarantee that formal clearance will be achieved for the Portfolio Company or that it will not be subsequently withdrawn. The monies raised from the Subscription will be used to facilitate the growth and development of each Portfolio Company and so will satisfy the risk to capital requirements.

To obtain the tax reliefs described below it is necessary to subscribe in cash for fully paid-up ordinary shares (except for those shares which are bonus shares) in a qualifying Portfolio Company and claim the relief. Please note that the value of any relief depends on your individual circumstances.

The summary below is based on current law and only gives a brief outline of how the tax reliefs are given. It does not set out all the rules which must be met by the Investor and the Portfolio Company. The summary is intended only as a general guide and is not a substitute for the Investor obtaining professional tax advice before applying for shares. SEIS/EIS relief as it currently stands has four elements:

### SEIS/EIS income tax relief

Investors may obtain income tax relief in the tax year in which the shares are issued on the amount (or aggregate amount) of shares subscribed for, subject to a maximum investment of £100,000 (for the tax year 2018/19) for all SEIS investments in one or more qualifying companies and £1,000,000 for all EIS investment in one or more qualifying companies. Certain amendments affecting this provision were implemented by the UK government in the Finance Act 2018 (see below). Investors cannot obtain the tax relief if they are 'connected' with the issuing company. Relief may not be available if an Investor has or takes out a loan which is linked to the investment.

The rate of SEIS income tax relief is 50% for the 2018/19 tax year and the rate of EIS income tax relief is 30% for the 2018/19 tax year.

Husbands, wives and civil partners can each receive SEIS/EIS relief on subscriptions as detailed above.

The relief is given against (but cannot exceed) the Investor's individual income tax liability for the tax year in which the shares are issued. It is also possible to carry back an EIS/SEIS subscription to the preceding tax year providing the limit for relief was not exceeded in that earlier year.

## Exemption from CGT

Any capital gains on disposal of shares in an SEIS/EIS qualifying company realised more than three years after the date of issue of the shares or the date the Portfolio Company started trading (if later) on which SEIS/EIS income tax relief has been given and not withdrawn, are tax free.

## Loss relief against income or gains

Tax relief is available where there is a loss on a disposal at any time of shares on which SEIS/EIS income tax relief (see 1 above) or CGT re-investment relief (see 4 below) has been given and not withdrawn, provided the relevant requirements of the legislation are satisfied.

The amount of the loss (after deducting any amount of any income tax relief which remains attributable to the shares sold) can be set against the individual's gains or taxable income in the tax year in which the disposal occurs, any excess can be carried forward as a capital loss to be set off against future capital gains.

Alternatively, on making a claim, the loss net of income tax relief may be set off against the Investor's taxable income in either the tax year in which the disposal occurs or the previous tax year.

## CGT re-investment relief

EIS re-investment relief is a deferral relief which allows the investor to defer the capital gain to a later date. There is no requirement for income tax relief to have been claimed and there is no ceiling to the amount of the gain which can be deferred. For qualifying EIS investments in 2018/19 the relief can be used to defer the gain on disposal of any asset in the 36 months before or 12 months after the Qualifying Investment is made.

Unlike EIS re-investment relief which defers capital gains, SEIS re-investment relief does not just defer the gain but it exempts up to half of it from tax saving up to 14% in capital gains tax. This is available where a chargeable gain is made on a disposal in 2013/14 onwards. The maximum investment eligible for this relief is £100,000 i.e. £50,000 potential exemption from capital gains tax. Qualifying shares must have been held for a minimum of three years.

The Investor must be UK resident or ordinarily resident for tax purposes both at the time of the original gain and at the time the shares are issued, and generally must not become non-resident for three years after reinvestment or the date the trade commenced, if later.

## Inheritance tax and business property relief

An investment in an SEIS/EIS Qualifying Company will usually qualify for business property relief. Provided a shareholder has owned the SEIS/EIS shares for at least two years at the time of death (and the SEIS/EIS Qualifying Company is also a qualifying unquoted trading company), 100 per cent business property relief from inheritance tax is available under current legislation. There is no upper limit on the amount of inheritance tax relief that can be claimed in this way.

## Trusts

Reliefs are available to UK resident Investors as trustees of discretionary trusts or life interest trusts.

Apart from being attractive to individual investors who are UK resident for tax purposes, investing in SEIS/EIS funds offers beneficial tax planning opportunities to trustees of certain trusts.

## Investor relief

Investor Relief is an extension of the entrepreneurs' relief under part 5 TCGA which allows individuals other than employees or officers to benefit from a reduced capital gains tax rate where qualifying shares are held for three years or longer.

Any capital gains realised on a disposal of Shares in the Qualifying Company after the Three-Year Period on which Investor tax relief has been given and not withdrawn will be subject, at current rates, to a 10% capital gains tax charge. This is subject to a lifetime limit of £10 million.

**The information above sets out a very brief summary of the current UK S/EIS tax reliefs. The value of the tax reliefs will depend on personal circumstances, which may change. References to tax are based upon current legislation and HMRC practice, which might be subject to change in the future. In addition, the availability of tax reliefs depends on the Portfolio Companies maintaining their qualifying status. Please refer to the HM Revenue & Customs website for further guidance on the tax reliefs available on S/EIS investments or consult your tax adviser.**

## **QUALIFYING COMPANY REQUIREMENTS**

To qualify for SEIS and EIS relief, the Portfolio Company must not be listed on a recognised stock exchange and there must be no “arrangements” in place for it to become so listed.

For SEIS only, the trade of the Portfolio Company must not commence more than two years before the date of the Qualifying Investment for a SEIS share issue is made by an Investor.

In addition, throughout the relevant period (the period from the issue of the shares in the Portfolio Company to the date three years from the date of issue of the shares or from the commencement of trade, if later), the Portfolio Company must not be a 51% subsidiary of, or be controlled by, another company, and there must be no “arrangements” in existence for the Portfolio Company to become a subsidiary of, or be controlled by, another company. If, for genuine commercial reasons, a holding company needs to be inserted above the SEIS/EIS Portfolio Company, this should not result in the Portfolio Company losing its SEIS/EIS status provided certain conditions are met.

The Portfolio Company must either exist to carry on a qualifying trade or else be the parent company of a trading group. A trading group is a group in which directly or indirectly more than 50% of the shares of each subsidiary are held by another member of the group, but any subsidiary employing any of the money raised by the issue must be a qualifying 90% subsidiary. Non-qualifying business activities (broadly, investment activities and non-qualifying trades) must not comprise a substantial part of the business of the group as a whole. The qualifying business activity for which the money is raised by the share subscription must be a trade carried on by the Portfolio Company or a 90% subsidiary of the Portfolio Company, the Portfolio Company must have a permanent establishment in the UK and the trade must be conducted on a commercial basis with a view to the realisation of profits.

To qualify as an SEIS Company, the value of the gross assets of the Portfolio Company and any subsidiaries must not exceed £200,000 immediately before the issue of the shares.

To qualify as an EIS Company, the value of the gross assets of the Portfolio Company and any subsidiaries must not exceed £15,000,000 immediately before the issue of the shares or £16,000,000 after.

As an SEIS Company, the Portfolio Company is limited to a maximum fund-raising of £150,000 in total via SEIS and other de minimis State Aid.

For shares to be eligible for EIS relief the issuing company must not have raised more than £5,000,000 through EIS, SEIS and Venture Capital Trust shares in the previous 12 months.

As an SEIS Company, the Portfolio Company must have fewer than 25 full-time employees (or full time equivalent) at the time of investment. EIS companies must have fewer than 250 full time employees (or full time equivalent) at the time of investment.

Most types of trades are qualifying trades but certain activities, including dealing in land and property development, are excluded.

Subject to the above, please note that the taxation levels, bases and reliefs described in this document are based on existing law and what is understood to be current HM Revenue & Customs practice, but these may be subject to change.

An application will be submitted to HM Revenue & Customs for approval that each proposed Portfolio Company and its activities will qualify under the SEIS or EIS, based on information disclosed.

Following the issue of SEIS and/or EIS Shares by a Qualifying Company, and after a Portfolio Company has spent at least 70% of the funds raised from the issue on the Portfolio Company’s business, or has traded for four months, if earlier, the Portfolio Company can apply to HM Revenue & Customs for authorisation to issue a compliance certificate to Investors. Although the time taken by HM Revenue & Customs to grant authorisation cannot be controlled by the Portfolio Company, every effort will be made by the Manager to expedite matters and, as soon as authorisation is given compliance certificates will be distributed to Investors. Investors should then submit the certificate to the Inspector of Taxes dealing with their own affairs if they wish to claim their relief.

Where the Investor wishes to treat some of the shares as issued in an earlier year (as referred to above), it would be necessary to make a separate claim using the compliance certificate. This would amend the tax return for that earlier year.

## **DIVIDENDS**

Any dividends paid by Qualifying Companies are taxable.

## **AMENDMENTS TO EIS RELIEF IN THE FINANCE ACT 2018**

The annual investment limit for Enterprise Investment Scheme (EIS) investors will be doubled from £1 million to £2 million, provided that any amount above £1 million is invested in Knowledge-Intensive Companies.

The annual investment limit for knowledge-intensive firms will be doubled from £5 million to £10 million through the EIS and by Venture Capital Trusts (VCTs).

Knowledge-Intensive Companies will be able to choose whether to use the current test of the date of first commercial sale or the point at which turnover reached £200,000 to determine when the 10-year period has begun.

# 4: THE FUND

## HISTORY

To invest in the winning businesses from the *Start-Up Series* competitions, the Fund was initially named the *Start-Up Series SEIS Fund One* and designed to invest up to £1.8 million in winners of the *Start-Up Series* and £0.3 million in other companies.

The progress of investing tranches 1, 2, 3 and 4 of the Fund has led to the extension of the Fund to continue, in principle, year-on-year, and the maximum Fund size increased. Early stage SEIS Portfolio Companies may seek follow-on EIS investment after reaching the ceiling allowed by HMRC for SEIS funding (in 2018/19: £150,000 per company) and therefore EIS follow-on investment is now considered. The name of the Fund was changed to Start-Up Series Fund on 3 January 2018.

## INVESTMENT OPPORTUNITY

The objective (defined investment policy for the purposes of the AIFMD) of the Start-Up Series Fund is to offer investors access to selected investment opportunities across a number of sectors in the UK's growing start-up community of new business which benefit from Enterprise Investment Scheme and Seed Enterprise Investment Scheme tax reliefs. The investment opportunities shall be sourced through the competition funding method used by Worth Capital. The objective shall encompass investing in business-to-business as well as business-to-consumer businesses, using the EIS or SEIS as appropriate. The Manager considers that provided prudent and well-established practices are used to scrutinise opportunities sourced and originated from specialists such as Worth Capital, start-up and seed companies operated by either by experienced professionals or those with a particular expertise and which qualify for S/EIS tax reliefs as an investment advantage, have the potential to offer Investors an attractive return.

## FUND SUITABILITY

The Fund may be suitable for UK taxpaying investors looking for a medium to long term investment whose personal circumstances allow them to take advantage of the SEIS and / or EIS relief; such that they are able to benefit from

- income tax relief
- capital gains reinvestment and/or deferral relief.
- shelter from inheritance tax
- tax free capital growth
- diversifying their existing investment portfolio.

## RISKS

- The attention of Investors is drawn to the information set out in Risks, section 6 of this document, which sets out the principal risks associated with an investment in the Fund. The tax treatment referred to in this document depends on the individual circumstances of each Investor and may be subject to change in future. In addition, the availability of any tax reliefs always depends on the Portfolio Companies maintaining their qualifying status.

## INVESTMENT RESTRICTIONS

Before an investment is made in any Portfolio Company, a potential Portfolio Company shall wherever practical and applicable:

Apply for and obtain advance assurance from the Small Companies Enterprise Centre (SCEC) that HMRC will regard the shares issued by the Portfolio Company as satisfying the requirements of the EIS or SEIS scheme or provide evidence, from tax accountants, that the Portfolio Company, by virtue of an existing EIS share issue is already in a qualifying period arising from the date of their last EIS equity investment, and is still a qualifying EIS company.

Receive investment approval from the Manager.

Agree to appoint, where required by the Manager, a person nominated by Worth Capital as a non-executive director.

## TARGET RETURN

The target return from investment in Portfolio Companies is:

**SEIS investments:** 240% after 5 years (i.e. original investment plus 1.4 x investment), plus tax reliefs.

**EIS investments:** 190% after 5 years (i.e. original investment plus 0.9 x investment), plus tax reliefs.

## LIQUIDITY & EXIT

**Important note: The Fund's investments will be in Non-Readily Realisable Securities and as such will be highly illiquid, may not even be realisable, and thus not suitable for all Investors. Investors considering making a Subscription to the Fund are strongly advised to take prior advice from a qualified adviser.**

Investors should be prepared to retain an EIS or SEIS investment for at least three to five years (or more) from the date of investment or the initial qualifying period of investment should the date of trading be later than the date of investment or under current EIS and SEIS relief rules and regulations they will lose any initial tax reliefs they have claimed.

It would be prudent to view an investment in the Fund as medium to long term. A person should only invest in the Fund with a view to leaving the investment intact for at least 5 years from the date(s) of investment of his or her funds into Portfolio Companies.

## EXITS

The Fund will take a long-term view on the Portfolio Companies and will aim to only look at the possibility of facilitating an exit from an investment after it has been held for at least a three-year period, thereby ensuring, wherever possible, that the investment has met one of the key qualifying conditions necessary for Investors to obtain the relevant tax reliefs. However, there may be occasions where an earlier sale is a commercially sensible decision.

The Fund anticipates that the options for Investors to exit a Portfolio Company may include the following:

- a sale to a third party, at arms-length, of a Portfolio Company
- the purchase by a Portfolio Company of shares held by the Fund's Investors, subject to taxation rules
- the introduction of new investors (not S/EIS investors, who must buy new shares) to a Portfolio Company
- the reduction of a Portfolio Company's share capital
- the voluntary liquidation of a Portfolio Company or the sale of a Portfolio Company's assets and subsequent distribution of proceeds to shareholders.

The Fund Manager anticipates that the Fund may start exiting investments during year 5 from commencement of investments in Portfolio Companies i.e. during 2022-23.

Part of the terms of investment into the Portfolio Companies will be provision to liquidate the Investors' holdings after five years (where exits have not already been achieved) based on an independent valuation.

Given it may not be in the Investors' interests to liquidate a particular company's holding – i.e. if it was still in high growth or had line of sight to a lucrative exit in the next couple of years - the Fund may be liquidated as a combination of cash and shares in some Portfolio Companies transferred from Nominee to Investors' own control.

## THE MANAGER

The Fund is managed by Amersham Investment Management Ltd. The Manager is a specialist investment management firm and fund manager. Founded by two former principals of the Tradepoint Stock Exchange (which as a UK Recognised Investment Exchange in 2001 became, as Virt-x, part of the Swiss Stock Exchange), the firm is authorised and regulated by the Financial Conduct Authority as an investment manager, fund manager and as an Alternative Investment Fund Manager (AIFM) with FRN 507460.

## TIMETABLE

The Manager anticipates a next Interim Closing Date on 31 July 2018 (unless extended or brought forward by the Manager at its discretion) and the Manager anticipates that Subscriptions will be substantially invested within 12 months of the final close of the Fund. The Investment Manager may, in its absolute discretion, undertake a number of closes in respect of the Fund prior to, and on, the final Closing Date in tranches of £450,000 (or such other amount as the Manager may agree) in order to facilitate investment by tranches over time into Investee Companies.

**Since the Manager undertakes multiple closes of the Fund, Investors may not hold shares in all of the Investee Companies in which the Fund invests.**

# 5: FEES & CHARGES

Wherever possible, the Manager will levy fees and charges against the Portfolio Companies in which investments are made, so Investors are able to obtain the maximum amount of tax relief available on the amount of their Subscriptions.

Fees and charges are levied at rates commensurate with the work undertaken by the Manager and their professional partners in the establishment of the Fund, arranging and undertaking investments, subsequently managing these investments and finally managing exits from and the termination exit of the Fund.

Regulated activities in respect to the Fund are carried out by the Manager.

## PORTFOLIO COMPANY FEES

The following table sets out costs and fees payable by a Portfolio Company over the likely lifetime of the Fund. Where costs are incurred on a portfolio of investee companies they will be charged pro-rata across that portfolio.

Fees vary according to the type of investment: a qualifying **SEIS** investment; an **EIS follow on** - an EIS qualifying investment following on an SEIS investment in a Portfolio Company in the Fund; or an **EIS new to Fund** - an EIS qualifying investment in a Portfolio Company with no prior SEIS investment by the Fund.

	SEIS	EIS follow on	EIS new to Fund	
1. Funding & legal	up to 4.9%	up to 6.9%	up to 8.9%	Once only as percentage of each Investment
2. Fund management	£6,250 over 2 years then £1,333 p.a.	2% p.a.	2% p.a.	SEIS: fixed fee EIS: annual as percentage of total Investment
3. Investor Director	£12,000 p.a.	£12,000 p.a. (in total)	£12,000 p.a.	Annual for first 2 years only
4. Company exit	1.3%	1.3% (in total)	1.3%	Percentage of investment receipts at exit
5. Performance	up to 7% equity	up to 7% equity (in total)	up to 7% equity	Agreement granting options over shares in each Portfolio Company -see point 5 below.

### 1. Funding & legal

Due diligence, documentation, legal arrangements, disbursements & transaction. May be incurred on a case by case basis. The charge will be agreed in advance by the prospective Portfolio Company. Such costs may include abort fees, custodian fees, due diligence costs and expenses and other reasonable costs incurred by the Manager in managing the Fund and are paid by each Portfolio Company. Up to 8.9% of the value of funding provided to each Portfolio Company, collected and administered by the Manager, upon completion of the investment into the Portfolio Company.

### 2. Fund management

Administration & Custodian/Nominee: payable by the Portfolio Company to the Manager.

SEIS Portfolio Companies: £6,250 from the initial SEIS investment receipt, £1,333 per annum paid at the start of years 3, 4 and 5 from the date of the Investment.

EIS Portfolio Companies: 2% per annum of funds invested for a period of five years from the date of investment payable quarterly in advance by way of standing order.

### 3. Investor Director

Each Portfolio Company will appoint one Investor Director when required to do so by the Manager, irrespective of whether the investment is SEIS-qualifying, EIS-qualifying or a follow-on EIS investment by the Fund. Payable by the Portfolio Company to the Promoter, Worth Capital. £12,000 per annum for two years. £6,000 payable on the initial Investment, then payable £1,000 per month by direct debit for the remaining 18 months.

### 4. Portfolio Company exit

A transaction fee charged by the Manager on completion of an exit from an investment in a Portfolio Company: 1.3% of the value of the Investors' holding, paid to the Manager by each investee company.

## 5. Performance

These are designed to align the interests of the Promoter and Fund Manager to those of the Investee and Investors.

Governed by a share option agreement between the Promoter and the Investee Companies to which the Manager is party.

For SEIS Investments: a share option agreement over up to 7% of the equity in each SEIS Portfolio Company is granted to Worth Capital - of which up to 0.5% is assigned to MVF Digital, the owner of [www.startups.co.uk](http://www.startups.co.uk) which is the Promoter's competition partner, and up to 1.4% is assigned to the Manager.

For EIS investments: a share option of up to 7% of the equity in each EIS Portfolio Company is granted to Worth Capital - of which up to 1.5% is assigned to the Manager. For an EIS 'follow on' investment, total share options granted following the SEIS and EIS investments made by the Fund will not in total exceed 7% of the equity in the Portfolio Company.

### Other fees

Where the Manager considers there may be additional extraordinary costs such as abort fees or any other reasonable costs of managing the Fund these will be charged on a case by case basis to Portfolio Companies. Such fees shall be payable to the Manager. Where possible these costs will be agreed in advance with the Portfolio Company.

## INVESTOR FEES

### Performance

These are designed to align the interests of the Promoter and Fund Manager to those of the Investee and Investors.

A performance return is payable by the Investor of up to 1.5% of the Investor's subscription for each full year invested (rounded up) in each exited Portfolio Company, subject to an Investor return of at least £1.06 for each £1 of Investor's subscription invested in the relevant Portfolio Company. This will be collected and administered by the Fund Manager, to be paid to the Promoter, Worth Capital, upon the completion of each exit from a Portfolio Company.

### Fund termination

Charge levied by the Manager on the return of monies to the Investor from the termination of the Fund, which is a regulated activity: 0.65% of the value of the Investors' holdings, paid to the Manager.

### VAT

The fees and charges described above are exclusive of VAT, which will be charged as applicable.

## INTERMEDIARIES

Following the introduction of the Retail Distribution Review (RDR), commission is not permitted to be paid to Intermediaries who provide a personal recommendation to UK retail clients in respect of the Fund. Instead of commission being paid, a fee will usually be agreed between the intermediary and the Investor for advice and related services (the 'intermediary charge').

The intermediary charge can either be paid directly by the Investor to the intermediary or, if it is an initial one-off fee, the Manager can, out of the Investor's Subscription and with the Investor's agreement facilitate the payment of such fee. The Manager will not facilitate on-going fees.

If the intermediary charge is to be facilitated by the Manager then the Investor is required to specify the amount (inclusive of VAT, if applicable) of the intermediary charge on the Application Form.

The intermediary charge will be deducted from the Subscription and the amount net of the intermediary charge will be invested in portfolio companies and be subject to income tax relief of 50%. Therefore, by way of an example, if £50,000 were invested into the Fund with a 2% intermediary Charge, £49,000 would be subscribed to the portfolio companies and any available income tax relief would be £24,500 (being 50% of £49,000).

## 6: RISKS

An investment in the Fund is subject to a number of risks. Before making any investment decision, prospective Investors should consider carefully the risks attaching to an investment in the Fund together with all other information contained in this Information Memorandum, including in particular, and not limited to, the risks described below. This information does not purport to be exhaustive and the risks described below are not in an order of priority. Additional risks and uncertainties not presently known to the Manager or those that the Manager currently considers to be immaterial may also have an adverse effect on the business or affairs of the Portfolio Companies. Investors should consider carefully whether an investment in the Fund is suitable for them in the light of the information in this Information Memorandum and their personal circumstances.

**The investment opportunity described in this Information Memorandum will not be suitable for all investors. All potential investors are strongly advised to consult an appropriately qualified taxation adviser and an investment adviser authorised under FSMA prior to making an investment in the Fund.**

RISK	COMMENT
<b>Failure</b>	
The Fund invests in SEIS or EIS eligible companies. A number of those companies are likely to fail during the life of the Fund or lose a great deal of their inherent value.	<p>The comprehensive distillation process, including time face to face with the entrepreneurs, is designed to spot these businesses with the best chance of survival and growth.</p> <p>Following the competition, Investor Directors that have the experience of formulating, finessing and executing plans will help the entrepreneurs to set realistic plans and contingencies, and help them to execute against them.</p>
<b>Economic</b>	
Changes in economic conditions including interest rate increases; rapid deflation or inflation, industry conditions and trends are all factors, which can substantially affect the performance of any equity investment. This is particularly so for early stage businesses without the battle scars and experience of trading through volatile economic conditions.	Experienced Investor Directors will help new entrepreneurs to anticipate, plan for and respond to changes in macro-economic conditions.
Investments from the Fund following Closes are likely to be made during a period of financial and economic uncertainty while the UK Government negotiates the UK's exit from the European Union ('Brexit').	There can be no assurance that 'Brexit' related risks to potential Portfolio Companies can be either quantified or mitigated, before, during or after the UK leaves the European Union.
<b>Business underperformance</b>	
Investments will only be made on the basis of assessed business plans and forecasts. However, by the very nature of early stage businesses, forecasts can be missed, which could affect the returns expected from and even the viability of a Portfolio Company.	Investor Directors that have the experience of formulating, finessing and executing plans will help the entrepreneurs to set realistic plans and contingencies, and help them to execute against them.
<b>Competition</b>	
Portfolio Companies prepare forecasts based on visibility of their marketplace at a point in time. However, in dynamic fast-paced markets, new competitors can appear quickly and greatly impact on a Portfolio Company's business plan and potentially their viability.	Experienced Investor Directors will help new entrepreneurs to anticipate, plan for and respond to changes in market conditions.

RISK	COMMENT
<b>Liquidity</b>	
The market for shares in a seed company is likely to remain illiquid until the business can achieve a full or partial exit.	An investor must regard an investment in the Start-Up Series Fund as a long term (5 to 7 years) investment.
No guarantees can be made on the timing or probability of exits.	The selection of winning companies will take account of exit potential – the entrepreneurs’ inclination to exit, the probability of an attractive, sustainable, valuable business being created and the potential purchasers.
Whilst the growing popularity of seed investments may create an innovation that creates liquidity across seed investing, this cannot be expected.	
SEIS and EIS rules require minimum holding periods (currently three years) to achieve the applicable tax reliefs.	Having a portfolio of winning businesses creates a spread of sectors and companies from which some exits are likely to be achieved.
There will not be a liquid market for shares in Portfolio Companies in the Start-Up Series Fund.	
<b>Information</b>	
Information for determining the value of seed investments and the risks to which they are exposed may not always be as available or as reliable as that for more mature businesses.	Worth Capital will promote good governance and effective reporting.
<b>Dilution</b>	
Portfolio Companies may from time-to-time require more capital to grow than anticipated. In the case of a capital fund-raising, investors may be diluted unless they can take up their pre-emption rights.	All agreements with Portfolio Companies will normally include pre-emption rights for existing shareholders.
<b>Tax: SEIS and EIS relief qualification</b>	
The circumstances of a business may change resulting in the withdrawal of qualification for SEIS and/or EIS reliefs.	To qualify for investment a winning business will have to have SEIS or appropriate EIS HMRC advance assurance (or equivalent) in place and any business that is perceived to be at the margins of qualification or whose business plan could put it at the margins of qualification would not be likely to be selected.
SEIS or EIS capital gains tax relief will not be allowed if investors exit the business within three years of making their qualifying investment.	Any sale of a Portfolio Company within the Three-Year Period would have to be judged beneficial to investors who would lose S/EIS relief.
<b>Tax: SEIS or EIS relief timetable</b>	
The investment timetable of the Manager may not be achieved, and this may result in the loss of SEIS or EIS tax reliefs in a given tax year or, when limits are reached in a given year, reliefs may be lost.	Investments will be announced in tranches expected to be made 2 -3 times per year or possibly quarterly.
In some circumstances, a delay could cause certain Investors to lose the opportunity to defer gains that occurred more than three years before the qualifying investment.	
All prospective Investors should be aware that as the Fund will invest in unquoted companies, the value of shares in the Portfolio Companies can fluctuate. In addition, there is no guarantee that the valuation of shares in the Portfolio Companies will fully reflect their underlying net asset value, or that Investors will be able to buy and sell at that valuation or at all. The Manager cannot guarantee that all investment will be completed within the target investment period of six months from an initial and subsequent close.	

## GENERAL RISKS

**Although investors are dealt with in common by the Manager of the Fund, they will not all be treated on an identical basis. In particular, because of the structure of the Fund, each investor may not hold shares in each company in which the Fund invests, and shares in any given company may represent different proportions of different investors' portfolios.**

A failure of any Portfolio Company to maintain the qualifying requirements for either SEIS or EIS could result in:

- Investors being required to repay the income tax relief received, depending on whether relief has been claimed under SEIS and EIS schemes on the Subscription and interest on the same;
- a liability to capital gains tax on a disposal of shares in Portfolio Companies;
- any gain covered by CGT deferral relief becoming crystallised.

The Manager will, at its discretion, seek provisional approval from HMRC that the Portfolio Companies in which it plans to authorise an investment should qualify under the SEIS or EIS rules prior to the investment being made, as applicable. However, there can be no guarantee that the SEIS or EIS tax reliefs will be available. If SEIS or EIS tax reliefs are not available, subscription monies will not be returned to Investors.

A sale of shares in the Portfolio Companies within the Three-Year Period will result in income tax relief being withdrawn and a liability to CGT on disposal.

The information in this Information Memorandum is based upon current taxation and other legislation and HMRC practice, and any changes in the legislation or HMRC practice may affect the value of an investment in the Fund. In particular, those Investors who choose to defer a gain may face a higher CGT liability when the deferred gain comes back to charge following an exit from the Fund. The value of the tax reliefs will depend on the individual circumstances of Investors and may be subject to change in future. In addition, the availability of tax relief depends on the Portfolio Companies maintaining their qualifying status.

Although advance assurance will normally be sought from HMRC that the Investee Companies are expected to be S/EIS Qualifying Companies and their activities should qualify under S/EIS prior to making an investment, there is no guarantee that the formal S/EIS claims will be agreed or that such agreement will not be subsequently withdrawn. In those circumstances, Subscription monies will not be returned to Investors. If a Portfolio Company fails to obtain S/EIS Qualifying Company status, or if it is subsequently withdrawn, S/EIS income tax relief and capital gains tax deferral relief would not be available to Investors or could be withdrawn.

## 7: HOW TO INVEST

To make an investment please request and complete an Application Form either for individuals or for the use of trusts, both of which are available from the Manager. You cannot make a joint application using this form, but your Spouse may apply separately. Please ensure that you satisfy the money laundering requirements (as explained in the Application Form) and enclose the relevant documentation with your application.

If required, Investors may indicate in their Application whether they are seeking EIS Relief, SEIS Relief or both. The Manager will invest in Portfolio Companies at its discretion and will take into account Investors' preferences where possible.

The next Interim Closing Date for Subscriptions to the Fund is expected to be on 31 July 2018 unless fully subscribed or the offer date is extended or brought forward at the discretion of the Manager.

The investment described in this Information Memorandum will not be suitable for all investors. All potential Investors are accordingly advised to consult an investment adviser authorised under FSMA and an appropriately qualified taxation adviser prior to making an investment. A summary of the risks associated with an investment in the Fund is contained in section 6 of this Information Memorandum.

The Manager may at its absolute discretion increase or decrease the minimum Fund size and the maximum Fund size and may undertake a number of initial closes of the Fund in tranches of £450,000 (or such other amount as the Manager may decide) in order to make investments in Investee Companies.

### RIGHT OF WITHDRAWAL

The EIS and SEIS rules do not permit investments to be withdrawn during the Three-Year Period, as to do so would invalidate any claim for tax relief and would lead to relief needing to be repaid.

Where an Investor wishes to withdraw their investment, under exceptional circumstances, such as the death of the Investor or proven severe financial hardship or proven health difficulties of the Investor and without any guarantee of success, the Manager will try to match withdrawals with other shareholders and interested parties. However, no guarantee can be given that any proposed matching will be successful or at what price a match might be achieved. If a sale is made within a Three-Year Period from the date of the EIS3 or SEIS3 certificates' stated inception date an Investor will lose their tax relief and could incur a loss on an investment.

### RIGHT OF CANCELLATION

Each Investor may exercise a right to cancel by notification to Woodside Corporate Services Ltd (the Receiving Agent) within 14 days of acceptance of an Investor's completed Application Form. This should be done by a letter sent to the Receiving Agent's registered office as set out in this Information Memorandum.

On exercise of the Investor's right to cancel, the Manager shall refund any monies paid to the Receiving Agent by the Investor, less any charges already incurred for any services undertaken in accordance with the Application Form (but not any initial fees paid to the Manager).

The Receiving Agent is obliged to hold investment monies until satisfactory completion of checks under the Money Laundering Regulations 2007 undertaken by the Investor's Registered Intermediary.

The Investor will not be entitled to interest on monies refunded following cancellation.

The right to cancel under the FCA Rules does not give the Investor the right to cancel or terminate or to reverse any particular investment transaction executed for the account of the Investor before their cancellation takes effect. The Fund Manager reserves the right to treat as valid and binding any application not complying fully with the terms and conditions set out in this Information Memorandum. In particular, but without limitation, the Manager may accept applications made otherwise than by completion of an Application Form where the Investor has agreed in some other manner acceptable to the Manager to apply in accordance with the conditions of application.

# 8: FUND OPERATION

## THE INVESTMENT PROCESS

### 1. Origination

Deal flow origination arises principally but not exclusively from Worth Capital's Start-Up Series competition process.

This process includes Worth Capital's preliminary assessment and screening of candidate Portfolio Companies.

### 2. Term Sheet subject to due diligence

Once a candidate company is identified by Worth Capital as a possible Portfolio Company, there follows a period of due diligence to support the negotiation of prospective investment terms. If the results are then satisfactory to Worth Capital and the Manager, further due diligence is conducted once terms are agreed, including third party due diligence where required, to complete the proposal for investment approval. The Manager will require prospective Portfolio Companies to have applied for and obtained Advance Assurance from HMRC.

### 3. Transaction Execution

Managed internally with appropriate third party legal and accountancy support following investment approval.

### 4. Monitoring

Regular management reports and financial statements are required from Investee Companies. Worth Capital will normally monitor Portfolio Companies through an Investor Director.

### 5. Exit

The Manager's approval is required before the commencement of any sale process. Exit opportunities are actively monitored throughout the investment lifetime, but with emphasis on the period following the Three-Year Period necessary for SEIS or EIS tax reliefs.

## FUNDING & INVESTMENT

Subscriptions are to be remitted upon application. Subscription monies will be held by the Receiving Agent and Custodian. Investments will be made in successive tranches following completion of due diligence and once the Fund Manager has completed its own review processes on proposed new Portfolio Companies..

Any small amount of interest that might be earned on monies held on deposit will be set towards Fund administration costs rather than the Receiving Agent going to the expense of dispersing to individual Investors.

All Investors will have beneficial interest in ordinary shares in each Portfolio Company ranking pari-passu with management. Investment provisions within an investment agreement with a Portfolio Company will include certain investor protections the Manager regards appropriate for the size of investment.

**There is no option for Investors to pick and choose individual investments.** The Manager intends where practical to implement a diversified approach to investments.

Investors' EIS and SEIS tax reliefs arise, subject to the subsequent provision of EIS3 and SEIS3 certificates, at the date of the Fund's investment into each Portfolio Company being completed and not at the date of application to subscribe to the Fund. While the Fund Manager is aiming to make a number of investments in winners of the competition at certain times during each tax year the timetable cannot be guaranteed as each investment is dependent on completing legal and commercial due diligence processes.

The Manager may allocate investments in the Fund to Qualifying Companies at its discretion.

## BENEFICIAL OWNERSHIP

Investments will be made in new ordinary shares in qualifying Portfolio Companies. When Investors subscribe to the Fund, they appoint the Manager to invest their Subscriptions, on a discretionary basis, in Portfolio Companies. The structure of the Fund is that of an AIF with an agreement between the Manager and each Investor as set out in the Investment Agreement. The Subscriptions made will be aggregated, where possible, for the purpose of making investments through the Fund.

Upon investment into the qualifying winning businesses, the Investors will be the beneficial owners of the shares which will all be held in one nominee account at the direction of the Custodian. The Fund Manager will be responsible for discretionary decisions in relation to the selection of, and (subject to limitations) the exercise of rights in relation to, investments made, but the Investor retains beneficial ownership of the underlying shares.

The Fund Manager may, at its absolute discretion, have regard to any requests made to it to terminate any individual Subscription in the Fund and/or, assuming shares had been issued, to realise shares for the Investor's account; such termination may result in a loss of S/EIS tax reliefs and possible crystallisation of any deferred gain, should the qualifying criteria for such relief be broken. However, no assurance can be given as to the Fund Manager's success in realising shares for the Investor's account, such realisations may only be achieved at a loss when compared to the original and initial investment.

## **OTHER FEATURES**

The Fund's features provide for:

- commercial & technical due diligence and legal administration concerning potential Portfolio Companies being completed by Worth Capital and reviewed by the Manager.
- potential, subject to Worth Capital's application processes, for individual Investors with a relevant skill set, to become an Investor Director for a Portfolio Company and therefore having the satisfaction of helping guide the growth of a start-up business.

## **PRE-EMPTION RIGHTS**

Investors may or may not have the benefit of pre-emption rights in any additional equity raises for each individual investment, depending on provisions in the constitution and shareholder agreement arrangements of the Portfolio Company. Investors should note that any follow-on investment in a Portfolio Company would be unlikely to attract S/EIS relief although may possibly be eligible for EIS relief or other HM Government equity related tax reliefs. Investors should not assume that such pre-emption rights will apply.

## **FUND STATUS**

The FCA has indicated that, while funds such as the Start-Up Series Fund are not unregulated collective investment schemes, they may, in their view, fall into the scope of the Alternative Investment Fund Managers Directive (AIFMD). The Fund Manager is regulated and authorised by the FCA to act as an alternative investment fund manager.

The Manager will treat the Fund as its client for the purpose of determining which provisions of the Conduct of Business Sourcebook (COBS) forming part of the FCA's Handbook of Rules and Guidance will regulate the obligations owed by the Manager to Investors in common. This means the Fund invests your money on your behalf directly into Portfolio Companies.

## **FUND MANAGEMENT**

The Start-Up Series Fund is managed by Amersham Investment Management Ltd (Amersham). Amersham is a specialist investment management firm and fund manager. Founded by two former principals of the Tradepoint Stock Exchange (which as a UK Recognised Investment Exchange in 2001 became, as Virt-x, part of the Swiss Stock Exchange), the firm is authorised and regulated by the Financial Conduct Authority as an investment manager, fund manager and as an Alternative Investment Fund Manager (AIFM) with FRN 507460.

The Fund Manager has an internal investment committee to consider all potential Portfolio Companies sourced and commercially recommended by Worth Capital and to make the discretionary investment decision for each proposed investment. The Fund Manager's team includes Paul Barnes and Michael Waller-Bridge who will make the investment management decisions.

The Fund Manager will instruct the Receiving Agent to open and arrange for the Custodian to operate a bank account for the Fund with an authorised banking institution.

## **MINIMUM INVESTMENT**

The minimum investment is £10,000, subject to the discretion of the Manager.

## **CLIENT ACCOUNT**

Investors' Subscriptions will be held in a client account, in accordance with the FCA client money rules, operated by the Receiving Agent – Woodside Corporate Services Limited, who will also be the Fund's Custodian, with Metro Bank PLC ("Metro"), or such other bank or building society selected by the Custodian prior to investment in the Portfolio Companies. Any monies returned to the Fund following the realisation of investments in the Portfolio Companies and prior to the distribution of proceeds to Investors will also be held by Metro.

Any interest arising through the client account will be paid to the Manager as a contribution towards the costs of establishing the Fund.

## **SUBSCRIBERS' ALLOCATIONS**

The number of shares allocated to each Investor will likely be rounded down to the nearest whole share number corresponding to the amount invested. Any overpayment due to the rounding down will not be reimbursed by the Manager.

## DIVIDENDS

Any dividends received by the Custodian or the Nominee from the Portfolio Companies will be forwarded to Investors. However, given the likely early-stage nature of Portfolio Companies, the Manager does not anticipate any dividends being paid to the Fund within at least the first three full years of any Portfolio Company's trade, and then only if approved by ordinary resolution at a general meeting of the Portfolio Company.

## INVESTMENT AND FUND DOCUMENTATION & COMMUNICATION

All documents of title will be held by the Custodian or by the Nominee. Share certificates in Portfolio Companies will not be issued to each Investor but instead will be held by the Custodian's nominee on Investors' behalf.

## REPORTING

The Manager will send each investor half-yearly reports with respect to periods ending 5 April and 5 October each year or some other bi-annual frequency which the Manager may elect to adopt, usually within 45 days from the end-date of the period concerned. The report will contain, inter alia, a commentary on the progress of the Portfolio Companies and availability of Investors' SEIS3 and EIS3 certificates. Reports will include a measure of performance in the later stages of the Fund once valuations are available for the investments. Should the Manager determine to make such reports available online, these reports may in future also be posted on the Manager's website where, subject to data protection considerations and procedures, Investors will be given access to them.

## POTENTIAL CONFLICTS

The Manager recognise a number of potential conflicts arising from the operation and management of the Fund. This section summarises some of these conflicts.

Essentially, the Manager considers that potential conflicts of interest are most likely to arise under one or more of the headings below:

- Were the Fund to provide additional capital for such an existing investment, the interests of existing investors into such companies and those of this Fund's Investors may differ, for example, with regard to valuation and speed of exit.

Conflicts arising from the Fund's fee structure:

- The interest of the Investors and the Manager may diverge with regard to the desired timing of exits or create an incentive for the Manager to make speculative investments on behalf of the Fund.

Conflicts between the Fund and third-party co-investors:

- If there are third party investors in a company other than Investors who have subscribed through this Fund, there may be differing objectives of the Fund and the third party or parties. This would also apply if there were providers of debt capital alongside equity provided through the Fund.

## INVESTMENT CONFLICTS COMMITTEE

- The Manager proposes to deal with these or any other unanticipated conflicts by tabling any such conflicts or potential conflicts at duly convened meetings of an Investment Conflicts Committee, to be resolved in accordance with the Manager's conflicts policy in relation to the Fund with the Manager's (as the case may be) own proposals as to how such conflicts should be addressed or mitigated. Ultimately, the Manager will exercise its judgment so as to balance the interests of all its clients.
- Reference to the Investment Conflicts Committee will be made in the form of a written Information Memorandum from the Manager, which explains the background to the matter, the nature of the conflict or potential conflict and the Manager's provisional proposals for conflict resolution.
- The Investment Conflicts Committee will comprise of board members of the Manager and professional advisers where necessary. The Committee may be adjusted to ensure that two of its members will at all times be able to deliberate without being required to excuse themselves on grounds of taint by the conflict in question. Where this is not possible the Manager, at its sole discretion, will be able to appoint other members to the Investment Conflicts Committee, solely to consider a particular matter brought before it.

## ALLOCATION POLICY

Allocation in the Fund is designed to raise and close Subscriptions in tranches over a period of time in order to avoid the Receiving Agent holding Investors' Subscriptions un-invested pending the Fund possibly reaching its total target size. Investments will therefore be made in Portfolio Companies through a 'tranche' approach to Closes. The Manager has adopted the following policy to help ensure that all Investors in the Fund are treated fairly and to manage potential conflicts of interest in respect of investment allocations:

- Investors will have their Subscription monies invested in Portfolio Companies that have met the pre-conditions for investment, as outlined in the Information Memorandum, as soon as practicable in the investment cycle following a Close. This is to help ensure that SEIS or EIS reliefs as applicable will also be available to the Investors as soon as practicable.

- Where an Investor's Subscription is not invested in its entirety in any tranche resulting in a Close, any surplus shall be retained (unless either requested or offered to be returned to the Investor) for investment in a subsequent tranche of investment.
- Where it deems appropriate, the Manager will exercise discretion under the Investor Agreement as to the allocation in any Portfolio Company for any Investor. This means that Investors in the Fund overall may be invested in different companies and not all Investors in the Fund will be invested in all Portfolio Companies nor necessarily, where their investment has been spread over various investment tranches, have the same holdings as other Investors in the Fund.
- In the event that the Fund is required to consider and where there, subsequently, is a follow-on investment made in a Portfolio Company then any pre-existing Investors with as yet un-invested funds will, where possible, be able to participate in such follow-on investment and any un-invested funds may be allocated, subject to the Manager's discretion, pro rata to Investors who have agreed to invest.
- The Manager has a policy to manage potential conflicts of interest and is committed to allocating investments fairly in tranches in any Fund. However, the Manager retains the right to make allocation decisions at its discretion, which may result in a lower or higher proportional allocation of investments to Investors' portfolios.
- The Manager may also use Investors' funds to make follow-on investments in companies already invested in by earlier portfolios invested by the Manager. Individual Investors' returns from such an investment may differ from those received by earlier Investors, since follow-on investments may be completed on different terms.
- Periodic reports sent to Investors will detail individual Investors' beneficial holdings in Portfolio Companies.

## CUSTODIAN & RECEIVING AGENT

- The Fund's Custodian is Woodside Corporate Services Limited, which is authorised and regulated to hold client assets by the Financial Conduct Authority with firm reference number 467652. Woodside Corporate Services Limited's associate company WCS Nominees Limited will act as Nominee for the Investors and shares issued by the Investee Companies will be held in the name of the Nominee. The Custodian has been involved with corporate and SEIS and EIS fund administration for a comprehensive range of clients since 2008. The Custodian currently has over £750 million of assets under administration. The Custodian is registered on the Data Protection Public Register with registered number Z2944806.
- By completing an Application Form available from the Manager prospective Investors will, inter alia, be deemed to have irrevocably agreed to a Custodian being appointed to exercise certain powers and to carry out duties, on behalf of the Investors, which include inter alia, the following:
  - a. Function
 

The function of the Custodian will be to hold the investments made on behalf of Investors and to exercise the powers and duties which are conferred upon it by the terms of this Information Memorandum (including this paragraph).
  - b. Restrictions on transfer
    - i. The Custodian shall not be obliged to recognise the title of any person in whom an interest in shares in any Qualifying Company shall have become vested unless a properly validated notice or evidence of that person's entitlement shall have been produced to the Custodian.
    - ii. The Custodian shall not be obliged to recognise any transfer or assignment of an interest in the shares to any person unless such person shall have first agreed to enter into a transfer or assignment in a form approved by the Manager which shall incorporate an undertaking that such person will be bound by the terms of this paragraph.

Prospective Investors seeking SEIS or EIS tax relief should note the information regarding the potential loss of SEIS or EIS tax relief on the transfer of Shares set out under the heading "Right of Withdrawal" in section 7 of this Information Memorandum.
  - c. Custodian's obligations and powers
 

The Custodian will:

    - i. hold the shares in Portfolio Companies on behalf of Investors;
    - ii. be authorised to buy, sell, retain, convert, exchange or otherwise deal in the shares in Portfolio Companies as and when the Manager thinks fit;
    - iii. be authorised to, on the instruction of the Manager, exercise voting, pre-emption or similar rights in relation to the shares in Portfolio Companies in accordance with the Articles of Association of the Portfolio Companies or any agreement entered into in connection with the subscription for the relevant shares, and to deal with any rights relating to any share issue made or proposed by the Portfolio Companies;
    - iv. ensure that any dividends shall be paid to the Investors. In the event that any money in relation to the shares in Portfolio Companies is received by the Custodian it shall pay such money or money's worth to the Investors subject to any legal obligations on the Custodian to make retentions for payment of tax and/or fees and expenses payable to the Manager; and

be entitled to carry out such other acts and deeds which are in its reasonable opinion necessary or reasonably incidental to its appointment as a Custodian.

d. Appointment of a new Custodian

The Manager may at any time accept the resignation of, or remove, a Custodian (and any subsequent custodian) and appoint a new custodian in its place.

e. Investment

The Custodian may place any monies for the time being held by it on deposit with any bank or building society.

f. Indemnity

By completing the Application Form, each Investor indemnifies the Custodian (in proportion to their respective interests in the Portfolio Companies at the date of the claim to indemnify) against any claim made against it arising out of the fulfilment of its duties as Custodian and any costs, charges or expenses incurred by it in contesting the same, save where it is established that the subject matter of the claim was the result of a conscious and deliberate breach by the Custodian as custodian of each of its obligations.

# OTHER INFORMATION

## Promoter

Worth Capital Ltd  
10 Bloomsbury Way  
Holborn  
London  
WC1A 2SL

[www.worthcapital.uk](http://www.worthcapital.uk)

## Fund Manager

Amersham Investment Management Ltd  
25 Lexington Street  
London  
W1F 9AH

[www.amershaminvestment.co.uk](http://www.amershaminvestment.co.uk)

## Custodian & Receiving Agent

Woodside Corporate Services Ltd  
4th Floor  
50 Mark Lane  
London  
EC3R 7QR

## Solicitors

Dentons UKMEA LLP  
One Fleet Place  
London  
EC2Y 5AB

[www.dentons.com](http://www.dentons.com)

## Taxation Adviser

Haslers Chartered Accountants  
Old Station Road  
Loughton  
Essex  
IG10 4PL

[www.haslers.com](http://www.haslers.com)

# DEFINITIONS

Unless the context otherwise requires, words and expressions used in this Information Memorandum shall have the following meanings.

<b>AIFMD</b>	the directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on alternative fund managers
<b>AIF</b>	an alternative investment fund within the scope of the AIFMD
<b>Amersham</b>	the Fund Manager, Amersham Investment Management Ltd, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority with firm reference number 507460
<b>Application Form</b>	the application to become an Investor in the Fund, and so be bound by the Investor Agreement
<b>CGT</b>	capital gains tax
<b>Close</b>	the closing by the Manager of a round of Subscriptions in the Fund and the release of those Subscriptions for investment in Qualifying Companies as set out in the Information Memorandum or as otherwise determined by the Manager
<b>Closing Date</b>	in respect of a Fund means an Interim Closing Date or the Final Closing Date as the context may require
<b>Custodian</b>	such person as the Manager may appoint to provide, and with whom it has agreed terms for, safe custody and custodian and nominee services in respect of the Fund being at the date of this Information Memorandum, Woodside Corporate Services Limited which is authorised and regulated by the Financial Conduct Authority with firm reference number 467652
<b>EIS</b>	Enterprise Investment Scheme
<b>FCA</b>	the Financial Conduct Authority or any successor body or bodies thereto
<b>FCA Rules</b>	the FCA Handbook of Rules and Guidance
<b>Final Closing Date</b>	the final date upon which the Manager will undertake a Close. The Final Closing Date may be extended or brought forward at the discretion of the Manager
<b>FSMA</b>	Financial Services and Markets Act 2000 (as amended)
<b>Fund</b>	Start-Up Series Fund
<b>Fund Manager, Manager</b>	Amersham Investment Management Ltd, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority with firm reference number 507460
<b>HMRC</b>	Her Majesty's Revenue & Customs
<b>IHT</b>	inheritance tax
<b>IHT Relief</b>	100% business property relief which reduces the IHT liability on the transfer to nil
<b>IHTA 1984</b>	Inheritance Tax Act 1984
<b>Information Memorandum or Memorandum</b>	this document dated 11 April 2018
<b>Interim Closing Date</b>	a date on which the Manager will undertake a Close before the Final Closing Date. An Interim Closing Date may be extended or brought forward at the discretion of the Manager
<b>ITA 2007</b>	Income Tax Act 2007
<b>Investor</b>	an individual (and certain trustees or corporates) who completes an Application Form which is accepted by the Custodian and so enters into the investor agreement and invests into the Fund
<b>Investor Agreement</b>	the agreement to be entered into between each Investor and the Manager
<b>Investee Company</b>	a Portfolio Company
<b>Investor Director</b>	a director appointed to the board of a Portfolio Company, either Paul Soanes, Matthew Cushen or an alternative qualified individual agreed by the Fund Manager and the Portfolio Company

<b>Investor Relief</b>	is an extension of the entrepreneurs' relief under part 5 TCGA which allows individuals other than employees or officers to benefit from a reduced capital gains tax rate where qualifying shares are held for three years or longer
<b>Knowledge-Intensive Company</b>	is defined at S331A of the Income Tax Act 2007 and requires a company to meet one or both of the innovation condition and the skilled employee condition
<b>Manager</b>	Amersham Investment Management Ltd, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority with firm reference number 507460
<b>MVF Digital</b>	MVF Digital Ltd, a specialised business to business marketing and publishing group – including <a href="http://www.startups.co.uk">www.startups.co.uk</a> .
<b>Nominee</b>	such nominee as the Custodian may appoint to act as the Investor's nominee in respect of investments held in the Portfolio Companies from time to time
<b>Non-Readily Realisable Investment or Non-Readily Realisable Security</b>	an investment in non-readily realisable securities, in which the market is limited or could become so; they can be difficult to deal in and it can be difficult to assess what would be a proper market price for them
<b>Offer</b>	the offer for Subscriptions in the Fund set out in this Information Memorandum
<b>Portfolio Company</b>	a competition winner in the Start-Up Series competition and a company in which the Fund invests
<b>Promoter</b>	Worth Capital Limited
<b>Qualifying Company</b>	a company meeting the requirements for SEIS or EIS relief
<b>Qualifying Trade</b>	a trade which qualifies for SEIS or EIS tax relief
<b>Readily Realisable Investment</b>	a government or public security denominated in the currency of the country of its issuer or any other security which is admitted to Official Listing on an Exchange in an EEA State; regularly traded on or under the rules of such an Exchange; or regularly traded on or under the rules of a recognised investment exchange or (except in relation to unsolicited real time financial promotions) designated investment exchange, or a newly issued security which can reasonably be expected to fall within the above categories when it begins to be traded. Note that this term does not include AIM, ISDX (formerly PLUS and OFEX), or Sharemark trades investments, nor does it include unlisted securities
<b>Receiving Agent</b>	such person as the Manager may appoint to receive applications, at the date of this Information Memorandum Woodside Corporate Services Limited which is authorised and regulated by the Financial Conduct Authority with firm reference number 467652.
<b>Registered Intermediary</b>	an Independent Financial Adviser or other suitably qualified professional, regulated by the FCA for the conduct of business, who is responsible for advising an Investor
<b>Risk to capital</b>	Is defined within Finance (No 2) Bill 2017 and requires the investment of capital to be at risk and the investment be made in a company that is seeking to grow and develop over the long term
<b>SEIS</b>	Seed Enterprise Investment Scheme
<b>S/EIS</b>	the Enterprise Investment Scheme and/or the Seed Enterprise Investment Scheme as the context requires
<b>Spouse</b>	husband or wife or civil partner
<b>Subscription</b>	the amount subscribed to the Fund, as set out in the Application Form
<b>Three Year Period</b>	the period beginning on the date the relevant shares in the Portfolio Companies are issued and ending three years after that date, or three years after the commencement of each Portfolio Company's trade, whichever is later
<b>Worth Capital</b>	Worth Capital Limited, a private company registered in England Wales with company number 09157995 whose address is 10 Bloomsbury Way, London WC1A 2SL and whose registered office is at New Derwent House, 69-73 Theobalds Road, London WC1X 8TA

Words used in this Information Memorandum denoting any gender should be read as including all genders, all words denoting persons shall include individuals, trusts and limited companies and all words denoting the single shall include the plural and vice versa.



[worthcapital.uk](http://worthcapital.uk)

Worth Capital | 10 Bloomsbury Way, London WC1A 2SL | 020 3858 0847

Registered in England & Wales, no. 09157997 | Registered office New Derwent House, 69-73 Theobalds Road, London, WC1X 8TA

AMERSHAM  
INVESTMENT  
MANAGEMENT

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Registered In England & Wales no. 06974140 | Authorised & regulated by the Financial Conduct Authority, FRN 507460

Members of the

