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## **VCT for income: Northern 3 VCT PLC 15 million ordinary share issue offer**

Northern 3 VCT PLC launched its public offer of 15 million new ordinary shares in January this year, with a target of raising up to £13.5 million. The fund is managed by NVM Private Equity (NVM) - currently one of the top performing generalist VCT fund managers over the past three years with a track record of delivering returns to shareholders, even through a recession.

**Martin Churchill recommends Northern 3 VCT PLC within his annual Tax Efficient Review, along with other VCTs currently fundraising.** His comments suggest that *“current shareholders should benefit from lower running costs, a more diversified portfolio and potentially more liquidity in the VCTs shares. New shareholders should find that NVM participates in some of the larger deals executed by VCTs with over 90% of them being management buy-outs and development capital deals. New investors’ funds will immediately benefit from a highly diversified portfolio of 37 maturing venture capital investments, which is already generating income and capital growth.”*

NVM has the benefit of a 25 year track record of making unquoted investments and £325 million invested within that period. There has been a string of successful exits from NVM's portfolio companies in 2009, including DxS, Pivotal Laboratories, Liquidlogic and Abermed – generating realised gains of £4.9 million for Northern 3 VCT and reinforcing the company's ability to meet its objective of paying an annual tax-free dividend of at least 4 pence per share. **Investors will benefit from dividends paid from July 2010.**

NVM's sale of DxS to QIAGEN has been shortlisted for the **Deal of the Year category at the BVCA/RealDeals Private Equity Awards** - taking place on 22 April 2010 - due to the outstanding return the deal is generating for the shareholders of NVM's funds.

**NVM Chairman Tim Levett comments:** *“Prospects for VCT fundraising are positive this year with over 20 VCTs hoping to raise a combined target of £500 million. I predict that at least 50% of the target will be raised for the 2009/2010 tax year. As the UK starts to slowly emerge from the recession those companies that have survived are in a stronger position to grow their business and, with lack of bank funding in the SME sector, the opportunities for VCTs to find attractive growth deals has improved. Changes to the rules related to investments in SIPP’s have resulted in people needing to find other tax efficient investment opportunities and VCTs, with their income tax relief on investment and dividends paid tax-free, are an obvious choice”.*

The new share issue is promoted by VCT marketing experts Downing Corporate Finance, one of the leading fund-raising specialists in the VCT sector, who have been working with NVM in this role since 1999.

To encourage early applications an **“early bird”** incentive equivalent to 2% of the issue price will be given to existing shareholders in the Northern VCTs or 1% to new investors, who apply before 26 February 2010.

**The key points of the offer are as follows:**

- Funds sought – up to £13.5 million (before expenses)
- Issue offer price per share – 95.0p
- 30% income tax relief on subscriptions up to £200,000 in 2009/10 & 2010/11 tax years
- Minimum investment £5,000
- Maximum investment (per tax year) £200,000
- Active share buy-back policy – normal market purchases at a 15% discount to NAV
- “Early bird” incentives until 26 February 2010

To receive a copy of the Prospectus (including application form) by post (free of charge) please call **0191 244 6000** or e-mail: **new@nvm.co.uk**

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**Notes to editors:**

**NVM Private Equity Limited (NVM)** is one of the UK's leading independent private equity businesses focussed on making equity investments of between £2 million and £10 million in unquoted UK companies. NVM manages over £175 million of funds and is differentiated by having executives living and working in regional business communities throughout the UK.

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

**Northern 3 VCT PLC** was formed in 2001 as a Venture Capital Trust established under the legislation introduced in the Finance Act 1995. The company's principal objectives are to invest in a portfolio consisting mainly of investments in unquoted smaller UK companies which will, through a combination of income yield and capital growth, provide high long-term returns to shareholders.

**For further information please contact:**

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