

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 immediately.

This document comprises a prospectus relating to New ICT plc prepared in accordance with the prospectus rules and listing rules of the UK Listing Authority made under section 73A of the Financial Services and Markets Act 2000. A copy of this document has been delivered to the FSA in accordance with Rule 3.2 of the Prospectus Rules.

The Directors of the Company, whose names appear on page 13 of this document, and the Company each accept responsibility for the information contained in this document. Having taken all reasonable care to ensure that such is the case, the information contained in this document is, to the best of the knowledge of the Directors and the Company, in accordance with the facts and contains no omission likely to affect its import.

NEW ICT PLC

(incorporated in Scotland under the Companies Act 1985 with registered no. SC314671 and registered as an investment company under section 266 of the Companies Act 1985)

**Issue and Admission of up to 180 million A Shares and 60 million B Shares
in connection with the recommended proposals for the reconstruction of
Investors Capital Trust plc**

Manager

F&C Investment Business Limited

Sponsored by

Ernst & Young LLP

Applications have been made to the UK Listing Authority for the Shares to be admitted to the Official List and to the London Stock Exchange for the Shares and the Units to be admitted to trading on the London Stock Exchange's market for listed securities. It is expected that such admissions will become effective, and that dealings in the Shares and the Units will commence, on 1 March 2007.

Ernst & Young LLP, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is the sponsor to the Company and is acting for the Company in relation to the Issue. Ernst & Young LLP is also providing certain tax advice, sponsorship services and liquidation services to Investors Capital Trust plc in connection with the Scheme. Other than the Company and Investors Capital Trust plc as set out above, Ernst & Young LLP is not acting for any other person in connection with the Issue, will not be responsible to anyone other than the Company or Investors Capital Trust plc for providing the protections afforded to clients of Ernst & Young LLP and is not advising any other person in connection with the Issue or the contents of this document or otherwise in relation to any transaction contemplated in or by this document.

The sponsor, Ernst & Young LLP, does not take, and hereby excludes, any responsibility for the contents of this prospectus pursuant to sections 79(3) or 90 of the Financial Services and Markets Act 2000 and has not authorised the contents of the prospectus under Rule 5.5 of the Prospectus Rules.

Potential investors should consult their stockbroker, bank manager, solicitor, accountant or other financial adviser before investing in the Company.

Potential investors should also consider the risk factors relating to the Company set out on pages 8 to 11 of this document and the section entitled "Important Information" on page 12 of this document.

18 January 2007

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SUMMARY

This summary should be read as an introduction to the prospectus. Any decision to invest in the Shares and/or Units should be based on consideration of the prospectus as a whole by the investor. Where a claim relating to the information contained in the prospectus is brought before a court, the plaintiff investor might, under the national legislation of the EEA States, have to bear the costs of translating the prospectus before the legal proceedings are initiated. Civil liability attaches to those persons who are responsible for this summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus.

The Company

New ICT plc is a new investment trust which is being established as the successor to Investors Capital Trust plc ("ICT"). Shares in the Company are being offered as a rollover option to shareholders in ICT pursuant to a scheme of reconstruction of ICT under section 110 of the Insolvency Act 1986 (the "Scheme"). The name of the Company will be changed to "Investors Capital Trust plc" prior to the Effective Date of the Scheme. Its Shares are to be listed in the Official List of the UK Listing Authority and the Shares and the Units are to be traded on the London Stock Exchange's market for listed securities. The Company is intended as a long-term vehicle for investors and its assets will be managed by F&C Investment Business Limited.

Investment objective and policy

The Company's investment objective is to provide an attractive return to shareholders each year in the form of dividends and/or capital returns, together with prospects for capital growth. The Company has a target yield of 5.35 per cent. per annum based on an Issue Price of 100p and the intended quarterly dividends (to A Shareholders) and capital returns (to B Shareholders). The Company's capital structure offers Shareholders the opportunity to receive quarterly returns in the form of either dividends, capital returns, or both, to suit their own particular circumstances.

The Company's portfolio is to be managed in two distinct parts. The first part of the portfolio is to comprise investments in UK equities and equity-related securities (the Equities Portfolio) and the second part is to comprise investments in fixed interest and other higher yielding stocks and securities (the Higher Yield Portfolio). At the outset, approximately 80 per cent. of the investment portfolio will be allocated to the Equities Portfolio, with the balance being allocated to the Higher Yield Portfolio.

The Equities Portfolio will be invested with the aim of achieving a total return in excess of the FTSE All-Share Capped 5% Index. The Equities Portfolio will be invested predominantly in large and mid sized companies. The Equities Portfolio is expected to have an initial yield relative to the yield of the FTSE All-Share Index of around 115 to 125 per cent.

The Higher Yield Portfolio will initially be invested predominantly in corporate bonds. The Higher Yield Portfolio is expected to have an initial redemption yield of around 6.0 per cent.

Structure of the Company

The Company will have two classes of shares: A Shares and B Shares. The rights of each class of Shares will be identical, save in respect of the right to participate in distributions of dividends and capital. The net asset value attributable to each class of Shares will be the same.

Only A Shares will carry a right to participate in dividends paid by the Company. B Shares will not be entitled to dividends but each B Share will instead carry the right to receive a capital return at the same time as, and in an amount equal to, each dividend paid in respect of the A Shares.

The dividend yield in respect of the A Shares will be enhanced as a result of restricting to A Shares the right to participate in dividends declared by the Company.

For certain shareholders, there may be tax or other advantages in receiving a capital return rather than a dividend.

Capital returns are to be paid out of a special reserve (the Special Capital Reserve) which is to be created by the Company's cancellation of that part of its share premium account arising from premiums paid on the B Shares. Based on the targeted initial annual dividend and capital return of 5.35p per share, and in the absence of other factors and unforeseen circumstances, it is expected that the Special Capital Reserve would be sufficient for capital returns to be made, at that rate, over a period of 18 years.

Shares may be held within units of A Shares and B Shares ("Units"), each Unit comprising three A Shares and one B Share. Units will be traded separately on the London Stock Exchange's market for listed securities and certificates in respect of Units will be issued for certificated holdings.

Duration

Shareholders will be given the opportunity to vote by ordinary resolution on whether the Company should continue at five yearly intervals, commencing at the annual general meeting in 2012, in the event that the net asset value total return performance of the Company is less than that of the FTSE All-Share Capped 5% Index over the relevant five year period.

Gearing

The Company has the power under its Articles to borrow an amount up to 100 per cent. of the Company's Adjusted Capital and Reserves. The Directors currently intend that the aggregate borrowings of the Company will be limited to approximately 20 per cent. of the Company's gross assets immediately following drawdown and that an amount equal to 20 per cent. of those gross assets (calculated on that basis) will be drawn down shortly following Admission. The Directors will, however, retain flexibility to increase or decrease the level of gearing to take account of changing market circumstances and in pursuit of the Company's investment objectives.

The Company has arranged loan facilities with Lloyds TSB Scotland plc under which, subject to the satisfaction of certain conditions, a term loan facility of up to the lower of (i) 20 per cent. of the Company's gross assets immediately following drawdown (and calculated on the basis of drawdown at Admission) and (ii) £55 million, and a revolving credit facility of up to £5 million are to be made available for drawing by the Company for the purpose of making investments in accordance with its investment policy. The term of the term loan facility is to 30 September 2012 and the Company expects to enter into an interest rate swap transaction to fix the rate of interest on the term loan facility shortly following Admission.

The facility letter contains financial covenants with which the Company must comply including a financial covenant that the percentage of the total borrowings of the Company should not exceed 45 per cent. of the adjusted gross assets (as defined in the facility letter).

Discount management

In addition to the creation of the Special Capital Reserve the Company will create a further distinct reserve by the cancellation of that part of its share premium account arising from premiums paid on the A Shares (the "Buy Back Reserve"). The Buy Back Reserve will be available as distributable profits to be used for the buy back of both A and B Shares.

Charges to capital

It is estimated (on the basis of the Assumptions) that, in order to maintain the distribution per Share at the projected level of 5.35p per financial year and to produce a NAV of 100p on 31 March 2012, the value of the Equities Portfolio will need to increase at an average rate of approximately 3.1 per cent. per annum, of which 1.4 per cent. represents capital returns to B Shareholders and 1.7 per cent. represents costs charged to capital. It is estimated that, on the assumption that all distributable income is paid out each financial year and that there is no growth in the value of the portfolio (and otherwise on the basis of the Assumptions), the NAV would be approximately 85.0p on 31 March 2012.

Distribution policy

Dividends in respect of the A Shares, capital returns in respect of the B Shares and dividends and capital returns in respect of the Units will be paid quarterly in February, May, August and November each year.

Taxation

This summary of relevant taxation information is intended to highlight certain only of the more material taxation matters which may be relevant to Shareholders and/or Unitholders subject to UK taxation. It is based upon the UK law and HM Revenue & Customs ("HMRC") practice currently in force and relates only to the position of Shareholders and/or Unitholders who are beneficial owners of their Shares and/or Units. Shareholders and Unitholders are referred to Part 3 of this document for further information in relation to taxation matters.

Dividends

As noted above, dividends are payable only in respect of the A Shares (including those which are held within Units). Such dividends will be taxable in the normal way.

Capital returns

B Shareholders (including those who hold their B Shares within Units) will not receive dividends from the Company but will instead receive capital returns at the same time as, and in amounts equal to, each dividend paid in respect of the A Shares. These capital returns will fall to be taxed in accordance with the rules relating to the taxation of chargeable gains.

In relation to individual and corporate B Shareholders who are UK resident, the capital return will be treated, subject to what is said in the following paragraph, under the Taxation of Chargeable Gains Act 1992 ("TCGA 1992") as the proceeds of a part disposal of the holding of B Shares.

The Directors believe that, in normal circumstances, all discrete sums paid quarterly by way of capital return to B Shareholders will be "small" for the purposes of TCGA 1992. The receipt by a B Shareholder of a capital return which is "small" will not be treated as a disposal, or part disposal, of an asset and no UK tax will be due on receipt of the capital return. Instead, an amount equal to the amount received will fall to be deducted from the tax base cost of the B Shareholder's holding of B Shares. This treatment will only apply where, and to the extent that, the holding of B Shares from which the capital return is derived has a positive base cost against which to offset the capital receipt. Where this is not the case, the receipt of a capital distribution may fall to be treated as a part disposal. A capital return treated as "small" does not require to be included on any Self Assessment tax return. An individual B Shareholder's annual exempt amount for capital gains tax purposes will not be affected by this treatment.

For UK resident individual B Shareholders, indexation allowance and taper relief may be available to reduce the amount of any taxable gain. For UK resident corporate B Shareholders, indexation allowance may be available to reduce the amount of any taxable gain.

No tax credit will be available for individual B Shareholders on the receipt of the capital return.

Investment Manager

The Company's assets will be managed by F&C Investment Business Limited. F&C Investment Business Limited is authorised and regulated in the UK by the Financial Services Authority.

The F&C group has assets under management of £105.8 billion (as at 30 September 2006) globally and manages assets for a wide range of clients, including investment trusts.

Under the Investment Management Agreement, in return for providing investment management, administrative and secretarial services, the Investment Manager will be entitled to be paid a Base Fee and a Performance Fee by the Company. Provided the net asset value of a Share is above 100p at the financial year end, the Investment Manager will be entitled to a Base Fee equal to 0.90 per cent. of the net assets of the Company (payable quarterly in arrears). If the net asset value per Share is less than 100p then the rate is reduced to 0.75 per cent. (or to such higher amount as still leaves the net asset value at 100p per Share). The Performance Fee is payable every five years provided the net asset value per Share at the end of that five year period is 100p or above (or else it will be reduced so that the net asset value remains at 100p per Share) and is calculated as 15 per cent. (up to a cap) of the amount by which the Company's net assets (adding back capital returns paid on the B Shares) outperform its benchmark, the FTSE All-Share Capped 5% Index. For the Performance Fee, the 100p net asset value hurdle will increase for subsequent Performance Fee periods to the extent that the net asset value at the end of the previous period is higher.

The Issue

Shares are being offered as a rollover option to shareholders in ICT pursuant to a scheme of reconstruction under section 110 of the Insolvency Act 1986 (the "Scheme"). The Company will not participate in the Scheme (in which event the Issue would not proceed) if the value as at the Calculation Date of the net proceeds of the Issue is less than £40 million.

Up to 180 million A Shares of 0.1p each and up to 60 million B Shares of 0.1p each will be issued in the Issue. The Issue, which is not underwritten, is conditional upon admission of the Shares to the UKLA's Official List and to trading on the London Stock Exchange becoming effective.

Under the Costs Agreement between the Company and the Investment Manager, the costs of the Issue to the Company have been fixed at one per cent. of the gross proceeds of the Issue.

Risk Factors

The principal risk factors relating to the Company are:

- the value of an investment in the Company, and the income and/or capital returns derived from such investment, may go down as well as up and may not always reflect the net asset value per Share;
- past performance of ICT and of investments managed by the F&C group are not necessarily indicative of future performance;
- there can be no guarantee that any appreciation in the value of the Company's investments will occur and investors may not get back the full value of their investment;
- there can be no assurance that the A Shares and B Shares will have similar market values or that they will trade in the same manner, or that they will not trade at a discount to net asset value;
- although the Shares will be listed on the Official List and the Shares and Units will be admitted to trading on the London Stock Exchange, it is possible that there may not be a liquid market in the Shares and/or the Units and Shareholders and/or Unitholders may have difficulty in selling them;
- the payment of capital returns in respect of the B Shares will reduce the capital value of the Company's assets;
- the use of borrowings by the Company will magnify any losses suffered by the Company;
- any change in the Company's tax status or in taxation legislation or accounting practice could affect the value of the investments held by the Company, affect the Company's ability to provide returns to Shareholders or alter the post-tax returns to Shareholders; and
- any change in the tax treatment of dividends paid in respect of the A Shares and/or in the tax treatment of capital returns paid in respect of the B Shares could adversely affect the holders of the relevant class of Shares (including Unitholders).

EXPECTED TIMETABLE

2007

Calculation Date	20 February
Effective Date of the Scheme	28 February
Admission of Shares to the Official List becomes effective and dealings in Shares and Units commence on the London Stock Exchange	8.00 a.m. on 1 March
Crediting of CREST accounts in respect of Shares and Units	8.00 a.m. on 1 March
Share certificates despatched in respect of Shares and unit certificates despatched in respect of Units	Week commencing 5 March

In this document, where the context requires, references to 15 January 2007 should be treated as being references to the latest practicable date prior to the publication of this document.

ISSUE STATISTICS

Issue Price per Share	100p
Expected initial net asset value per Share	99p
Expected initial net dividend yield per A Share*	5.35 per cent.
Expected initial net return per B Share*	5.35 per cent.
Issue Price per Unit	400p
Expected initial net asset value per Unit	396p
Expected initial net distribution yield per annum per Unit	5.35 per cent.

* Based on the Assumptions, being the sum of (or, in the case of the return on the B Shares, an amount equal to the sum of) the intended quarterly interim dividends payable on the A Shares in respect of the 12 months to 31 March 2008 (being the Company's first financial year end) divided by the Issue Price.

RISK FACTORS

The risk factors set out below are those which are considered by the Directors to be material as at the date of this document but are not the only risks relating to the Company or the Shares and/or the Units. There may be additional material risks that the Directors do not currently consider to be material or of which the Directors are not aware. Potential investors should consult their stockbroker, bank manager, solicitor, accountant or other financial adviser before investing in the Shares and/or the Units.

Investors should consider the following risk factors in relation to the Company, the Shares and the Units.

General

An investment in Shares and/or Units is only suitable for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses which may arise therefrom (which may be equal to the whole amount invested). Such an investment should be seen as long term in nature and complementary to existing investments in a range of other financial assets and should not form a major part of an investment portfolio.

Changes in economic conditions (including, for example, interest rates and rates of inflation), industry conditions, competition, changes in the law, political and diplomatic events and trends, tax laws and other factors can substantially and adversely affect the value of investments and therefore the Company's performance and prospects.

Past performance of ICT, and of investments managed by the Investment Manager and/or other companies within the F&C group, are not necessarily indicative of future performance.

Economic factors prior to Admission

The projected returns on the A Shares and the B Shares are based on certain assumptions including assumptions as to the terms on which the Company will be able to borrow and the terms on which it will be able to fix the interest rate on that borrowing and also as to the yield on those assets which will be transferred to the Company from ICT under the terms of the Scheme.

While the Company believes that the projected returns are reasonable and the assumptions on which they are based are reasonable as at the date of this document, a change in certain economic factors between the date of this document and the date of transfer of the assets to the Company under the Scheme or the date on which the rate of interest on the bank facilities is fixed could have an adverse impact on the Company's ability to pay dividends on the A Shares and therefore capital returns on the B Shares. For example, if interest rates rose or the cost of fixing debt over the relevant period rose before the Company was able to hedge its bank borrowings, the Company would require a higher portfolio yield in order to offset the increased costs of borrowing and to pay the projected returns on the A Shares and the B Shares.

Similarly, if the yields on the assets to be transferred to the Company under the Scheme reduced before the date of the transfer of the assets under the Scheme (which could occur in the event the returns from those assets diminished or the capital value of those assets increased) then the Company may not be able to pay the projected returns on the A Shares and the B Shares.

The Shares and the Units

The market value of, and the income derived from, the Shares and the Units can fluctuate and may not always reflect the net asset value per Share and/or the net asset value per Unit. There can be no guarantee that any appreciation in the value of the Company's investments will occur and investors may not get back the full value of their investment. There can be no assurance that the A Shares and B Shares will have similar market values or that they or the Units will trade in the same manner. No assurance can be given that any sale of the Company's investments would realise proceeds which would be sufficient to repay any borrowings or provide funds for any capital repayment to Shareholders (including Unitholders). Shareholders (including Unitholders) will bear all the rewards and risks of the success or otherwise of the Company's investments.

The market value of the Shares and the Units, as well as being affected by their net asset value, also takes into account their distribution yield and prevailing interest rates, supply and demand for the shares, market conditions and general investor sentiment. As a result, the market value of a Share and/or a Unit may represent a discount to its underlying net asset value.

Although the Shares will be listed on the Official List and the Shares and Units will be admitted to trading on the London Stock Exchange, it is possible that there may not be a liquid market in the Shares and/or the Units and Shareholders and/or Unitholders may have difficulty in selling them.

Gearing

The Articles currently restrict the Company to borrowing no more than 100 per cent. of its Adjusted Capital and Reserves. Prospective investors should be aware that, whilst the use of borrowings should enhance the net asset value of the Shares and the Units where the value of the Company's underlying assets is rising above the level required to cover its annual costs and expenses, it will have the opposite effect where the underlying asset value is not rising at or above that rate. Any borrowings of the Company will rank ahead of the entitlements of Shareholders (including Unitholders) on a winding up.

The loan facility arranged by the Company is a term loan facility to 30 September 2012 and a 364 day revolving credit loan facility. There is no guarantee that, at the end of the term of either loan facility, the Company will be able to replace this borrowing, either on acceptable terms, or at all. If there is an event of default under the loan facility, the Company may be obliged to repay the loan immediately and may not be able to replace that borrowing, or be able to repay the borrowing under those circumstances.

The Company is obliged under the terms of the loan facility to hedge the term loan within three months at drawdown. If interest rates and market conditions move against the Company, there is no guarantee that the Company will be able to hedge the term loan at an attractive or satisfactory rate which might adversely affect the performance of the Company.

Distributions

The Company will only pay dividends on the A Shares to the extent that it has profits available for that purpose, which will largely depend on the amount of income which the Company receives on its investments and the timing of such receipts. As a new company, the Company has no revenue reserves.

The Company will only pay capital returns in respect of the B Shares in such amounts per share as equal the dividend per share paid in respect of the A Shares. Accordingly, notwithstanding the availability of the Special Capital Reserve, the Company will only pay such capital returns to the extent that it has profits available to pay dividends in respect of the A Shares. As noted above, the payment of such dividends will largely depend on the amount of income which the Company receives on its investments and the timing of such receipt. Any reduction in income receivable by the Company will lead to a correspondingly greater percentage reduction in earnings per A Share and therefore in the Company's ability to pay dividends. Accordingly, the amount of dividends payable by the Company may fluctuate.

The ability of the Company to pay capital returns in respect of B Shares depends upon the Court of Session approving the proposed cancellation of the Company's share premium account on terms which will allow the payment of such capital returns. In the event that such approval of the Court of Session is not obtained by 30 September 2007, then the Articles of Association of the Company will require that the Directors put proposals to Shareholders within three months offering the choice of a winding up and may offer the choice of a reconstruction (including an option for Shareholders to realise their investments) and the Articles include weighted voting provisions such that the winding up resolution is passed unless a reconstruction is approved by Shareholders.

In the event that the share premium account cancellation has not been approved by the Court of Session by the proposed date of the first distribution to be made by the Company, the Company will not be able to make the capital distribution to B Shareholders as planned. In respect of the period to 30 September 2007 only, where capital distributions to B Shareholders are not possible because the share premium account cancellation has not yet been approved by the Court of Session, the Company will make the dividend payment to A Shareholders and will accrue the right of the B Shareholders to an equal gross distribution until the earlier of such time as the Company is able to make the capital distributions or 30 September 2007.

If, under UK law or accounting rules and standards applicable to the Company, there were to be a change to the basis on which dividends could be paid by companies, this could have a negative effect on the Company's ability to pay dividends and, accordingly, capital returns.

Charges to capital

In order to maintain the Company's net asset value, the Company's portfolio will require to achieve capital growth equivalent to the total amount of the capital returns paid in respect of the B Shares, as well as the Company's capitalised expenses. Prospective investors are referred to the section headed "Charges to capital" on page 18 of this document.

Equities

The value of the UK equities in which the Company principally invests may fluctuate and there is no guarantee that the amounts invested by the Company will be returned in whole or in part to the Company. UK stock markets may experience short-term volatility and investment in the Company should be regarded as long-term in nature.

The Company may invest in companies with a small market capitalisation. Such investments are generally likely to be subject to higher valuation uncertainties and liquidity risks than companies with a larger capitalisation and tend to have higher volatility; they therefore represent a higher risk investment than companies with a larger market capitalisation.

The Investment Manager intends to invest mainly in equities listed, traded or quoted on the London Stock Exchange or an over-the-counter market but may also invest in unquoted equities from time to time. Unquoted equities are generally subject to higher valuation uncertainties and liquidity risks.

Corporate bonds

Corporate bonds are subject to credit, liquidity, duration and interest rate risks. Adverse changes in the financial position of an issuer of corporate bonds or in general economic conditions may impair the ability of the issuer to make payments of principal and interest or may cause the liquidation or insolvency of an issuer. There can be no assurance as to the levels of default and/or recoveries that may be experienced with respect to corporate bonds. Debt instruments held by the Company may be affected by changes in market sentiment or changes in interest rates that will, in turn, result in increases and decreases in the market value of those instruments. When interest rates decline, the value of the Company's investments in fixed rate debt obligations can be expected to rise and, when interest rates rise or are expected to rise, the value of those investments can be expected to decline.

To the extent that the Company invests in non-investment grade securities, the Company may realise a higher yield than the yield offered by investment grade securities, but investment in such securities involves a greater volatility of price and a greater risk of default by the issuers of such securities, with potential loss of interest payment and principal. Non-investment grade securities will be subject, in the judgment of a rating agency, to uncertainties in terms of their performance in adverse conditions and will be speculative with respect to an issuer's capacity to meet interest payments and repay principal in accordance with its obligations. Adverse changes in the financial position of an issuer of fixed interest debt instruments or in general economic or credit conditions may impair the ability of the issuer to make payments of principal and interest or may lead to the liquidation or insolvency of an issuer. There can be no assurance that an issuer will not default or that the Company will be able to recover its investments in defaulted fixed interest debt instruments.

As investments of the Company mature, it may be difficult for the Company to obtain replacement investments having similar financial characteristics.

Other assets

The value of investments in property funds will be subject to fluctuations in the property market. A downturn in the property market could adversely affect the value of such investments or lead to a decline in capital value of the properties or a weakening in rental yields which would reduce the income of the Company. In addition, the value of property and property funds may be affected by the yield provided by the income stream relative to interest rates and other investments from time to time.

In general terms, investment in higher yielding assets would be expected to carry a higher degree of risk than investment in lower yielding assets.

Options and derivatives

In addition to writing call options in order to increase distributable income, the Company may enter into derivative transactions for the purposes of efficient portfolio management.

The use of derivatives gives rise to a number of specific potential risks. Derivative instruments can be highly volatile and expose investors to a high risk of loss. The low initial margin deposits normally required to establish a position in such instruments permit a high degree of leverage. As a result, depending on the type of instrument, a relatively small movement in the price of a contract or the underlying securities may result in a profit or loss which is high in proportion to the amount of funds actually placed as initial margin and may result in further loss exceeding any margin deposited. In addition, daily limits on price fluctuations and speculative position limits on exchanges may prevent prompt liquidation of positions resulting in potentially greater losses.

Furthermore, the use of derivative instruments involves certain special risks, including: (i) dependence on movements in the price of underlying securities and movements in interest rates; (ii) when used for hedging purposes, an imperfect correlation between the returns on the derivative instruments used for hedging and the returns on the investments or market sectors being hedged; and (iii) the fact that the skills needed to select those instruments may be different from those needed to select the Company's other investments.

Trading in derivatives markets may be unregulated or subject to less regulation than in other markets. Derivatives markets are, in general, relatively new markets and there are uncertainties as to how these markets will perform during periods of unusual price volatility or instability, market liquidity or credit distress. The Company could suffer substantial losses from its derivatives holdings in these or other situations.

Investment objective and strategy

There is no guarantee that the Company's investment objective will be achieved or provide the returns sought by the Company.

The investment strategy followed by the Company with a view to maintaining or increasing the level of income receivable by the Company is described in Part 1 of this document.

The Company may from time to time invest in other listed investment companies. As a consequence of these investments, the Company may itself be indirectly exposed to gearing through the borrowings from time to time of these other investment companies. The net asset value of a Share, which is a factor in determining the market value of the Shares, will be linked to the underlying investment performance of these other investment companies.

The Assumptions used in this document are assumptions only and may or may not be fulfilled in practice. The Assumptions and any illustrative figures should not be regarded as profit forecasts.

Tax and accounting

Any change in the Company's tax status or in taxation legislation or accounting practice could affect the value of the investments held by the Company, affect the Company's ability to provide returns to Shareholders or alter the post-tax returns to Shareholders. Representations in this document concerning the taxation of investors are based upon current tax law and practice which are, in principle, subject to change.

Any change in the tax treatment of dividends paid in respect of the A Shares and/or in the tax treatment of capital returns paid in respect of the B Shares could adversely affect the holders of the relevant class of Shares (including Unitholders).

Conflicts between Share classes

The differing rights and characteristics of the A Shares and the B Shares make it likely that the interests of A Shareholders and B Shareholders will not always be aligned and A Shareholders may not always vote in the best interests of B Shareholders and vice versa. Under the Companies Act 1985 and the Companies Act 2006 and the Articles of Association, A Shareholders and B Shareholders are protected by class rights and, in the event of any proposed change to their class rights, would generally be entitled to a separate vote on the matter, but there is no guarantee that these class rights will always be sufficient to prevent one class of Shares being able to prejudice the other class of Shares through exercising voting rights or otherwise.

In addition, some Shareholders may hold Units or Shares of the other class and may not always vote their A Shares or their B Shares in the best interests of A Shareholders or B Shareholders respectively.

IMPORTANT INFORMATION

Other than Cenkos Securities plc, which has been engaged by the Company as its corporate broker and to assist with the marketing of the Company's shares, no broker, dealer or other person has been authorised by the Company to issue any advertisement or to give any information or to make any representations in connection with the offering or sale of A Shares, B Shares and Units other than those contained in this prospectus and, if issued, given or made, such advertisement, information or representation must not be relied upon as having been authorised by the Company.

Prospective investors should not treat the contents of this prospectus as advice relating to legal, taxation, investment or any other matters. Prospective investors should, in particular, inform themselves as to:

- the legal requirements within their own respective jurisdictions for the purchase, holding, transfer or other disposal of A Shares, B Shares and Units;
- any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of A Shares, B Shares and Units which may apply; and
- the income and other tax consequences which may apply in their own respective jurisdictions as a result of the purchase, holding, transfer or other disposal of A Shares, B Shares and Units.

Prospective investors must rely upon their own advisers as to legal, tax, investment or any other related matters concerning the Company and an investment in the A Shares, B Shares and Units.

This prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. The distribution of this prospectus and the offering of Shares in certain jurisdictions may be restricted and, accordingly, persons into whose possession this document comes are required to inform themselves about, and to observe, such restrictions. Neither this document nor any form of election or other application form for use in connection with the Issue should be forwarded to or transmitted in or into the USA, Canada, Australia, New Zealand, South Africa or Japan. The Shares have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) or under any of the relevant securities laws of Canada, Australia, New Zealand, South Africa or Japan. Accordingly, the Shares may not (unless an exemption from such Act or such laws is available) be offered, sold or delivered, directly or indirectly, in or into the USA, Canada, Australia, New Zealand, South Africa or Japan. The Company will not be registered under the United States Investment Company Act of 1940 (as amended) and investors will not be entitled to the benefits of such Act.

Any persons (including, without limitation, custodians, nominees and trustees) who have or may have (or otherwise intend to assume) a contractual or other legal obligation to forward this document or any accompanying documents in or into the United States, Canada, Australia, New Zealand, South Africa or Japan or any other jurisdiction outside the United Kingdom, the Channel Islands or the Isle of Man should seek appropriate advice before taking any action.

Statements made in this prospectus are based on the laws and practice currently in force in the United Kingdom and are subject to changes therein.

This prospectus should be read in its entirety before making any application for A Shares, B Shares and/or Units. All Shareholders are entitled to the benefit of, and are bound by and are deemed to have notice of, the provisions of the memorandum and articles of association of the Company.

Shares are only suitable for investors:

- who understand the potential risks of loss to the value of their investment and who have sufficient resources to bear any loss which might result from such investment;
- for whom an investment in the Shares constitutes part of a diversified investment portfolio;
- who are prepared to take a long-term investment view; and
- who understand, and are willing to assume, the specific risks involved in investing in the Company.

DIRECTORS, INVESTMENT MANAGER AND ADVISERS

Directors	James Martin Haldane (Chairman) Michael Lenox Ingall Herschel Post Kenneth David Shand all non-executive and of 80 George Street Edinburgh EH2 3BU
Investment Manager, Secretary and Registered Office	F&C Investment Business Limited 80 George Street Edinburgh EH2 3BU
Sponsor	Ernst & Young LLP 1 More London Place London SE1 2AF
Solicitors	Dickson Minto W.S. 16 Charlotte Square Edinburgh EH2 4DF
Auditors	Ernst & Young LLP Ten George Street Edinburgh EH2 2DZ
Registrars	Lloyds TSB Registrars The Causeway Worthing West Sussex BN99 6ZR
Receiving Agent for the Offer	Lloyds TSB Registrars The Causeway Worthing West Sussex BN99 6DA
Custodian	JP Morgan Chase Bank, N.A. 125 London Wall London EC2Y 5AJ

PART 1

NEW ICT PLC

Introduction

New ICT plc is a new investment trust, which is being established as the successor to Investors Capital Trust plc ("ICT"). Shareholders in ICT are being given the opportunity to roll over their investments in ICT into the Company pursuant to a scheme of reconstruction of ICT under section 110 of the Insolvency Act 1986 (the "Scheme"). It is intended that the name of the Company will be changed to "Investors Capital Trust plc" prior to the effective date of the Scheme. The Company is intended as a long-term vehicle for investors. The Company's assets will be managed by F&C Investment Business Limited.

The Company will, following the implementation of the Scheme, have two classes of shares in issue: A Shares and B Shares. Shares will be issued pursuant to the Scheme at 100p per Share. Shares may be held in "Units", each Unit comprising three A Shares and one B Share. Units will be issued pursuant to the Scheme at 400p per Unit.

Applications have been made for all of the A Shares and B Shares (including those Shares which are to be issued pursuant to the Issue) to be admitted to listing on the Official List of the UK Listing Authority and to trading on the London Stock Exchange's market for listed securities. In addition, an application has been made to the London Stock Exchange for Units to be traded separately on the London Stock Exchange's market for listed securities.

The Issue is conditional upon the Scheme becoming effective and on Admission (see the section entitled "*The Scheme*" in Part 2 of this document).

Investment objective and policy

The Company's investment objective is to provide an attractive return to Shareholders in the form of dividends and/or capital returns, together with prospects for capital growth. The investment objective and policy of the Company are intended to be attractive to investors who are seeking a relatively high yield and capital growth prospects and who wish to receive distributions in respect of their investment in the form of (i) dividends (A Shares); or (ii) returns of capital (B Shares); or (iii) partly dividends and partly capital (a combination of A Shares and B Shares or Units).

The Directors believe that the profile of a typical investor in the Company is any of a retail investor, high net worth investor, sophisticated investor, professionally advised investor or institutional investor who is seeking a yield as described above through investing in a diversified portfolio of equities and corporate bonds.

The attention of potential investors is drawn to the description, set out in Part 3 ("*Taxation*") of this document, of the differing tax treatments of dividends and capital returns respectively under current UK law and HMRC practice.

Any material change to the investment policy of the Company will only be made with Shareholders' approval.

The Company's investment portfolio is to be managed in two distinct parts. The first part of the Company's portfolio is to comprise investments in UK equities (the Equities Portfolio) and the second part is to comprise investments in fixed interest and other higher yielding stocks and securities (the Higher Yield Portfolio). At the outset, approximately 80 per cent. of the investment portfolio will be allocated to the Equities Portfolio, with the balance being allocated to the Higher Yield Portfolio. This allocation will vary as a result of market movements and the Board and Manager may also seek to vary the allocation over time depending upon market circumstances in pursuit of the Company's investment objectives.

Equities Portfolio

The Equities Portfolio will be invested predominantly in UK equities and equity-related securities of large and mid-sized companies. The Equities Portfolio is expected to have an initial yield relative to the yield of the FTSE All-Share Index of around 115 to 125 per cent. and the Investment Manager's objective will be to achieve a total return in excess of that of the FTSE All-Share Capped 5% Index. The features of that Index are explained later in this section.

In managing the Equities Portfolio, the Investment Manager will approach portfolio construction with the aim of selecting stocks which are expected to be core long-term holdings. This entails having relatively low turnover in the Equities Portfolio with approximately 50 holdings at any given time. The Investment Manager expects few individual holdings to exceed five per cent. of the Equities Portfolio, and intends to spread stock weightings across the Equities Portfolio.

The Investment Manager favours companies which have the ability to sustain above average growth in earnings and dividends over the longer term. It is a fundamental requirement of the Manager's investment process to understand a company's business and the dynamics that drive its industry. Investment characteristics which the Investment Manager finds attractive include a strong balance sheet and strong interest cover, inherently good cash flow generation, sustainable earnings and a stable and proven management team focused on enhancing shareholder value. Decisions to buy and sell investments are driven by both changes to fundamentals and extremes of valuation.

Rodger McNair leads the team that will manage the Company's investments. He was appointed as ICT's lead manager in June 1999. Rodger has over 19 years of experience in managing equities. In total, F&C has 27 investment professionals managing an aggregate of £16.6 billion (as at 30 September 2006) of UK Equities. This includes a twelve strong Pan-European research team.

The Company will use the FTSE All-Share Capped 5% Index as the benchmark for the Equities Portfolio. The Directors believe that the adoption of the FTSE All-Share Capped 5% Index as the benchmark for the Equities Portfolio will encourage a more even spread of investment risk and avoid the concentration of significant holdings in order to align with a particular index. The Directors also believe that this benchmark will provide flexibility to the Investment Manager and should thereby enhance investment performance and reduce stock specific risks. The FTSE All-Share Capped 5% Index limits the size of any constituent in the index to a maximum weighting of 5 per cent. with the index rebalanced every quarter. The constituents of the FTSE All-Share Capped 5% Index are the same as the FTSE All-Share Index.

The Investment Manager intends to enhance the income earned from the Equities Portfolio by writing call options under which the potential obligation is assumed to sell an agreed holding in the future at a fixed price. Call options will only be written where the portfolio has an existing holding and the holding is greater than the amount of stock subject to the call option. The Investment Manager will limit the percentage of the Equities Portfolio used to generate call premium to 5 per cent. by value at any one time. The Company may also use derivatives for efficient portfolio management from time to time.

Higher Yield Portfolio

The Higher Yield Portfolio will initially be invested predominantly in corporate bonds and is expected to have an initial redemption yield of around 6.0 per cent. Corporate bonds are debt securities issued by a company. Corporate bonds generally rank ahead of equity and are subordinate to bank debt for both capital and income distributions. Corporate bonds often benefit from protective covenants designed to reduce capital risk. On the whole, corporate bonds have yields in excess of those on government bonds and the yield premium at which they trade over government bonds tends to reflect the underlying credit fundamentals of the issuing company.

Initially, approximately half of the investments constituting the Higher Yield Portfolio are expected to be investment grade corporate bonds and approximately half are expected to be higher yielding non-investment grade corporate bonds. A majority of the fixed interest securities within the Higher Yield Portfolio is expected to be Sterling denominated but securities with denominations other than Sterling will also be held to provide portfolio diversification, with overseas currency exposure being hedged.

The day to day management of the fixed interest investments in the Higher Yield Portfolio will be undertaken by the F&C specialist fixed interest team comprising 26 investment professionals. The individual responsible for the Company's fixed interest investments will be Ian Robinson who has over 15 years of experience in managing fixed interest funds. As at 30 September 2006 (the latest available date on which confirmed figures for funds under management are available), F&C managed fixed interest funds valued at £57.7 billion covering a broad range of mandates, including corporate bonds with a total value of around £23.5 billion.

The Investment Manager adopts a disciplined, in-house credit analysis process. This process focuses on the characteristics that the Investment Manager finds important in assessing credit strength, such as financial strength, business outlook, management and control risk. It is anticipated that the maturity profile of holdings within the Higher Yield Portfolio will primarily be up to ten years.

The Investment Manager intends that the Higher Yield Portfolio will be diversified by stock, sector and credit risk and that it will comprise approximately 70 holdings. The Higher Yield Portfolio may be invested, from time to time, in other higher yielding securities where the Investment Manager believes performance could be enhanced and/or portfolio risk reduced without prejudicing the target yield. These may include, but are not limited to, government debt and property funds.

General

The payment of capital returns on the B Shares, which will be funded using the Special Capital Reserve, will result in the entire distributable income and revenue reserves of the Company being available to fund the payment of dividends on the A Shares. Accordingly, the yield required from the Company's portfolio to provide an attractive dividend yield for investors in A Shares is lower than it would have been if the B Shares were entitled to receive dividends out of the distributable income of the Company. The capital structure of the Company, described in more detail below in the section entitled "*Capital structure*", should therefore facilitate the maintenance of a relatively high quality portfolio.

The Company may enter into derivatives transactions as the Investment Manager deems appropriate for efficient portfolio management, but will only do so either (i) by writing call options in order to enhance the income earned from the Equities Portfolio or (ii) as a measure to safeguard the value of its underlying assets or to fix the cost of its liabilities. In particular, the Company may enter into currency hedging arrangements in relation to any Euro or US dollar denominated corporate bonds in the Higher Yield Portfolio. The Company will limit the percentage of the Equities Portfolio used to generate call premium to 5 per cent. by value at any one time.

Investment outlook

Economic

The UK economy has made steady progress despite a number of challenges, including increased interest rates and rising energy costs. While concerns remain over the sustainability of UK house prices, it appears households have largely adjusted to the impact on mortgage payments as a result of higher interest rates. The consensus forecasts for inflation provide comfort that interest rates are close to the top of the current cycle, thereby alleviating any further material pressure on UK households' mortgage costs. The global demand backdrop remains healthy, albeit a shift in the contributors to growth is underway as a slowing US economy is offset by a stable economic outlook in Europe and continued growth from China.

UK equity market

UK equities have risen strongly since the lows of 2003. However valuations remain supportive as market gains have been broadly matched by growth in corporate profits. Whilst it is expected that earnings and dividend growth will slow in the year ahead, with pressure coming from the impact of increased interest rates and a slowing US economy, many equity valuations remain attractive. A continuation of positive news is expected from the corporate sector reaffirming the relative attraction of UK equities as an asset class.

Higher Yield Portfolio

Corporate bond markets have benefited from the improvement in corporate profitability coupled with a muted recovery in the business investment cycle. Evidence of companies placing a greater emphasis on capital investment with a view to expansion is currently being seen. A disciplined approach by company management to allocating expansionary capital that will not in aggregate lead to a substantial widening of credit spreads is expected. It is believed that the fundamentals for credit markets remain supportive of a continuation of relatively low default rates and tight credit spreads going forward.

Capital structure

The Company will have two classes of shares: A Shares and B Shares. The rights of each class of shares will be identical, save in respect of the right to participate in dividends and capital returns. Irrespective of these distribution rights, the net asset value attributable to each class of shares will be the same.

Only A Shares will carry a right to participate in dividends paid by the Company. B Shares will not be entitled to dividends but each B Share will instead carry the right to receive a capital return at the same time as, and in an amount equal to, each dividend paid in respect of the A Shares. For certain Shareholders, there will be tax and other advantages in receiving a capital return rather than a dividend.

Dividends paid on the A Shares will be taxed on receipt in the normal way for dividends. Capital returns will fall to be taxed in accordance with the rules relating to the taxation of chargeable gains.

The Directors believe that, in normal circumstances, all discrete sums paid quarterly by way of capital return to B Shareholders will be "small" for the purposes of TCGA 1992. The receipt by a B Shareholder of a capital return which is "small" will not be treated as a disposal, or part disposal, of an asset and no UK tax will be due on receipt of the capital return. Instead, an amount equal to the amount received will fall to be deducted from the tax base cost of the B Shareholder's holding of B Shares. This treatment will only apply where, and to the extent that, the holding of B Shares from which the capital return is derived has a positive base cost against which to offset the capital receipt. Where this is not the case the receipt of a capital distribution may fall to be treated as a part disposal. A capital return treated as "small" does not require to be included on any Self Assessment tax return. An individual B Shareholder's annual exempt amount for capital gains tax purposes will not be affected by this treatment.

Further details of potential tax advantages are explained in Part 3 of this document.

Such capital returns are to be paid out of the Special Capital Reserve, which is to be created by the Company's cancellation of that part of its share premium account arising from premiums paid on the B Shares as soon as practicable following Admission. Accordingly, these capital returns will only be able to be paid for so long as the amount of the Special Capital Reserve remains sufficient. If and when the Special Capital Reserve is exhausted, the Articles of Association provide that all the A Shares and all the B Shares automatically convert into ordinary shares with identical rights to share in any dividends or capital returns thereafter. At such time it is expected that the Directors will consider whether proposals should be put to shareholders to reconstruct or wind up the Company. Further details are provided in the section entitled "*Duration*" below. Based on the targeted initial annual dividend and capital return of 5.35p per share, and in the absence of other factors and unforeseen circumstances, it is expected that the Special Capital Reserve would be sufficient for capital returns to be made, at that rate, over a period of 18 years.

In the event that the cancellation of the Company's share premium account has not been approved by the Court of Session by 30 September 2007, the Articles provide that the Directors shall be obliged to put proposals to Shareholders within three months of that date to wind up the Company ("*Winding Up Proposals*") and may put proposals to Shareholders to reconstruct the Company ("*Reconstruction Proposals*") which proposals, in each case, shall provide for holders of B Shares to be paid any accrued capital entitlement (to compensate for any dividend paid on the A Shares without a corresponding capital payment to holders of B Shares) and for any investor who so wishes to realise his investment to do so. In the event that Reconstruction Proposals are not so proposed and approved by (i) the necessary majority of votes of Shareholders in general meeting and (ii) the holders of A Shares in a separate class meeting and (iii) the holders of B Shares in a separate class meeting (in each case by a 75 per cent. majority) and Winding Up Proposals are proposed as set out above then all Shares entitled to vote on such Winding Up Proposals and who do vote on such proposals shall be deemed to have voted in favour of such proposals.

Further details of the rights attaching to the A Shares and the B Shares are set out in Part 4 of this document in the section entitled "*Articles of Association*".

Shares may be held within units of A Shares and B Shares ("*Units*"), each Unit comprising three A Shares and one B Share. Units will be traded separately on the main market of the London Stock Exchange for listed securities and certificates in respect of Units will be issued for certificated holdings.

As described below in the section entitled "*Discount management*", it is intended that the Directors will have authority to repurchase the Company's Shares of either class. It will be the Company's policy to maintain the ratio of issued A Shares to issued B Shares (excluding Shares held in treasury) (the A : B Ratio) within the range 72.5 : 27.5 and 77.5 : 22.5 (the Range).

Borrowings and gearing

The Company has the power under its Articles to borrow an amount up to 100 per cent. of the Company's Adjusted Capital and Reserves. The Directors currently intend that the aggregate borrowings of the Company will be limited to approximately 20 per cent. of the Company's gross assets immediately following drawdown. The Directors will, however, retain flexibility to increase or decrease the level of gearing to take account of changing market circumstances and in pursuit of the Company's investment objectives.

The Company has arranged a loan facility with Lloyds TSB Scotland plc under which, subject to the satisfaction of certain conditions, a term loan facility of up to the lesser of (i) 20 per cent. of the Company's gross assets immediately following drawdown (and calculated on the basis of drawdown at Admission) and (ii) £55 million, and a revolving credit facility of up to £5 million are to be made available for drawing by the Company for the purpose of making investments in accordance with its investment policy. It is the current intention of the Directors that an amount equal to approximately 20 per cent. of those gross assets (calculated on that basis) will be drawn down shortly following Admission.

The term of the term loan facility is to 30 September 2012. The term of the revolving credit facility is for one year from the date of the facilities letter, and may be extended for one year periods indefinitely by mutual consent. Neither facility is secured. Interest on the facilities is payable at the rate of 0.375 per cent. (plus mandatory lending costs) over LIBOR from time to time. The Company expects to enter into an interest rate swap transaction to fix the rate of interest on the term loan facility shortly following Admission. The rate at which the floating rate of interest on the loan facility may be swapped for a fixed rate will be determined by the available market rate at the time the swap transaction is entered into but, if the swap transaction had been entered into on 15 January 2007, the latest practicable date prior to the publication of this document, the all in rate payable by the Company on the loan facility would have been fixed at 5.9 per cent. In the event that the cost of interest rate swaps increased significantly between the date of this document and the date on which the Company was seeking to enter into an interest rate swap, the Directors are entitled under the terms of the loan facility, and may choose, to delay entering into the swap transaction for up to three months from the date of drawdown. Drawings must be repaid in full upon expiry of the term of the facilities. The Directors intend to refinance the loan facility at such time as required. The bank facility contains certain financial covenants with which the Company must comply. These include, in particular, a financial covenant to the effect that the percentage of the total borrowings of the Company (and any subsidiaries) should not exceed 45 per cent. of the adjusted gross assets (as defined in the facility agreement).

Charges to capital

The capital structure of the Company has been designed to offer Shareholders the opportunity to receive returns in the form of income, capital or both. A consequence of the capital structure is that there is an increase in the income that the Company is able to distribute to A Shareholders. This has been achieved by providing for B Shareholders to receive a capital return from a specially created capital reserve instead of receiving a dividend out of the revenue profits of the Company. The payment to A Shareholders of a dividend which is higher than that which they would receive if dividends were also payable in respect of the B Shares therefore comes at the cost of an equivalent reduction in the net asset value per Share as a result of the capital distributions to B Shareholders. A Shares and B Shares will have the same net asset values and will carry the same rights to participate in the assets of the Company on a winding up. The overall movement in net asset value per Share will depend on other factors such as the growth of the portfolio. Assuming maintenance of the estimated dividend per Share of 5.35p per financial year up to and including the financial year to 31 March 2012, or that all distributable income is paid out each financial year, respectively, the following paragraph illustrates, first, the estimated growth in the value of the Equities Portfolio required to maintain the NAV and, second, the estimated reduction in NAV which may occur in the event of there being no growth in the portfolio over that period.

It is estimated (on the basis of the Assumptions) that, in order to maintain the distribution per Share at the projected level of 5.35p per financial year and to produce a NAV of 100p on 31 March 2012, the value of the Equities Portfolio will need to increase at an average rate of approximately 3.1 per cent. per annum, of which 1.4 per cent. represents capital returns to B Shareholders and 1.7 per cent. represents costs charged to capital. It is estimated that, on the assumption that all distributable income is paid out each financial year and that there is no growth in the value of the portfolio (and otherwise on the basis of the Assumptions), the NAV would be approximately 85.0p on 31 March 2012.

Distributions

A Shares will be entitled to all of the dividends declared by the Company. Dividends will be paid quarterly in February, May, August and November each year. Dividends will be paid from current year revenue and will be supplemented through the use of the Company's revenue reserves as required. As a new company, the Company will initially have no revenue reserves. The dividend yield in respect of the A Shares will be enhanced as a result of restricting to A Shares the right to participate in net income earned by the Company and by charging a percentage of the Company's annual expenses in relation to management fees and interest to capital.

The B Shares will not carry an entitlement to receive dividends but will instead carry an entitlement to receive a capital return at the same time as, and in an amount equal to, each dividend paid in respect of an A Share. The capital return will, therefore, also be paid quarterly in February, May, August and November, each year.

The creation of the Special Capital Reserve (out of which the capital returns are to be paid) requires Court of Session approval and the relevant Court of Session process can only be begun following Admission. Although the Directors expect that the Special Capital Reserve will have been created in time for a capital return to be paid in respect of the B Shares at the time of the Company's first expected dividend in August 2007, there is a possibility that the Court of Session process may not have completed by that date and that B Shareholders may not therefore receive their capital returns in August 2007. However, the Articles provide that, following the establishment of the Special Capital Reserve, B Shareholders will receive an amount equal to any dividends previously paid on the A Shares. In the event that the Special Capital Reserve has not been created by 30 September 2007, then the Directors are obliged under the Articles to put proposals for a winding up of the Company (and may put proposals for a reconstruction of the Company) to shareholders within three months (for further details, see the section entitled "*Duration*" below).

Dividends and capital returns will be paid to Unitholders in February, May, August and November each year.

The Directors estimate that, on the basis of the Assumptions and in the absence of unforeseen circumstances, New ICT will pay dividends in respect of its first financial period to 31 March 2008 in August 2007 (for the quarter to June), November 2007 (for the quarter to September), and February 2008 (for the quarter to December) at the rate of 1.325p per A Share and a fourth interim dividend in respect of that financial period in May 2008 (for the quarter to March) at the higher rate of 1.375p per A Share and that the aggregate dividends paid in respect of the twelve months to 31 March 2008 will therefore be 5.35p representing a yield of 5.35 per cent. on the Issue Price of 100p. It is expected that the aggregate gross capital returns payable to B Shareholders in respect of the twelve months to 31 March 2008 will be 5.35p, equal to the gross dividends expected to be paid to A Shareholders for that period.

Notwithstanding that ICT is being wound up during the quarter ending 31 March 2007, the final interim dividend to be paid by ICT will be paid in an amount which is consistent with an interim dividend of ICT for a full quarter, thus effectively covering the month of March 2007. Therefore, the Company's target distribution yield of 5.35 per cent. per annum (based on the Issue Price of a new A Share or new B Share of 100p) for its initial financial period to 31 March 2008 will be assessed only in respect of the period of twelve months to 31 March 2008 notwithstanding that the Company's initial financial period will include the month of March 2007.

The Articles prohibit the payment of a distribution to either of the A Shares or the B Shares unless an equal amount per Share is also paid at the same time to the other Share class, except in relation to a payment proposed to be made before 30 September 2007 to A Shareholders where the Company is unable to make a similar distribution to B Shareholders because the Court of Session has not yet approved the reduction of the share premium account. In such circumstances, the Company may make the proposed dividend payment to A Shareholders provided that the B Shareholders shall be entitled to be paid an equivalent amount (without interest) as soon as the share premium account cancellation becomes effective or to an equivalent compensatory payment (with interest from 30 September 2007) in any proposals for a reconstruction or winding up put to Shareholders by the Directors if the cancellation is not approved before 30 September 2007.

Reinvestment of returns

The Company has established a distribution reinvestment scheme to enable B Shareholders to reinvest their capital returns in further B Shares. B Shares acquired through the distribution reinvestment scheme will be acquired through the secondary market and will be subject to stamp duty at 0.5 per cent. of the acquisition price.

The B Shares Capital Return Reinvestment Plan scheme document and an application form are enclosed with this prospectus.

Discount management

The Directors will have authority to buy back up to 14.99 per cent. of the Company's Shares in issue immediately following Admission and will seek renewal of this authority from Shareholders annually and at other times should this prove necessary. Any buy-back of Shares will be made subject to the Act and within guidelines established from time to time by the Directors and the making and timing of any buy-backs will be at the discretion of the Directors.

It is considered that the relatively high rate of distribution on the Company's Shares, and the effect of the reinvestment of returns described in the section above, should have a beneficial impact on the Company's market rating. Nevertheless, while the Directors will at all times retain discretion over whether or not to repurchase Shares, it will be the Company's policy, in the absence of unforeseen or extreme circumstances and subject to its policy of maintaining the A : B Ratio within the Range (see "*Capital structure*" above), to repurchase Shares of either class when there are willing sellers and the market price stands at a discount to NAV of 5 per cent. or more. Shares will not be bought back at a premium to net asset value. Shares which are bought back by the Company may be cancelled or, up to the statutory maximum of 10 per cent. of the Company's issued ordinary share capital, may be held in treasury. Shares will only be reissued from treasury at a price representing a discount of not more than 5 per cent. to NAV at the time of reissue, subject to the conditions that, first, the discount at which such Shares are to be reissued must be less than the average discount at which New Shares held in treasury have been repurchased and, second, the NAV dilution in any one financial year must not exceed 0.5 per cent. of net assets. It will be the policy of the board of the Company to cancel Shares which are held in treasury for longer than 18 months.

It will be the Company's policy to maintain the A : B Ratio within the Range. Where the A : B Ratio reaches the limit of the Range, it will be the Company's policy only to repurchase Shares of the enlarged class or in the ratio of three A Shares for every one B Share repurchased (the "Buy-Back Ratio") until the A : B Ratio moves back within the Range. To the extent that the Company is unable to repurchase Shares in the Buy-Back Ratio in such circumstances, it will be the Company's policy to suspend repurchases until either the opportunity arises to repurchase Shares in the Buy-Back Ratio or the Company is able to issue new Shares and/or reissue existing Shares from treasury in such proportions as to restore the A : B Ratio to within the Range.

Further issues of Shares

The Directors will have authority in accordance with the Act to allot up to the lesser of (i) all of the authorised but unissued share capital of the Company following Admission and (ii) one-third of the A Shares and B Shares in issue immediately following the Issue, for the period up to the first annual general meeting of the Company. The provisions of the Act which would confer pre-emption rights in respect of such allotments have been disapplied in respect of the allotment of, or issue out of treasury of, up to five per cent. of the A Shares and B Shares in issue immediately following the Issue for the period up to the first annual general meeting of the Company.

Duration

As the Company is intended as a long-term investment vehicle, it does not have a fixed life. However, in the event that the net asset value total return performance of the Company is less than that of the FTSE All-Share Capped 5% Index over the relevant five year period, Shareholders will be given the opportunity to vote on whether the Company should continue by ordinary resolution at the Company's Annual General Meeting. The first five year period for these purposes shall terminate at the end of the Company's financial year in 2012. For the purposes of the performance calculation, the net asset value total return of the A Shares (with dividends added back) (being equivalent to the net asset value total return of the B Shares with capital returns added back) will be calculated. If any such continuation vote is not passed, the Directors will be obliged to convene an extraordinary general meeting within three months to put to Shareholders a resolution(s) for the winding up of the Company and may put to Shareholders a resolution(s) for the reconstruction of the Company provided it offers all Shareholders the opportunity to realise their investment. The Articles provide that unless such a reconstruction resolution(s) is proposed and approved by (i) the necessary majority of votes of Shareholders in general meeting and (ii) the holders of A Shares in separate class meeting and (iii) the holders of B Shares in separate class meeting (in each case by a 75 per cent. majority), all votes cast on such a winding up resolution shall be deemed to be cast in favour of that resolution.

In addition, the Directors are obliged to convene an extraordinary general meeting within three months to put to Shareholders a resolution for the winding up of the Company ("Winding Up Proposals") and may put proposals to Shareholders to reconstruct the Company ("Reconstruction Proposals") which proposals, in each case, shall provide all Shareholders the opportunity to realise their investment if the Special Capital Reserve has not been created by 30 September 2007 (provided that any such resolution provides for the payment of any accrued right of capital return on the B Shares as described in the section headed "*Distributions*" above). In the event that Reconstruction Proposals are not so proposed and approved by (i) the necessary majority of votes of Shareholders in general meeting and (ii) the holders of A Shares in a separate class meeting and (iii) the holders of B Shares in a separate class meeting (in each case by a

75 per cent. majority) and Winding Up Proposals are proposed as set out above then all Shares entitled to vote on such Winding Up Proposals and who do vote on such proposals shall be deemed to have voted in favour of such proposals.

If the Special Capital Reserve is exhausted or otherwise ceases to be available for distribution as a capital return on the B Shares, the A Shares and the B Shares will convert automatically into ordinary shares with the same rights as each other ordinary share. It is expected that in such circumstances the Directors would consider whether proposals should be put to shareholders to reconstruct or wind up the Company.

Directors

The Board comprises four Directors, each of whom is non-executive and independent of the Investment Manager. Although the management of the Company's portfolio has been delegated to the Investment Manager, the Directors retain overall responsibility for the Company's affairs. The Directors of the Company, each of whom is also a director of ICT as at the date of this document, are:

Martin Haldane (Chairman), aged 65. He is chairman of Shires Income plc and a non-executive director of a number of other companies. He was previously a senior partner of Chiene & Tait, C.A. and was deputy chairman of Scottish Life Assurance Company.

Michael Ingall, aged 65. He is a director of Edinburgh Smaller Companies Trust plc, India Capital Growth Fund Limited and Mid Wynd International Investment Trust plc and was formerly chairman of Rathbone Brothers plc.

Herschel Post, aged 67. He is a director of Ahli United Bank (UK) plc, CRESTCO Limited, Threadneedle Asset Management Ltd and Euroclear plc. He was formerly chief executive officer and deputy chairman of Coutts & Co UK, international managing director of business development of Christie's International plc and deputy chairman of EFG Private Bank Limited.

Kenneth Shand, aged 46. He is a partner and head of the corporate department of Maclay Murray & Spens LLP, Solicitors.

The Directors will consider, in due course following Admission, whether a further Director should be appointed.

Investment Manager

The Investment Manager, which is authorised and regulated by the Financial Services Authority, is a company within the F&C group, a global investment management business with a wide variety of clients. Shares in F&C Asset Management plc, the ultimate parent company of the Investment Manager, are listed on the Official List. The F&C group (as at 30 September 2006) had £105.8 billion of assets under management, including approximately £16.6 billion in UK equities and £23.5 billion in corporate bonds. The F&C group managed £6.3 billion on behalf of investment trusts and companies.

Investment management and administrative arrangements

The Directors will have overall responsibility for the Company's activities and will be responsible for the determination of the Company's investment policy. However, the Company has the power to delegate the day-to-day investment management of the Company's portfolio and, under the Investment Management Agreement, the Investment Manager has been appointed with responsibility for the management of the Company's assets subject to the overall supervision of the Directors and to provide certain administrative and secretarial services to the Company. The Investment Manager manages the Company's investments in accordance with the policies laid down by the Directors and in accordance with the investment policy referred to in the Investment Management Agreement and this document.

Under the Investment Management Agreement, the Company will pay to the Investment Manager both a Base Fee and, if certain conditions are met, a Performance Fee. The Base Fee is a management fee at the rate of 0.9 per cent. per annum of the net asset value of the Company. The Base Fee is exclusive of VAT and is payable quarterly in arrears, subject to being reduced to 0.75 per cent. per annum if the net asset value at the end of the financial year is less than £1.00 per Share (or to such higher amount as still leaves the net asset value at £1.00 per Share). The Performance Fee is exclusive of VAT and will be payable every five years, and will be 15 per cent. (up to a cap) of the amount by which the Company's net assets (adding back capital returns paid on the B Shares) outperform its benchmark, the FTSE All-Share Capped 5% Index, over each such period. Payment of the Performance Fee is conditional on both the net asset value at the end of the five year period being not less than £1.00 per Share (or else it will be reduced so that the net asset value remains

at £1.00 per Share), and on distributions per Share having been paid in each year of the five year period that are not less than the distribution per Share paid in respect of the first year of that period. For the Performance Fee, the £1.00 "hurdle" will increase for subsequent Performance Fee periods to the extent that the net asset value at the end of the previous period is higher.

The Performance Fee is capped at a sum equal to the aggregate Base Fees paid over the relevant five year period.

The Base Fee will be charged, up to 0.75 per cent. per annum of net asset value, as to 70 per cent. to the Company's capital account and 30 per cent. to the income account. The remaining 0.15 per cent. per annum of net asset value (if 0.9 per cent. per annum is paid) will be charged 100 per cent. to the Company's capital account, as will the Performance Fee.

Further details of the Investment Management Agreement are described in paragraph 5.1 of Part 4 of this document.

Custodian arrangements

JP Morgan Chase Bank, N.A. ("JP Morgan") has been appointed as the principal custodian of the assets of the Company. The Custodian holds all of the cash, securities and other assets of the Company and arranges and settles all transactions relating to those assets as agent for the Company. Further details of the custody agreement that has been entered into between the Company and the Custodian are set out in paragraph 5.3 of Part 4 of this document.

JP Morgan is a National Banking Association, organised under the laws of the State of New York. It was registered on 11 April 1960 (and remains registered) as an overseas company in England and Wales under company number FC004891 and with branch number BR000746. The custodian has its registered UK branch office at 125 London Wall, London EC2Y 5AJ. Its telephone number at its registered UK branch address is 020 7777 2000. The custodian is authorised and regulated by the FSA.

Annual fees and expenses

The Company has incurred, and will continue to incur, ongoing and annual fees and expenses, including, *inter alia*, the Base Fee and Performance Fee under the Investment Management Agreement, interest on the Company's loan facility, audit fees, Directors' fees, custodian's fees, regulatory fees, directors' insurance premiums, marketing fees and printing costs.

On the basis of the Assumptions, it is estimated that the total expenses of the Company for the period ending 31 March 2008 (excluding the costs of the Issue, the interest on the bank facilities, and the impact of any tax relief associated with such interest but including irrecoverable VAT) will not exceed an annualised amount of £1.5 million, being 1.3 per cent. of the net assets of the Company.

Corporate governance

The Chairman, and each of the other Directors, is independent of the Investment Manager. Each member of the Board is non-executive. The Board will put in place arrangements which it considers appropriate for an investment trust to ensure proper corporate governance and to enable the Company to comply with the recommendations of the Combined Code.

The Company's audit, nominations and remuneration committees will each comprise the full Board. Mr Haldane will chair the audit and nominations committees. Mr Post will chair the remuneration committee.

The audit committee will operate within clearly defined terms of reference. The Board has concluded that Mr Haldane, given his significant previous experience in the accounting profession, is best suited to the role of the chairman of the audit committee. The duties of the audit committee will include reviewing the Company's financial statements, the system of internal controls and the terms of appointment of the auditors together with their remuneration. The objectivity of the auditors will be reviewed by the audit committee, which will also review the terms under which the external auditors are appointed to perform non-audit services. It will also provide a forum through which the auditors may report to the Board. The audit committee will meet at least twice a year. The audit committee will review the scope and results of the audit, its cost effectiveness and the independence and objectivity of the auditors, with particular regard to non-audit fees.

The nominations committee will be convened for considering the appointment of additional directors as and when considered appropriate. In considering appointments to the Board, the nominations committee will take into account the ongoing requirements of the Company and the need to have a balance of skills and experience within the Board.

The remuneration committee will review the appropriateness of the Investment Manager's continuing appointment together with the terms and conditions of that appointment on a regular basis.

Since all the Directors are non-executive, the Company will not be required to comply with the provisions of the Combined Code in respect of directors' remuneration, except insofar as they relate specifically to non-executive directors.

Cancellation of share premium account

The Company has passed a special resolution resolving to cancel the entire amount standing to the credit of its share premium account following the Issue. The Directors intend to apply to the Court of Session immediately following Admission for an order confirming such cancellation and the creation of two distinct reserves, the first reserve relating to that part of the cancelled share premium account arising from premiums paid on the A Shares (the "Buy Back Reserve") and the second reserve relating to that part of the cancelled share premium account arising from premiums paid on the B Shares (the "Special Capital Reserve"). Subject to any undertaking required by the Court of Session, the Company intends to apply these two reserves as follows:

- it is intended that the Buy Back Reserve will be available as distributable profits to be used for the buy back of Shares; and
- it is intended that the Special Capital Reserve will be used for the purpose of paying capital returns on the B Shares.

Shareholder information

The Company's annual report and accounts will be prepared up to 31 March each year and it is expected that copies will be sent to Shareholders in the following May. Shareholders will also receive an unaudited interim report covering the six months to 30 September each year, expected to be despatched in November. The first financial period of the Company will cover the period ending 31 March 2008. The first financial report and accounts that Shareholders will receive will be the interim report and accounts for the financial period ending 30 September 2007. It is intended that the annual general meetings of the Company will be held in June of each year.

The net asset value of a Share will be calculated by the Investment Manager in accordance with the Company's accounting policies and will be published daily through a Regulatory Information Service.

Under the Company's valuation principles:

- securities listed, traded or quoted on a stock exchange or over-the-counter market will be valued by reference to the bid price on such stock exchange or over-the-counter market as at the close of business of the relevant stock exchange or over-the-counter market on the relevant valuation day as shown by the relevant stock exchange's or market's recognised method of publication of prices for such investments. If the relevant stock exchange or over-the-counter market is not open for business on the relevant valuation day, the securities will be valued as at the last day on which the relevant stock exchange or over-the-counter market was open for business. Where a security is listed, traded or quoted on more than one stock exchange or over-the-counter market, the Directors may, at their absolute discretion, select any one of such stock exchanges or over-the-counter markets;
- any unlisted and unquoted investments will be valued by reference to the relevant underlying company's published net asset values. If there are no published net asset values, such investments will be valued at the valuations provided by their managers or administrators or by stockbrokers or professional persons approved by the Company or in such other way as the Directors consider reasonable;
- derivative instruments will be valued by reference to fair value;
- cash and bank deposits will be valued by reference to their face value; and
- notwithstanding the foregoing, the Directors shall be entitled, at their absolute discretion, to apply a method of valuing any asset which differs from those prescribed here if such method would in their opinion better reflect the fair value of such asset.

Accounting policies

Basis of accounting

The consolidated financial statements of the Company will be prepared in accordance with International Financial Reporting Standards ("IFRS"), which comprise standards and interpretations approved by the International Accounting Standards Board ("IASB"), and International Accounting Standards and Standing Interpretations Committee interpretations approved by the International Accounting Standards Committee ("IASC") that remain in effect, and to the extent that they have been adopted by the European Union.

Where presentational guidance set out in the Statement of Recommended Practice ("SORP") for investment trusts issued by the Association of Investment Companies ("AIC") in December 2005 is consistent with the requirements of IFRS, the Directors will seek to prepare the financial statements on a basis compliant with the recommendations of the SORP (subject always that the Directors may resolve not to follow the SORP where they believe not following the SORP is in the best interests of Shareholders).

Presentation of income statement

In order to reflect better the activities of an investment trust company and in accordance with guidance issued by the AIC, supplementary information which analyses the income statement in terms of items of a revenue and capital nature will be presented alongside the income statement. In accordance with the Company's status as a UK investment company under section 266 of the Act, net capital profits may not be distributed by way of dividend. Additionally, the net revenue is the measure the Directors believe appropriate in assessing the Company's compliance with certain requirements set out in section 842 ICTA.

Expenses and interest

All expenses are accounted for on an accruals basis. Expenses are charged through the revenue column of the income statement except where incurred in connection with the maintenance or enhancement of the value of the Company's investment portfolio and taking account of the expected long term returns as follows:

- interest payable on the bank term loan is allocated 30 per cent. to revenue and 70 per cent. to capital;
- (except as set out immediately above and below) management fees and finance costs payable have been allocated 30 per cent. to revenue and 70 per cent. to capital; and
- Performance Fees and, where the Base Fee is chargeable at a rate higher than 0.75 per cent., that part of the Base Fee above 0.75 per cent., will be charged wholly to capital.

Foreign currency

Transactions denominated in foreign currencies are recorded in the local currency at actual exchange rates as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rates of exchange prevailing at the year end. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in either the capital or revenue column of the income statement depending on whether the gain or loss is of a capital or revenue nature respectively.

Conflicts of interest

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

The Investment Manager will have regard to its obligations under the Investment Management Agreement or otherwise to act in the best interests of the Company, so far as is practicable having regard to its obligations to other clients or funds, should potential conflicts of interest arise. Having regard to these obligations, the Company may buy investments from, or sell investments to, the Investment Manager only on an arm's length basis. In particular, the Investment Manager will use reasonable efforts to ensure that the Company has the opportunity to participate in potential investments identified by the Investment Manager that fall within the Company's investment objective and policy on the best terms reasonably obtainable at the relevant time, having regard to the interests of the Company. In so doing, the Investment Manager will take into consideration the appropriateness of investments for inclusion in the Company's portfolio, the level of uninvested cash held by the Company and the size of investments available so that allocations of investments which are de minimis in size will normally not be made.

Principal bases and assumptions

The principal bases and assumptions used where expressly provided for in this document (the "Assumptions") are that:

1. the gross proceeds of the Issue are £120,000,000 and, following the Scheme which becomes effective on 28 February 2007, there are 90 million A Shares in issue and 30 million B Shares in issue, in each case issued at 100p per Share;
2. the Equities Portfolio constitutes 80 per cent., and the Higher Yield Portfolio constitutes 20 per cent., of the Company's aggregate investment portfolio;
3. the Equities Portfolio produces franked income equivalent to a yield of 3.5 per cent. per annum and this represents a yield relative to the yield of the FTSE All-Share Index of 123 per cent.;
4. the Higher Yield Portfolio produces unfranked income representing a redemption yield of 6.2 per cent. per annum;
5. the aggregate amount of borrowings of the Company is £30,000,000 and equals 20 per cent. of the Company's gross assets calculated immediately following drawdown and the full amount is drawn down at the date of Admission;
6. interest accrues on amounts outstanding under the Company's loan facility at a fixed rate of 5.925 per cent. per annum and the loan facility is refinanced on the same terms on the date it is repayable;
7. the Company writes covered call options over the Equities Portfolio and receives call option premiums in an aggregate amount equal to five per cent. of franked income;
8. the costs of the Issue borne by the Company equal one per cent. of the gross proceeds of the Issue;
9. the management fee is calculated on the basis of the stated circumstances which, where performance was such as to provide for the Base Fee to be payable at 0.90 per cent., would be expected to be 1.06 per cent. of net assets (inclusive of VAT) and, where performance was such as to provide for the Base Fee to be payable at 0.75 per cent., would be expected to be 0.88 per cent. of net assets (inclusive of VAT);
10. loan facility interest is charged 30 per cent. to revenue and 70 per cent. to capital;
11. the Base Fee is charged 30 per cent. to revenue and 70 per cent. to capital where the Base Fee is charged at the rate of up to 0.75 per cent. of net assets and any amount of Base Fee above that level and all of the Performance Fee is charged 100 per cent. to capital;
12. the Company incurs other annual expenses (other than the management fee and interest on the loan facilities) of £250,000, allocated entirely to revenue;
13. tax relief is allocated between revenue and capital in accordance with the "marginal basis" as set out in the Statement of Recommended Practice: Financial Statements of Investment Trust Companies issued by the Association of Investment Companies in January 2003 and reissued in December 2005;
14. there is no capital growth in the Higher Yield Portfolio and, for the purposes of projecting payments of dividends and capital returns, as set out under the heading Distributions in this Part 1, there is capital growth in the Equities Portfolio of 3.1 per cent.;
15. the Company is fully invested at Admission in accordance with its stated investment objective and policy;
16. the assets acquired under the Scheme from ICT are suitable investments for the Company and no dealing costs or stamp duty is incurred by the Company in rebalancing the portfolio but stamp duty and dealing costs apply to the cost of acquiring investments financed from the initial borrowings;
17. the ratio of A Shares to B Shares is 75:25 throughout the life of the Company and there are no further issues or repurchases of A Shares or B Shares (and no reinvestment of capital returns in B Shares through any reinvestment plan);
18. no changes occur in the relevant UK taxation law and practice; and
19. dividends and capital distributions are paid quarterly at a rate of 5.35p per Share per financial year.

PART 2

DETAILS OF THE ISSUE AND INVESTMENT RESTRICTIONS

The Scheme

On 18 January 2007, the directors of ICT published details of a scheme of reconstruction of ICT under section 110 of the Insolvency Act 1986. The Scheme involves the winding up of ICT and will, if implemented, offer Shares and Units in the Company to holders of ZDP Shares and/or Income Shares as successor investments. The Company and the Investment Manager intend to enter into an agreement with the Liquidators of ICT under which the Company will acquire part of the undertaking and assets of ICT from the Liquidators in exchange for the issue of Shares and Units to holders of ZDP Shares and/or Income Shares who have made or are deemed to have made elections to receive Shares and/or Units under the Scheme. The aggregate value of such undertaking and assets to be acquired by the Company will not be known until the Scheme becomes effective.

Holders of ZDP Shares and/or Income Shares who elect, or are deemed to have elected, to receive Shares and/or Units will receive the number of whole Shares of the relevant class(es) and/or the number of whole Units which could have been purchased at the Issue Price per Share or per Unit (as the case may be) with the value of their capital entitlements under the Scheme.

Holders of ZDP Shares and/or Income Shares with a registered address outside the United Kingdom, the Channel Islands and the Isle of Man will not be entitled to receive Shares or Units under the Scheme.

Up to 180 million A Shares of 0.1p each and up to 60 million B Shares of 0.1p each will be issued in the Issue. The Issue, which is not underwritten, is conditional upon admission of the Shares to the UKLA's Official List and to trading on the London Stock Exchange becoming effective. The Issue is also conditional upon the shareholders of ICT approving the Scheme at various shareholder meetings. If the conditions of the Scheme are met, it is expected to become effective on 28 February 2007. In addition, the Company will not participate in the Scheme and the Issue will not proceed if the net proceeds of the Issue would be less than £40 million.

Cenkos Securities plc

Cenkos Securities plc has been appointed to act as corporate broker to the Company and to assist the Company in the marketing in relation to the Scheme. Upon Admission of the Company's Shares to listing on the Official List and to trading on the main market of the London Stock Exchange, Cenkos is entitled to a success commission equal to a sliding scale percentage of the gross assets rolling over under the Scheme, other than in relation to certain F&C group related funds and certain specified shareholders (representing, in aggregate as at 15 January 2007, being the latest practicable date prior to the publication of this document, approximately 42 per cent. of the issued ZDP Shares and 43 per cent. of the issued Income Shares of ICT) (the "Target Assets"). Cenkos's commission under the engagement in connection with the Scheme should not exceed 0.6 per cent. of the Target Assets.

Cenkos has also been appointed on an ongoing basis to be the Company's corporate broker. Further details of the arrangements between Cenkos and the Company are set out at paragraph 5.6 of Part 4 of this document.

Scaling back

In order to facilitate the achievement of the Company's investment objective, it has been determined by the Board that the proportion of A Shares to B Shares in issue will be established exactly in the ratio of three A Shares for every one B Share. Accordingly, elections and deemed elections for either A Shares or B Shares may be scaled back into Units *pro rata* to the extent required to establish the intended ratio. The result of the Issue, and any scaling back, will be announced on or by 28 February 2007 through a regulatory information service.

Fractions of Shares and Units

Fractions of Shares and Units will not be issued under the Scheme and entitlements to Shares and Units will be rounded down to the nearest whole number. Residual amounts will be transferred to the Company pursuant to the Scheme without any further Shares or Units being issued in respect of such amounts.

Costs of the Issue

Under the terms of the Costs Agreement (further details of which are set out in paragraph 5.5 of Part 4 of this document), the Investment Manager has agreed to fix the costs of the Company incurred in relation to the Issue and the Company's participation in the Scheme at one per cent. of the gross proceeds of the Issue. Under the Costs Agreement, if the costs of the Company's participation in the Scheme exceed this amount, the Investment Manager will pay an amount equal to such excess to the Company and if the costs are less than this amount, the Company will pay an amount equal to such shortfall to the Investment Manager.

Settlement and dealings

Conditional upon the Scheme becoming effective, it is expected that the Shares will be admitted to the Official List of the UKLA and that the Shares and the Units will be admitted to trading on the main market of the London Stock Exchange on 1 March 2007. No dealings will commence before this date.

The Shares which will be issued pursuant to the Issue will be issued at 100p per share, of which 99.9p constitutes share premium. Accordingly, Units (which comprise three A Shares and one B Share) issued pursuant to the Scheme will be issued at 400p per Unit.

Shares and Units issued pursuant to the Issue will be issued in registered form and may be held either in certificated form or settled through CREST. It is expected that definitive certificates in respect of the Shares and Units will, where requested, be despatched by post in the week commencing 5 March 2007. Temporary documents of title will not be issued. Pending despatch of such certificates, transfers will be certified against the register. Dealings in the Shares are expected to commence on 1 March 2007. The ISIN number for the A Shares is GB00B1N4G299, the ISIN number for the B Shares is GB00B1N4H594 and the ISIN number for the Units is GB00B1N4H933. The SEDOL number for the A Shares is B1N4G29, the SEDOL number for the B Shares is B1N4H59 and the SEDOL number for the Units is B1N4H93.

Announcement of results of the Issue

It is expected that an announcement of the respective numbers of A Shares, B Shares and Units to be issued pursuant to the Scheme (subject to the Scheme becoming unconditional) will be made via a regulatory information service on or by 28 February 2007. If the Scheme becomes unconditional, subject only to Admission, an announcement of that fact will be made on 28 February 2007.

Investment restrictions

The Company will observe the investment restrictions imposed from time to time by the Listing Rules. The current Listing Rules impose the following restrictions on the Company:

- (i) distributable income will be principally derived from investment. The Company will not undertake a trading activity which is significant;
- (ii) the Company will not take legal or management control of the issuers of the underlying investments;
- (iii) not more than 20 per cent. of the total assets of the Company (consolidated where appropriate) will be lent to or invested in the securities of any one company or group at the time when the investment or loan is made; for this purpose any existing holding in the Company concerned will be aggregated with the proposed new investment;
- (iv) dividends will not be paid unless they are covered by income received from underlying investments and, for this purpose, a share of profit of an associated company is unavailable unless and until distributed to the Company;
- (v) the distribution as dividend of surpluses arising from the realisation of investments will be prohibited; and
- (vi) the Company will not be a dealer in investments.

The above restrictions in the Listing Rules are currently under review by the UK Listing Authority and may be amended during the course of 2007.

The Company will not invest more than 15 per cent. of its total assets in other listed investment companies or investment trusts. In addition, the Company intends to manage its portfolio to comply with the requirements for investment trust status under section 842 of the Income and Corporation Taxes Act 1988.

In the event that any of the above restrictions are breached, notification thereof will be made via a regulatory information service announcement by the Company with an indication of the action to be taken to remedy the situation.

PART 3

TAXATION

1. General

The information contained in this document relating to taxation is a summary of the taxation matters which the Directors consider should be brought to the attention of prospective investors. The following statements are intended as a general guide only, are based upon the UK law and HM Revenue & Customs ("HMRC") practice currently in force, and relate only to the position of Shareholders who are beneficial owners of their Shares. They may not relate to certain categories of Shareholders, such as dealers in securities. Prospective investors should consult their own professional advisers on the potential tax consequences of acquiring, holding or selling Shares in the Company.

2. The Company

It is the intention of the Directors to conduct the affairs of the Company so as to satisfy the conditions for approval as an investment trust under section 842 of the Income and Corporation Taxes Act 1988 ("ICTA 1988") and to apply annually to HMRC for such approval which is granted retrospectively. In order to maintain its investment trust status for an accounting period, the Company must not, *inter alia*, be a close company at any time in that accounting period. The Directors do not expect that the Company will be a close company. In respect of each accounting period for which approval is granted, the Company will be exempt from UK taxation on its capital gains.

The Company will, however, be liable to UK corporation tax on its net income in the normal way, with dividends from UK resident companies being exempt from corporation tax. Income arising from overseas investments may be subject to foreign withholding taxes at varying rates, but double taxation relief may be available.

3. Shareholders and Unitholders

A Unit will not be treated as an asset in its own right for UK tax purposes. Instead, Unitholders will be treated as owning the underlying Shares that constitute their Units. The information set out here relating to taxation should be read accordingly.

3.1 Taxation of Income

3.1.1 A Shareholders

Under current legislation, no withholding tax will be deducted from any dividends paid by the Company.

Notwithstanding the abolition of advance corporation tax, tax credits will continue to be available. The rate of tax credits in respect of dividends paid by the Company will be 10 per cent. of the aggregate of the dividend and the tax credit itself (equivalent to one-ninth of the cash dividend).

UK resident individual A Shareholders who are not liable to income tax in respect of their dividends will not generally be entitled to reclaim any part of the tax credit. The income tax charge in respect of dividends for lower and basic rate tax payers will be at the rate of 10 per cent. and such A Shareholders will have no further liability to tax on their dividends. A higher rate tax payer will be liable to income tax on the sum of the dividend plus the tax credit (to the extent that, taking that sum at the top slice of his income, it falls above the threshold for the higher rate of income tax) at the rate of 32.5 per cent., against which he can offset the 10 per cent. tax credit.

A UK resident corporate A Shareholder generally will not be liable to corporation tax on any dividend received unless it is a dealer in securities. The net dividend will be taken into account in computing the taxable profits of a dealer in securities.

A Shareholders who are not resident in the UK may be entitled to a payment from HMRC of a proportion of the tax credit relating to their dividends but such entitlement will depend, in general, on the provisions or any double taxation agreement or convention which exists between the UK and their country of residence. Non-UK resident A Shareholders may be subject to local

taxation on dividend income in their own country of residence. Any person who is not resident in the UK should consult his own tax advisor on the question of the double tax position applying between his country of residence and the UK.

3.1.2 *B Shareholders*

B Shareholders will not receive dividends from the Company. Instead, B Shareholders will receive capital returns at the same time as, and in amounts equal to, each dividend paid in respect of the A Shares. These capital returns will fall to be taxed in accordance with the rules relating to the taxation of chargeable gains, as described at paragraph 3.2.2 below.

3.2 Taxation of Capital Gains

3.2.1 *Disposals of Shares*

Depending on their personal circumstances, UK resident Shareholders may be subject to capital gains tax (or, in the case of corporate Shareholders, corporation tax on chargeable gains) in respect of any gain arising on a transfer or disposal, including a disposal on a winding up of the Company, of their A Shares or B Shares unless the Shareholder is taxed as a dealer in securities, in which case any gain will be treated as income and taxed as such.

Shareholders who are neither resident nor ordinarily resident in the UK and who are not carrying on a trade or profession in the UK through a branch or agency or permanent establishment to which the Shares are attributable assets, will not normally be liable to UK taxation on chargeable gains arising on the sale or other disposal of their Shares, although they may be subject to foreign taxation.

For UK resident individual Shareholders, indexation allowance and taper relief may be available to reduce the amount of the gain chargeable to tax. The availability and rate of taper relief will depend on the period of ownership of the Shares. As the Shares will constitute non-business assets, they will not qualify for taper relief until they have been held for a period of three years. After three years, the gain is reduced by 5 per cent. and for each further complete year of ownership the gain is reduced by a further 5 per cent. up to a maximum reduction of 40 per cent.

A gain on disposal of Shares, together with other gains less allowable losses in a fiscal year, is subject to tax at the individual's marginal tax rate to the extent that it exceeds the annual exempt amount which, for the fiscal year 2006/2007, is £8,800.

For corporate Shareholders, indexation allowance may be available to reduce the amount of the taxable gain.

3.2.2 *Capital Returns on B Shares*

As described more fully in the section entitled "*Capital Structure*" in Part 1 of this document, B Shareholders will not receive dividends from the Company. Instead, B Shareholders will receive capital returns at the same time as, and in amounts equal to, each dividend paid in respect of the A Shares.

Individual and corporate B Shareholders who are UK resident, excluding dealers in securities, will be treated as receiving a capital distribution from the Company in terms of section 122 of the Taxation of Chargeable Gains Act 1992 ("TCGA 1992"). No tax credit will be available for individual B Shareholders on the receipt of the capital return. Subject to the following paragraph, the capital return will be treated as the proceeds of a part disposal of the holding of B Shares.

There are particular rules which apply to the tax treatment of such sums, where the sums received fall properly to be regarded as "small" for the purposes of section 122 TCGA 1992. Under current HMRC practice, a sum received by way of a capital return will be regarded as being small where it is less than 5 per cent. of the market value of the shareholding in question at the date of the receipt or where it is less than £3,000, regardless of whether it is less than 5 per cent. of the market value of the shareholding in question at the date of the receipt. The Directors believe that, in normal circumstances, all sums paid by way of capital return to B Shareholders will be small for these purposes.

The receipt by a B Shareholder of a capital return which is small, as described above, will not be treated as a disposal, or part disposal, of an asset. Instead, an amount equal to the amount received will fall to be deducted from the tax base cost of their holding of B Shares. B Shareholders may calculate the indexed rise in the tax base cost of their holding of B Shares on the occurrence of each small capital return.

The availability of an individual B Shareholder's annual exempt amount for capital gains tax purposes will not be affected by this treatment. Under current HMRC guidance, the receipt by an individual of a sum which falls to be treated as described above does not require to be included in any Self Assessment tax return.

This "small receipt" treatment will only apply where, and to the extent that, the holding of B Shares from which the capital return is derived has a positive base cost against which to offset the capital receipt. Where this is not the case, the receipt of a capital distribution may fall to be treated as a chargeable gain.

B Shareholders who are neither resident nor ordinarily resident in the UK and who are not carrying on a trade or profession in the UK through a branch or agency or permanent establishment to which the B Shares are attributable assets will not be subject to UK taxation on the receipt of the capital return.

The capital return may be subject to foreign taxation.

4. Stamp Duty and Stamp Duty Reserve Tax ("SDRT")

No stamp duty or SDRT will be payable on the issue of Shares under the Issue.

Subject to the following, any transfer of Shares will be liable to *ad valorem* stamp duty (currently at the rate of 0.5 per cent., with a rounding up to the nearest £5) or (if an agreement to transfer such Shares is not completed before the seventh day of the calendar month following the month in which the agreement becomes unconditional) SDRT (currently at the rate of 0.5 per cent.) on the actual consideration paid.

Under the CREST system for paperless transfers, no stamp duty or SDRT will arise on the transfer of Shares into the system unless such a transfer is made for a consideration in money or money's worth, in which case a liability to SDRT (usually at the rate of 0.5 per cent.) will arise. Paperless transfers of Shares within CREST are liable to SDRT (usually at the rate of 0.5 per cent. of the actual consideration paid) rather than stamp duty and SDRT on relevant transactions settled within the CREST system, or reported through it for regulatory purposes, is collected by CREST.

In the ordinary course of events, liability to pay any stamp duty or SDRT is that of the purchaser or transferee.

Special rules apply to agreements made by market makers and broker-dealers in the ordinary course of their business.

No stamp duty or SDRT will be payable on the issue of definitive certificates unless they are issued to persons to whom the depository receipt or clearance service charge to SDRT may apply (currently, at the rate of 1.5 per cent. of the issue price of the Shares).

5. ISAs and PEPs

Shares will qualify for the stocks and shares component of an ISA and will be eligible to be held within a PEP, provided that they are acquired by an ISA/ PEP manager in the market or under the Issue. Direct transfers to an ISA/PEP will render such shares ineligible for ISAs/PEPs.

6. SIPPs

Shares will be permitted investments for SIPPs.

PART 4

GENERAL INFORMATION

1. Incorporation and general

- 1.1. The Company was incorporated and registered in Scotland on 15 January 2007 as a public company limited by shares under the Act with the registered number SC314671. The Company operates under the Act and regulations made under the Act. Its registered office is 80 George Street, Edinburgh EH2 3BU (telephone number: 0131 718 1000). Save for its compliance with the Act and the Listing Rules of the UK Listing Authority, the Company is not a regulated entity. It is intended that the Company will change its name to "Investors Capital Trust plc" prior to the Effective Date.
- 1.2. The memorandum of association of the Company provides that the Company's principal object is to carry on the business of an investment trust company. The objects of the Company are set out in clause 4 of its memorandum of association, a copy of which is available for inspection at the address set out in paragraph 9 below.
- 1.3. The Company has not commenced operations since the date of its incorporation and no financial statements have been prepared, nor any dividends declared, by the Company since its incorporation. The Company has received a certificate under section 117 of the Act entitling it to commence business and to exercise its borrowing powers.
- 1.4. The Company has given notice to the Registrar of Companies of its intention to carry on business as an investment company pursuant to section 266 of the Act.
- 1.5. The Investment Manager is a private limited company and was incorporated in Scotland under the Act with the registered number SC151198 on 1 June 1994. The Investment Manager operates under the Act. Its registered office and principal place of business is 80 George Street, Edinburgh EH2 3BU (telephone number: 0131 718 1000). The Investment Manager is authorised and regulated by the Financial Services Authority.

2. Share capital and indebtedness

- 2.1. The authorised share capital and the issued share capital of the Company (all of which will be fully paid up) as at the date of this document and immediately following Admission (assuming the maximum number of Shares is issued) will be as follows:

	<i>Authorised</i>		<i>Issued</i>	
	<i>No. of Shares</i>	<i>Nominal</i>	<i>No. of Shares</i>	<i>Nominal</i>
As at the date of this document				
A Shares	225,000,000	£225,000	3	£0.003
B Shares	75,000,000	£75,000	1	£0.001
Immediately following Admission				
A Shares	225,000,000	£225,000	180,000,000	£180,000
B Shares	75,000,000	£75,000	60,000,000	£60,000

- 2.2. The Company was incorporated with an authorised share capital of £300,000 divided into 225,000,000 A Shares of 0.1p each and 75,000,000 B Shares of 0.1p each. At incorporation, four subscriber shares (3 A Shares and 1 B Share) were subscribed for, fully paid, at a subscription price of £4 (nominal value 0.4p), by the subscribers to the memorandum of association, being 22 Nominees Limited and 25 Nominees Limited.
- 2.3. To enable the Company to obtain a certificate of entitlement to do business and to borrow under section 117 of the Act, on 16 January 2007, 37,500,000 A Shares and 12,500,000 B Shares of 0.1p each were allotted fully paid to F&C Treasury Limited at 0.1p each. The A Shares and B Shares will be included in the Issue, with the allotment to F&C Treasury Limited to be cancelled upon such shares being subsequently reallocated under the Issue.
- 2.4. Pursuant to a special resolution passed by the Company on 16 January 2007, *inter alia*:
 - (i) conditional only on the existing Investors Capital Trust plc changing its name, it was resolved that the name of the Company be changed to "Investors Capital Trust plc";

- (ii) effective immediately after Admission, in substitution for any existing power under section 80 of the Companies Act 1985 (as amended) (the "Act") the directors were generally and unconditionally authorised, pursuant to section 80 of the Act, to allot or transfer out of treasury relevant securities (as defined in section 80(2) of the Act) up to an aggregate nominal amount of the lower of (a) the nominal value of the authorised but unissued share capital immediately following Admission and (b) one-third of the nominal value of the issued A Shares and one third of the nominal value of the issued B Shares immediately following Admission, such authority to expire on the date of the first annual general meeting of the Company or, if earlier, 30 September 2008, unless previously revoked, varied or extended by the Company in general meeting, save that the Company was authorised, at any time prior to the expiry of such authority, to make an offer or enter into an agreement which would or might require relevant securities to be allotted or transferred out of treasury after the expiry of such authority and the directors were authorised to allot or transfer out of treasury relevant securities in pursuance of such an offer or agreement as if such authority had not expired;
- (iii) conditional upon the Admission of the A Shares and B Shares to the Official List of the UKLA and the payment up in full of those A Shares and B Shares and subject to the confirmation of the Court of Session, the amount standing to the credit of the share premium account of the Company immediately following Admission (less that part of the amount applied in writing off the Company's preliminary expenses and the expenses of, and the commission paid in connection with, the issue of the A Shares and B Shares) was cancelled and it was resolved that:
 - (a) the credit thereby arising in the Company's books of account attributable to amounts of premium paid up on the A Shares be applied in crediting a distributable reserve (to be designated the "Buy Back Reserve") to be established in the Company's books of account which shall be able to be applied in any manner in which the Company's profits available for distribution (as determined in accordance with section 263(3) of the Act) are to be applied, except by way of dividend, but including the buy back by the Company of A Shares and B Shares; and
 - (b) the credit thereby arising in the Company's books of account attributable to amounts of premium paid up on the B Shares be applied in crediting a distributable reserve (the "Special Capital Reserve") to be established in the Company's books of account which shall be able to be applied in any manner in which the Company's profits available for distribution (as determined in accordance with section 263(3) of the Act) are to be applied, except by way of dividend, but including the making of returns of capital to holders of B Shares.
- (iv) the Company's directors were empowered, pursuant to section 95(1) of the Act, to allot or transfer out of treasury equity securities (as defined in section 94(2) of the Act) for cash, pursuant to the authority conferred in the Articles or the authority referred to in paragraph (ii) above, as if section 89(1) of the Act did not apply to any such allotment or transfer, such power to expire on the date of the first annual general meeting of the Company or, if earlier, 30 September 2008, unless previously revoked, varied or extended by the Company in general meeting, and being limited to:
 - (a) the allotment of up to 37,500,000 A Shares and 12,500,000 B Shares to allow the Company to apply for a certificate of authorisation to borrow and commence business under section 117 of the Act;
 - (b) the allotment of up to 180,000,000 A Shares and 60,000,000 B Shares in connection with the Issue; and
 - (c) the allotment or transfer out of treasury of up to 9,000,000 A Shares and 3,000,000 B Shares otherwise than under (a) or (b) above provided that the number of such A Shares or B Shares respectively allotted or transferred out of treasury under this paragraph (c) should not exceed five per cent. of the number of A Shares or B Shares in issue respectively immediately following the Issue,

and the Company was authorised, at any time prior to the expiry of such power, to make an offer or enter into an agreement which would or might require securities to be allotted after the expiry of such power and the Company's directors were authorised to allot equity securities in pursuance of such an offer or agreement as if such power had not expired;

- (v) the Company was generally and unconditionally authorised in accordance with section 166 of the Act to make market purchases of A Shares and B Shares representing up to 14.99 per cent. of each of the A Shares and B Shares in issue immediately following the Issue, such authority to expire at the conclusion of the Company's first annual general meeting or, if earlier, the date 18 months after the date on which the resolution was passed.

2.5. As at the date of this document, the Company:

- (i) does not have any secured, unsecured or unguaranteed indebtedness, including indirect and contingent indebtedness;
- (ii) has not granted any mortgage or charge over any of its assets; and
- (iii) does not have any contingent liabilities or guarantees,

save that the Company has entered into a facility letter with Lloyds TSB Scotland plc, pursuant to which a facility is to be made available by Lloyds TSB Scotland plc to the Company. As at the date of this document, the Company has not drawn down on the facility but intends to draw down shortly after Admission an amount of approximately 20 per cent. of its gross assets calculated immediately after drawdown for the purpose of purchasing investments in accordance with its investment policy. Further details in relation to the facilities letter and the Company's intention in relation to borrowings are set out at paragraph 5.2 of this Part 4 and under the heading "Borrowings and gearing" in Part 1 of this document.

As at the date of this document the Company's issued and fully paid share capital is £4 (of which 0.4p represents the nominal value of the relevant shares and 399.6p represents share premium) consisting of 3 A Shares and 1 B Share and it has allotted a further £50,000 of share capital (nominal value) at an aggregate issue price of £50,000, consisting of 37,500,000 A Shares and 12,500,000 B Shares.

- 2.6. No share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option.
- 2.7. The disapplication of statutory pre-emption rights in the terms provided under the special resolution noted at paragraph 2.4 above has given the Company the flexibility to resell Shares which it holds in treasury for cash without first being required to offer such Shares to existing Shareholders in proportion to their existing holdings.
- 2.8. The Company has authority to make market purchases of up to 14.99 per cent. of the Shares in issue immediately following the Issue.
- 2.9. The provisions of section 89 of the Act, which confer on Shareholders certain rights of pre-emption in respect of the allotment of equity securities which are to be paid up in cash, apply to the authorised but unissued capital of the Company except as referred to in paragraphs 2.4 and 2.7 above.
- 2.10. It is expected that the Shares will be issued pursuant to a resolution of the Board of Directors on 28 February 2007 conditional upon admission of those shares to the UKLA Official List and to trading on the London Stock Exchange. All of the Shares (whether held within Units or otherwise) are to be admitted to trading on the main market of the London Stock Exchange.
- 2.11. Each Share will be issued fully paid at a premium of 99.9p to the nominal value of 0.1p per share.
- 2.12. Assuming that the maximum number of Shares is issued, following Admission, the authorised but unissued share capital of the Company will be £60,000 comprising 44,999,997 A Shares and 14,999,999 B Shares.
- 2.13. Under the Issue, the Shares and the Units will be issued fully paid and in registered form and may be held in either certificated or uncertificated form. CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by certificates and transferred otherwise than by written instruments. The articles of association of the Company will permit the holding of Shares under the CREST system. CREST is a voluntary system and holders of Shares who wish to receive and retain share certificates, and holders of Units who wish to receive and retain unit certificates, will be able to do so. Temporary documents of title will not be issued in respect of Shares or Units issued in certificated form under the Issue. Definitive certificates for such Shares or Units are expected to be despatched in the week commencing 5 March 2007.

2.14. The following table sets out the capitalisation and indebtedness of the Company as at the date of this document.

<i>Total current debt</i>	
Guaranteed	nil
Secured	nil
Unguaranteed/unsecured	nil
<i>Total non-current debt</i>	
Guaranteed	nil
Secured	nil
Unguaranteed/unsecured	nil
<i>Shareholders' equity</i>	
Share capital	£50,004
Legal reserves (excl. revenue reserves)	nil
Other reserves (excl. revenue reserves)	nil
Total	£50,004

The following table sets out the net indebtedness of the Company in the short term and the medium-long term as at the date of this document.

Cash	£4
Cash equivalent	nil
Trading securities	nil
Liquidity	nil
Current Financial Receivable	£50,000
Current Bank debt	nil
Current portion of non-current debt	nil
Other current financial debt	nil
Current Financial Indebtedness	nil
Net Current Financial Indebtedness	nil
Non-current Bank loans	nil
Bonds issued	nil
Other non-current loans	nil
Non-current Financial Indebtedness	nil
Net Financial Indebtedness	nil
Indirect indebtedness	nil
Contingent indebtedness	nil

The information in the tables above is unaudited information on the Company and has not been reported on by an accountant.

3. Articles of Association

The Articles contain provisions, *inter alia*, to the following effect:

3.1 Variation of Class Rights and Class Meetings

3.1.1 Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class may, subject to the provisions of the Act and every other act in force concerning companies in so far as the same applies to the Company (the "Statutes"), be varied either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class (excluding any shares of that class held as treasury shares) or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of that class but not otherwise.

3.1.2 The provisions of the Articles relating to general meetings of the Company apply to every separate meeting of the holders of a particular class of shares except that:

- (A) the necessary quorum at any such meeting (other than at an adjourned meeting) shall be two persons holding or representing by proxy not less than one-third in nominal amount of the issued shares of that class;
- (B) if any such separate general meeting is adjourned, the quorum at the adjourned meeting shall be one person holding shares of that class or his proxy;
- (C) any holder of shares of the class in question who is present in person or by proxy may demand a poll; and
- (D) on a poll, every such holder shall have one vote for every share of that class held by him.

3.2 Alteration of Capital

3.2.1 The Company may from time to time by ordinary resolution:

- (A) increase its share capital by such sum to be divided into shares of such amounts as the resolution prescribes; or
- (B) consolidate, or consolidate and then divide, all or any of its share capital into shares of a larger amount than its existing shares; or
- (C) sub-divide all or any of its shares into shares of smaller amount and the resolution may determine that, as between the shares resulting from the sub-division, any of them may be given any preferred, deferred or other rights or be subject to any restrictions as the Company has power to attach to unissued or new shares as compared with the others; or
- (D) cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

3.2.2 The Company may, subject to the provisions of the Statutes, purchase its own shares or may enter into a contract under which it will or may purchase all or any of its shares of any class (including any redeemable shares).

3.2.3 The Company may by special resolution reduce its share capital, any capital redemption reserve fund, any share premium account or any other undistributable reserve in any manner permitted by, and in accordance with, the Statutes.

3.2.4 In the event that the Special Capital Reserve is exhausted such that the amount remaining to the credit of the Share Capital Reserve is less than the last payment to B Shareholders out of the Share Capital Reserve, all the A Shares and all the B Shares shall automatically convert to ordinary shares which shall be deemed to have equal rights and entitlements, regardless of any accrued rights or entitlements of the A Shares or B Shares from which they converted.

3.3 Transfer of Shares

3.3.1 Shares may be held in uncertificated form and uncertificated shares may be transferred otherwise than by a written instrument by means of a relevant system in accordance with the Uncertificated Securities Regulations 2001.

- 3.3.2 Transfers of shares held in certificated form may be effected by an instrument of transfer in the usual common form or in any other form which the Directors may approve. The instrument of transfer shall be signed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee.
- 3.3.3 The transferor shall remain the holder of the share concerned (whether a certificated share or an uncertificated share) until the name of the transferee is entered in the register of members as the holder of that share.
- 3.3.4 The Directors may refuse to register the transfer of a share held in certificated form unless the instrument of transfer:
- (A) is in respect of only one class of share;
 - (B) is in favour of not more than four joint transferees; and
 - (C) is lodged at the Company's registered office accompanied by the relevant share certificate(s) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. In addition, the Directors may refuse to register the transfer of a share which is not fully paid or on which the Company has a lien.
- 3.3.5 Registration of transfers of shares may be suspended at such times and for such periods (not exceeding 30 days in any year) as the Directors may from time to time determine.

3.4 Voting

- 3.4.1 Subject to any special rights or restrictions as to voting attached to any shares from time to time, on a show of hands every member (with every A Share and every B Share having equal voting rights) who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative not being himself a member, shall have one vote only and on a poll every member present in person or by corporate representative or by proxy and entitled to vote shall have one vote for every share of which he is the holder.
- 3.4.2 If a member or any other person appearing to be interested in shares in the Company shall have been served with a notice under section 212 of the Act and is in default in supplying the information required in accordance with that notice within a period of 28 days, or in purported compliance with such a statutory notice makes a statement which is false in a material particular, the Company may send him a notice of disenfranchisement and he shall thereafter, while the default continues, be disqualified to attend or vote at any general meeting of the Company or at any separate general meeting of the holders of the shares of that class in person or by proxy or to exercise any privilege as a member in relation to meetings of the Company.

3.5 Dividends and Distributions

- 3.5.1 A Shares shall be entitled to all dividends paid by the Company and no dividends may be paid to B Shareholders. Subject to 3.5.2 below, B Shareholders shall be entitled to capital distributions from the Company at an amount per share equal to any dividend paid per share to A Shareholders, payable at the same time as any such dividend but not to exceed such amount of dividend.
- 3.5.2 Until 30 September 2007, in the event that the Court of Session has not approved the cancellation of the share premium account of the Company, the Company may make dividend payments to A Shareholders as set out in this prospectus provided that the B Shareholders' rights to capital distributions of an equivalent amount per share is accrued and paid upon approval of the share premium account cancellation or, in the event that the share premium account cancellation is not approved by 30 September 2007, such accrual is credited to B Shareholders in any reconstruction or winding up of the Company.
- 3.5.3 The Company may, by ordinary resolution, declare dividends payable out of the profits of the Company available for distribution in accordance with the provisions of the Statutes provided that no such dividend shall exceed the amount recommended by the Directors. If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may declare and pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the dates prescribed for such payment and may also from time to time pay such interim dividends on shares as they think fit.

- 3.5.4 Any sum resolved to be declared by way of dividend shall consist of an amount for the time being standing to the credit of one of, or of the respective amounts for the time being standing to the respective credits of, the following accounts, namely the profit and loss account of the Company and any of the reserve accounts of the Company for the time being, excluding its capital redemption reserve fund (if any), share premium account (if any) and, without prejudice to the provisions noted in paragraph 3.8.2 below, other capital reserve funds.
- 3.5.5 Except as otherwise provided by the rights attached to any shares or the terms of issue of any shares, all dividends to A Shares and capital distributions to B Shares shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid in proportion to the amounts paid up on the shares during any part(s) of the period in respect of which the dividend or capital distribution is paid. No amount paid on a share in advance of calls shall be treated as having been paid on the share. Subject to the rights attached to any shares, no dividend payable in respect of any share shall bear interest.
- 3.5.6 If sanctioned by an ordinary resolution of the members, the Directors shall direct payment of the whole or part of any dividend by the distribution of specific assets and, in particular, of paid up shares or debentures of any other company.
- 3.5.7 The Directors may retain any dividend or capital distribution or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists. The Directors may deduct from any dividend or capital distribution or other moneys payable to any member on or in respect of a share all sums of money (if any) due and payable by him to the Company on account of calls or otherwise in relation to shares of the Company.
- 3.5.8 Any dividend or capital distribution which has remained unclaimed for a period of 12 years from the date on which such dividend was declared shall be forfeited and shall revert to the Company.

3.6 Directors

- 3.6.1 Unless otherwise determined by the members of the Company by ordinary resolution, the number of Directors shall not be less than two nor more than seven.
- 3.6.2 A Director shall not require to hold any shares in the Company in order to qualify for office. A Director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of share in the Company.
- 3.6.3 Each director shall retire from office at the third Annual General Meeting after the Annual General Meeting at which he was last elected.
- 3.6.4 Unless otherwise determined from time to time by ordinary resolution of the Company, the remuneration paid to the Directors (other than any Director who holds any executive office, including the office of Chairman or Deputy Chairman where such office is held in an executive capacity, entitling him to remuneration under any agreement and who is not thereby entitled to any fees as a Director) shall not exceed in aggregate £150,000 per annum. A Director holding executive office shall receive such remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Directors may determine, and either in addition to or in lieu of his remuneration as a Director.
- 3.6.5 Any Director who holds any executive office or who serves on any committee of the Directors or who otherwise performs services which, in the opinion of the Directors, are outside the ordinary duties of a director may be paid such remuneration by way of salary, commission, participation in profits or otherwise, in addition to or in substitution for his ordinary remuneration as a Director, as the Directors may determine.
- 3.6.6 The Company may also pay to Directors all reasonable travelling, hotel and other expenses properly incurred in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company or in connection with the business of the Company.
- 3.6.7 The Directors may give or award pensions, annuities, gratuities, superannuation, allowances and bonuses or any share or interest in the profits of the Company's business to any persons who are or have at any time been in the employment or service of any member of the Company's group

or any company which is allied or associated with the Company's group, or who are or have at any time been Directors or officers of any member of the Company's group or any such other company and who hold or held salaried employment in the Company's group or such other company and to the dependents of such persons. The Directors may establish, support and maintain funds or schemes (whether contributory or non-contributory) for providing pensions, sickness or compassionate allowances, life assurance or other benefits for such persons or their dependents.

3.6.8 Subject to the provisions of the Statutes and provided that he has disclosed to the Directors the nature and extent of any material interest, a Director, notwithstanding his office:

- (a) may be party to or in any way interested in any contract or arrangement or transaction to which the Company is party or in which the Company is in any way interested; and
- (b) may, and any company in which he is interested or any firm of which he is a member may, hold and be remunerated in respect of any office or place of profit (other than the office of auditor of the Company or any subsidiary of the Company) under the Company or any other company in which the Company is in any way interested and he (or any firm of which he is a member) may act in a professional capacity for the Company or any such other company and be remunerated for such services,

and in any such case (save as otherwise agreed) he may retain for his own absolute use and benefit all profits and advantages accruing to him in consequence of such activities.

3.6.9 A Director may be or become a director or other officer of, or otherwise interested in, any other company in which the Company is a shareholder or is otherwise interested, and shall not (unless it is otherwise agreed) be liable to account to the Company for any remuneration or other benefits receivable by him as a director or officer of or from his interest in such other company. The Directors may exercise the voting power conferred by the shares in any other company held or owned by the Company in such manner in all respects as they think fit.

3.6.10 A Director who is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the meeting of the Directors at which the question of entering into the contract or arrangement is first taken into consideration, if his interest then exists, or in any other case at the first meeting of the Directors after he becomes so interested. A general notice to the Directors given by a Director to the effect that he is a member of a specified company or firm and is to be regarded as interested in all transactions with such company or firm shall be a sufficient declaration of interest under the Articles, and after such general notice it shall not be necessary to give any special notice relating to any subsequent transaction with such company or firm, provided that no such notice shall be effective unless it is either given at a meeting of the Directors or the Director giving such notice takes reasonable steps to ensure that it is brought up and read at the next meeting of the Directors after it is given.

3.6.11 Except as otherwise provided in this paragraph 3.6, a Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any material interest otherwise than by virtue of his interest in shares or debentures or other securities of or otherwise in or through the Company. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is not entitled to vote.

3.6.12 Subject to the Statutes, a Director shall be entitled to vote and be counted in the quorum in respect of any resolution concerning any of the following matters:

- (a) the giving of any security, guarantee or indemnity to him in respect of money lent to or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiaries;
- (b) the giving of any security, guarantee or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
- (c) any proposal concerning an offer of shares, debentures or other securities of or by the Company or any of its subsidiaries for subscription, purchase or exchange in which offer he is or is to be interested by virtue of his being or intending to become a participant in the underwriting or sub-underwriting of such offer;

- (d) any proposal concerning any other company in which he is interested, directly or indirectly, provided that he is not the holder of or beneficially interested in one per cent. or more of the issued shares of any class of such company (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed for the purposes of the Articles to be a material interest in all circumstances); and
- (e) a proposal relating in any way to a superannuation fund or a retirement benefits scheme which has been approved or is conditional upon approval by HM Revenue & Customs for taxation purposes or of any employee share scheme under which he may benefit and which does not accord to any Director as such any privilege or advantage not generally accorded to the employees to whom the scheme relates.

3.7 Borrowing Powers

The Directors may exercise all the powers of the Company to borrow or raise money as they think necessary for the purposes of the Company. The Directors shall take all necessary steps (including the exercise of all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries) for securing that the aggregate amount at any one time outstanding in respect of moneys borrowed by it or them (exclusive of borrowings owing by one member of the Company's group to another member of the Company's group) shall not, without the previous sanction of an ordinary resolution of the Company exceed, at the time such borrowings are incurred, a sum equal to the Adjusted Capital and Reserves (as defined in the Articles).

3.8 Reserves

3.8.1 The Directors may, before recommending any dividend or capital distributions, from time to time set aside out of the profits of the Company and carry to reserve to form a general reserve fund such sums as they think proper. Such sums may, at the discretion of the Directors, be used for any purpose for which the profits of the Company may properly be applied and, pending such use, may either be employed in the business of the Company or be invested in such investments as the Directors may think fit.

3.8.2 All monies derived from the sale or realisation of any capital asset or investment of the Company in excess of the price at which such asset or investment stands in the books of the Company at the time (the "book price") and any other sums in the nature of capital profit shall (except in the case of partial realisation of an asset or investment, when such excess may be used to write down the book price of the remainder of the asset or investment until it is reduced to nil) be carried to the credit of such capital fund as the Directors shall determine, either for the purpose of providing for possible depreciation of investments, or for diminution in the value of assets, or for creating or augmenting any capital reserve fund, and shall not in any event be available for dividend, but may be used for any purpose to which the capital of the Company may be applied, including, but without prejudice to the foregoing generality, the writing down of the book price of any investment or of the investments generally or the writing off of the expenses of formation of the Company and of issues of share capital and debentures or debenture stock, and any discount on shares or debentures or debenture stock issued. Any loss on the sale of capital assets or investments may be charged wholly or partially against any funds of the Company, including reserve funds, as the Directors may in their discretion determine and shall not be debited to the profit and loss account.

3.9 Untraced Shareholders

The Company shall be entitled to sell at the best price reasonably obtainable any share of a member or the shares to which a person is entitled by transmission if, for a period of 12 years, all cheques and warrants sent by the Company to the member have remained uncashed and at least three dividends have been paid in relation to such shares during those 12 years and no such dividend has been claimed and within a further period of three months from the date of advertisements giving notice of its intention to sell such shares (placed after the expiry of the period of 12 years) the Company has not received any communication from the member or the person entitled by transmission.

3.10 Distribution of Assets on a Winding Up or Reconstruction

Subject to any additional entitlement of a B Share in accordance with paragraph 3.5.2 above and the provisions of the statutes, upon a winding up or reconstruction of the Company, each A Share and each B Share shall have an equal right to share in the assets of the Company. If at any time there is only one class of share in issue, all shares shall have an equal right to share in the assets of the Company.

If the Company is wound up the liquidator may, with the authority of a special resolution of the Company, divide among the members in kind the whole or any part of the assets of the Company and may for such purposes value any assets and determine how the division shall be carried out as between the members or different classes of members.

The liquidator may also vest the whole or any part of the assets of the Company in trustees upon such trusts for the benefit of the members as the liquidator shall think fit but so that no member shall be compelled to accept any shares in respect of which there is a liability.

3.11 Duration

3.11.1 If the Special Capital Reserve is not created and available for making capital distributions to holders of B Shares on or before 30 September 2007, the Directors (i) shall, within three months, put proposals to Shareholders to wind up the Company and (ii) may put proposals to Shareholders to reconstruct the Company, in either case which proposals shall allow holders of any A Shares and holders of any B Shares the right to realise their investment in the Company and shall comply with the provisions of paragraph 3.5.2 above. Unless such proposals to reconstruct the Company are proposed and approved by (i) the necessary majority of votes of Shareholders in general meeting and (ii) the holders of A Shares in separate class meeting and (iii) the holders of B Shares in separate class meeting, the Articles provide that all Shareholders voting on such winding up resolution shall be deemed to have voted in favour of such winding up resolution.

3.11.2 The Company shall have no fixed winding up date but, in the event that the Performance Criterion as set out in paragraph 3.11.3 below is not satisfied in respect of any five year period, the Directors shall put an ordinary resolution to Shareholders at the next Annual General Meeting allowing Shareholders to vote on whether the Company should continue. In the event that such resolution is not passed, the Directors shall convene an Extraordinary General Meeting within three months of the resolution being put to Shareholders at which (i) proposals will be put to Shareholders to wind up the Company and (ii) proposals may be put to Shareholders to reconstruct the Company provided that, in each case, the proposals provide for any Shareholder should he, she or it so wish to realise his, her or its investment in the Company. Unless such proposals to reconstruct the Company are proposed and approved by (i) the necessary majority of votes of Shareholders in general meeting and (ii) the holders of A Shares in separate class meeting and (iii) the holders of B Shares in separate class meeting, the Articles provide that all Shareholders voting on such winding up resolution shall be deemed to have voted in favour of such winding up resolution.

3.11.3 For the purposes of paragraph 3.11.2 above, the Performance Criterion shall be deemed to be satisfied where the net asset value total return per share of the A Shares (with dividends added back) is equal to or greater than the total return performance of the FTSE All-Share Capped 5% Index over the relevant five year period. The first five year period shall be from the date of admission of the shares of the Company to trading on the London Stock Exchange and shall terminate on 31 March 2012. Subsequent five year periods shall run consecutively from the expiry of the first five year period.

3.12 General meetings

Not less than fourteen days' notice specifying the time and place of any general meeting (or 21 days' in the case of an annual general meeting or a general meeting at which a special resolution is to be proposed) and specifying also the general nature of the business to be transacted shall be given by notice sent by post to Shareholders. Every Shareholder shall be entitled to attend and vote and to speak at every general meeting. The quorum for a general meeting shall be two Shareholders present in person or by proxy.

3.13 Changes to the Articles of Association

In accordance with the Act, the Articles can be amended by means of a special resolution of Shareholders which requires 75 per cent. of the votes cast at a general meeting to be in favour, provided that in relation to any amendment which would affect class rights, the appropriate class has approved the amendment in accordance with the Articles.

4. Directors' and other interests

- 4.1. It is estimated that the aggregate remuneration to be paid and benefits in kind granted to the Directors by the Company for the first financial period to 31 March 2008 will not exceed £86,400 (£72,000 annualised). The total remuneration and benefits in kind granted to the Directors will not be varied as a consequence of the Issue.
- 4.2. Each of Martin Haldane, Michael Ingall, Herschel Post and Kenneth Shand has entered into a letter of appointment with the Company dated 17 January 2007. The current period of service for each Director expires at the annual general meeting of the Company to be held in 2008, subject to renewal at that time. The Company has the right to terminate each appointment without compensation if the relevant Director is required to vacate office in accordance with the Articles and, subject thereto, the letters of appointment do not contain any contractual provisions regarding the compensation which would be payable upon early termination by the Company. The fees payable are £24,000 per annum to Martin Haldane, the Chairman, and £16,000 per annum to each of Michael Ingall, Herschel Post (the Senior Independent Director) and Kenneth Shand. The fees will be reviewed annually and may be increased in line with usual market rates. No amounts have been set aside by the company to provide pension, retirement or similar benefits. Save as set out in this paragraph 4.2, there are no existing or proposed service contracts or letters of engagement between any of the Directors and the Company.
- 4.3. No Director has or has had any direct or indirect interest in any transaction which is or was unusual in its nature or conditions or which is or was significant to the business of the Company and which was effected by the Company since its date of incorporation.
- 4.4. No loan or guarantee has been granted or provided by the Company for the benefit of any Director.
- 4.5. The Directors have confirmed to the Company that they intend to elect under the Scheme for securities of the Company in respect of all their Income Shares and ZDP Shares in ICT. Insofar as is known to the Company, the interests of each Director (including any connected person) in the share capital of ICT, the existence of which is known to, or could with reasonable diligence be ascertained by, that Director (whether or not held through another party) are set out below.

<i>Director</i>	<i>ZDP Shares</i>	<i>Income Shares</i>	<i>Capital Shares</i>
J M Haldane	18,647	18,647	18,647
M L Ingall	66,007	66,007	66,007
H Post	8,566	8,566	8,566
K D Shand	nil	nil	nil

All A Shares, B Shares and Units allotted and issued to the Directors under the Scheme will be beneficially held by such Directors.

- 4.6. The number of Shares that a shareholder in ICT will be entitled to receive under the Scheme can only be determined on the basis of elections made and after the Calculation Date under the Scheme. Consequently, the aggregate number of Shares to be issued to shareholders in ICT cannot be determined with certainty and one or more shareholders in ICT may have an interest which would represent 3 per cent. or more of the issued share capital of the Company following Admission. As at 17 January 2007 (being the latest practicable date prior to the publication of this document), insofar as the Company was aware, there is no person who, immediately following Admission, would be interested, directly or indirectly, in 3 per cent. or more of the Company's issued share capital. The Company is not aware of any person who, immediately following Admission directly or indirectly, jointly or severally, could exercise control over the Company. There are no different voting rights for any Shareholder.
- 4.7. Details of those companies (other than the Company and subsidiaries of the companies disclosed below) and partnerships of which the Directors have been a member of the administrative, management or supervisory body or a partner at any time since 18 January 2002 are as follows:

	<i>Current Directorships</i>	<i>Previous Directorships</i>
(i) J M Haldane	Gleneagles Farms Limited Gleneagles Estate Limited Cloan Hatcheries Limited Shires Income plc Wiston Investment Company Limited Douglas-Hamilton (D Share) Limited Topshire Limited Scottish Episcopal Church Nominees	Strathmore Estates (Holding) Limited Stace Barr Angerstein plc SBA Underwriting Limited
(ii) M L Ingall	Rathbone Trust Company Limited Edinburgh Smaller Companies Trust plc The Dendrology Charitable Company Mid Wynd International Investment Trust plc	None
(iii) H Post	U Can Do I.T. (Internet Training) Ahli United Bank (UK) plc Conservation Education & Research Trust Crestco Limited Threadneedle Asset Management Holdings Limited Euroclear SA/NV	None
(iv) K D Shand	Vindex Limited Vindex Services Limited Edrington (Trustees) Limited Secretarial Solutions Limited Maclay Murray & Spens LLP Maclay Murray & Spens Maclay Murray & Spens, London	None

4.8. As at the date of this document none of the Directors:

- (a) has any convictions in relation to fraudulent offences for at least the previous five years;
- (b) has been, in at least the previous five years, the subject of any bankruptcies, receiverships or liquidations when acting in the capacity of a member of the administrative, management or supervisory body of the companies and/or in the capacity of a partner of the partnerships referred to in paragraph 4.7 above;
- (c) has been the subject of any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

4.9. There are no potential conflicts of interest between any duties of the Directors to the Company and their private interests and/or other duties. All of the Directors are independent of the Investment Manager and any other company in the same group of companies as the Investment Manager.

5. Material contracts

The following are all of the material contracts, other than contracts entered into in the ordinary course of business, that have been entered into by the Company within two years preceding the date of publication of this document and any other contract, not being a contract entered into in the ordinary course of business, that has been entered into by the Company which contains any provisions under which the Company has any obligation or entitlement which is material to the Company as at the date of this document.

5.1. The Investment Management Agreement dated 17 January 2007 between the Company and the Manager whereby, conditional upon Admission, the Manager has been appointed (subject to the instructions and directions of the Directors and to the investment policy of the Company) to manage the investments and other assets of the Company and to provide secretarial and administrative services to the Company. The Company will pay to the Manager an investment management fee comprising a Base Fee and a Performance Fee. The Base Fee is a management fee at 0.9 per cent. per annum of the

net asset value of the Company payable quarterly in arrears, for years ending on 31 March (there will be an initial four month pro rated period) subject to being reduced to 0.75 per cent. if the net asset value at the end of the year is less than £1.00 per Share (or to such higher amount as still leaves the net asset value at £1.00 per share). The Performance Fee will be payable every five years, and will be 15 per cent. (up to a cap) of the amount by which the Company's net assets (adding back the capital returns paid in respect of the B Shares) outperform its benchmark, the FTSE All-Share Capped 5% Index. Payment of the Performance Fee is conditional on both the net assets at the end of the five year period being not less than £1.00 per Share (or in marginal circumstances the Performance Fee will be reduced so that the net asset value remains at £1.00 per Share), and on distributions per Share having been paid in each year of the five year period that are no less (unless the Board otherwise agrees) than the distributions per Share paid in respect of the first year of that period. For subsequent Performance Fee periods, the £1.00 net asset trigger will be increased to the net asset value per Share figure (if higher) at the end of the preceding Performance Fee period. The Performance Fee is capped at a sum equal to the aggregate Base Fees paid over the relevant five year period. All fees are exclusive of VAT. The appointment of the Investment Manager under the Investment Management Agreement is subject to termination by either party giving to the other not less than six months' notice, after an initial fixed period of 13 months to 31 March 2008 (the six months' notice can only take effect on or after that date). The appointment may be terminated by the Company by a lesser period of notice although (save in exceptional circumstances referred to below) there shall be payable to the Investment Manager by the Company compensation of an amount equal to the Base Fee which the Investment Manager would have been entitled to receive if it had continued to supply services for the unexpired notice period. The Performance Fee (and any adjustment to 0.75 per cent. of the Base Fee) will be calculated *mutatis mutandis* as if the date of termination had been the end of the relevant five or one year period and the Performance Fee will be based on 15 per cent. of the outperformance since the start of the Performance Fee period that is being cut short. The appointment of the Investment Manager under the Investment Management Agreement may be terminated without compensation at any time if the Investment Manager, *inter alia*, is unable to pay its debts or is guilty of any serious misconduct, negligence, wilful default or fraud in the performance of its duties under the Investment Management Agreement, becomes legally prohibited from carrying on investment business or performing its duties under the Investment Management Agreement or there is a change of control of the Company or any holding company other than the ultimate parent company or entity. The appointment may also be terminated without compensation if a continuation vote is proposed and lost or if the Special Capital Reserve is never created or becomes exhausted, and if, in each case, the Company is consequently liquidated or reconstructed. The Base Fee will be charged, up to 0.75 per cent. per annum of net asset value, as to 70 per cent. to the Company's capital account and 30 per cent. to the revenue account; the remaining 0.15 per cent. per annum of net asset value (if 0.9 per cent. per annum is paid) will be charged 100 per cent. to the Company's capital account, as will the Performance Fee.

- 5.2 A facility letter dated 18 January 2007 made between Lloyds TSB Scotland plc (the "Bank") and the Company whereby the Bank has agreed to make available the following facilities (the "Facilities"):
- (i) a sterling term loan facility of an amount up to the lower of either (i) 20 per cent. of the Company's gross assets immediately following drawdown (and calculated on the basis of drawdown at Admission) or (ii) £55 million (the "Term Facility");
 - (ii) a sterling revolving loan facility amounting in aggregate to £5 million (the "Revolving Facility"). The Revolving Facility is available on a fully revolving basis in minimum amounts of £500,000 or such amounts as may be agreed from time to time.

The Facilities are unsecured. Repayment of the Term Facility is due in full on 30 September 2012. The Revolving Facility is available on a 364 day basis and may be extended by mutual consent for further year periods at the end of each yearly term. The Company may upon application to the Bank cancel any part of the unutilised Revolving Facility but otherwise amounts are available for reborrowing throughout the life of the Revolving Facility. Interest on the Term Facility and the Revolving Facility is payable on the last day of each interest period at the rate of 0.375 per cent. per annum above LIBOR plus mandatory lending costs. Drawdown of the loan facility is subject to the satisfaction of certain customary conditions precedent specified in the facility letter. The Company also gives certain representations, warranties, covenants, and undertakings and indemnities in the facility letter which are customary in agreements of this nature. Voluntary prepayment may be made in certain circumstances. Mandatory prepayment may be required in the event of a change of control of the Company or on the occurrence of certain events of default which are customary for facilities of this type. These include events of non payment, breach of other obligations, misrepresentations, insolvency

and insolvency proceedings, illegality and a material adverse change in the financial condition of the Company. The Company indemnifies the Bank against any losses resulting from an event of default. Certain fees and expenses are payable under the facility agreement. The Company is obliged to pay to the Bank an arrangement fee equal to 0.10 per cent. of the amount of the Facilities upon Admission.

The facility letter contains certain financial covenants with which the Company must comply. These include a financial covenant to the effect that the percentage of the total borrowings of the Company should not exceed 45 per cent. of the adjusted gross assets (as defined in the facility letter).

Under the loan facility, the Company is obliged to hedge the full amount of the Term Facility within three months of drawdown.

- 5.3. A custody agreement dated 17 January 2007 between the Custodian and the Company whereby the Company appointed the Custodian to act as its custodian in relation to the cash and securities of the Company and to provide, *inter alia*, the following services: holding cash and securities of the Company and arranging settlement of transactions in relation to those assets, collecting and processing income from the assets and providing statements of account and other services typical of a custodian to an investment company. Under the agreement, the Company agreed to indemnify the Custodian in respect of all claims, losses, liabilities, costs, expenses, damages, penalties and fines incurred by the Custodian or its nominees, directors or employees arising in connection with the performance of the services under the agreement except where they arise out of the negligence, fraud or wilful default of the Custodian or its nominees. Subject to certain exceptions, the Custodian is liable to the Company for any direct damages suffered by the Company to the extent that they result from the negligence, fraud or wilful default of the Custodian. The agreement may be terminated by either party on 60 days' written notice to the other. Under the agreement, the Custodian is entitled to receive a custodian charge equal to an agreed number of basis points of the value of the assets per annum and transaction charges. These charges are as may be agreed between the Company and the Custodian from time to time and the initial custodian charge will be 0.10 bps per annum of assets held in respect of UK assets.
- 5.4 The Company has entered into the transfer agreement undertaking with the proposed Liquidators and ICT pursuant to which, provided that the Scheme is approved by ICT Shareholders and becomes effective, the Company will enter into a transfer agreement with the Liquidators and ICT pursuant to the Scheme on the Effective Date. The consideration for the transfer of the business and assets of ICT to the Company will be the issue of Shares and Units to holders of ZDP Shares and/or Income Shares in accordance with their elections (and deemed elections). The amount of the assets of ICT which are to be transferred to the Company in accordance with valid elections and deemed elections will be those remaining after providing for ICT's liabilities and the Liquidators' retention and providing for any cash payment to be made to ICT Shareholders in accordance with the Scheme. The draft Transfer Agreement (to which only non-material changes will be permitted to be made prior to execution) will be available for inspection as stated in paragraph 9 below.
- 5.5 The Costs Agreement dated 17 January 2007 between the Company and the Investment Manager whereby (i) if the costs and commissions (the "Costs") in respect of the Issue are less than 1.0 per cent. of the gross proceeds of the Issue, the Company shall pay to the Investment Manager a commission equal to the difference; or (ii) if the amount of the Costs exceeds 1.0 per cent. of the gross proceeds of the Issue, the Investment Manager shall pay to the Company such excess.
- 5.6 Cenkos Securities plc has been appointed to act as corporate broker to the Company, both in respect of the Issue and the Scheme and on an ongoing basis, and to assist the Company in the marketing in relation to the Scheme. Upon Admission of the Company's Shares to listing on the Official List and to trading on the main market of the London Stock Exchange, Cenkos is entitled to a success commission equal to:
 - (a) £100,000; and
 - (b) a percentage of the gross assets rolling over under the Scheme, other than in relation to certain F&C group related funds and certain specified shareholders (representing, in aggregate as at 15 January 2007, being the latest practicable date prior to the publication of this document, approximately 42 per cent. of the issued ZDP Shares and 43 per cent. of the issued Income Shares of ICT) (the "Target Assets"). The percentage of Target Assets to which Cenkos is entitled for the purposes of this part of its fee is:
 - (i) 0.3 per cent. on that amount of Target Assets rolling over, up to 50 per cent. of total Target Assets;

- (ii) 0.6 per cent. on that amount of Target Assets rolling over between 50 per cent. and 70 per cent. of total Target Assets;
- (iii) 0.7 per cent. on that amount of Target Assets rolling over between 70 per cent. and 80 per cent. of total Target Assets;
- (iv) 0.8 per cent. on that amount of Target Assets rolling over between 80 per cent. and 90 per cent. of total Target Assets; and
- (v) 0.9 per cent. on that amount of Target Assets rolling over between 90 per cent. and 100 per cent. of total Target Assets,

less £150,000, subject to an aggregate minimum success fee of £100,000 being payable.

In respect of ongoing brokerage services, the Company has agreed to pay Cenkos an annual fee of between £30,000 and £50,000 payable in arrears with the first payment date being November 2008. In respect of the ongoing broking services, Cenkos has agreed to provide regular advice and reports to the Board in relation to the market in the Company's shares and in relation to the sector and market in general, to liaise with key shareholders and to provide up to three marketing days per year in connection with the Company's annual reports and accounts and interim reports and accounts. Under the engagement letter, the Company has given certain representations and undertakings to Cenkos and has also provided an indemnity to Cenkos in terms customary for an agreement of this type.

6. Subsidiary undertaking

Pursuant to the Transfer Agreement, the Company will acquire the entire issued share capital of Investors Securities Company Limited from ICT on the Effective Date. Investors Securities Company Limited will be the Company's only subsidiary undertaking. Details of Investors Securities Company Limited are as follows:

<i>Name and registered office</i>	<i>Place of incorporation</i>	<i>Business activity</i>	<i>Shares to be acquired</i>	<i>Percentage of share capital to be acquired</i>
Investors Securities Company Limited 80 George Street, Edinburgh EH2 3BU	Scotland	Investment dealing	250,000 ordinary shares of 10p each	100

7. General

- 7.1. The total costs and expenses of the Issue which are payable by the Company are fixed at one per cent. of the gross proceeds of the Issue under the terms of the Costs Agreement, further details of which are set out in paragraph 5.5 above. Assuming £120 million is raised under the Issue, the total costs and expenses of and incidental to the Issue payable by the Company will be approximately £1.2 million (including stamp duty at 0.5 per cent. payable on certain of the assets transferring from ICT under the Scheme).
- 7.2. Assuming £120 million is raised under the Issue, the net proceeds available for investment by the Company following Admission will be £118.8 million and these net proceeds will be invested in accordance with the Company's investment policy described in Part 1 of this document.
- 7.3. The Company is not, nor has it been, engaged in any governmental, legal or arbitration proceedings and, so far as the Company is aware, there are no governmental, legal or arbitration proceedings pending or threatened by or against the Company which may have, or have had in the previous 12 months, a significant effect on the Company's financial position or profitability.
- 7.4. The Company is of the opinion, taking into account the Minimum Net Proceeds, that the working capital available to the Company is sufficient for the Company's present requirements, that is, for at least the next 12 months from the date of this document.
- 7.5. There has been no significant change in the financial or trading position of the Company since incorporation.

- 7.6. The Company currently has 3 A Shares of 0.1p each in issue (with a further 37,500,000 A Shares allotted but not yet issued), 1 B Share of 0.1p in issue (with a further 12,500,000 B Shares allotted but not yet issued) and assets of £50,004 and has not traded. The Issue will increase each of the issued share capital of the Company and its assets by an amount equal to the proceeds of the Issue, less £50,000.
- 7.7. The Company does not have any employees nor does it own any premises.
- 7.8 Ernst & Young LLP, which is authorised and regulated in the United Kingdom by the Financial Services Authority, has given and not withdrawn its written consent to the issue of this document with references to its name in the form and context in which such references appear.

8. The Portfolio of ICT

Pursuant to the Transfer Agreement, the Company may acquire certain investments from ICT under the Scheme. The decision as to which investments of ICT the Company would acquire will be made by the Investment Manager only at the Calculation Date, based on market conditions. It is possible that some only, or none, of the investments presently held by ICT would eventually be acquired by the Company and ICT may convert such investments into cash and/or gilts for transfer to the Company.

As at the close of business on 15 January 2007 (being the latest practicable date prior to the publication of this document) the total assets of ICT were £326,423,263 and were invested as follows:

	<i>% of total assets</i>
UK equities	64.0
Fixed interest securities	23.1
Cash	12.9
Total	<u>100.0</u>

As at the same date, ICT's investments were as follows:

<i>Name of Investment</i>	<i>Book cost £'000</i>	<i>Market value £'000</i>	<i>% of issued shares held</i>	<i>% of total assets</i>
BP	13,904	16,167	0.02	4.9
HSBC Holdings	6,974	13,620	0.01	4.2
GlaxoSmithKline	8,996	11,161	0.01	3.4
Vodafone Group	17,266	11,020	0.01	3.4
Royal Dutch Shell B	3,383	10,688	0.02	3.3
Royal Bank of Scotland Group	6,855	9,638	0.01	2.9
Barclays	628	5,774	0.01	1.8
Tesco	2,890	5,758	0.02	1.8
HBOS	3,790	5,662	0.01	1.7
Anglo American	2,734	5,429	0.01	1.7
AstraZeneca	1,214	5,218	0.01	1.6
Lloyds TSB	2,121	4,824	0.01	1.5
Scottish & Southern Energy	1,251	3,976	0.03	1.2
Prudential	2,583	3,968	0.02	1.2
Centrica	2,356	3,807	0.03	1.2
Imperial Tobacco	2,158	3,794	0.03	1.2
Aviva	2,403	3,638	0.02	1.1
GECC 7.25% 06/08/07	3,795	3,578	1.78	1.1
BT Group	3,096	3,141	0.01	0.9
British American Tobacco	226	3,056	0.01	0.9
<i>Top twenty investments</i>				41.0
<i>Next twenty investments</i>				14.8
<i>Remaining investments</i>				31.3
<i>Cash</i>				12.9
Total				<u>100.0</u>

The information in the two tables above is based on unaudited management information.

The information on the portfolio of ICT presented above should not be relied upon as reflecting the likely constitution of the Company's portfolio following Admission.

9. Documents available for inspection

Copies of the following documents are available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of Dickson Minto W.S., Royal London House, 22/25 Finsbury Square, London EC2A 1DX and 80 George Street, Edinburgh EH2 3BU until 31 March 2007:

- (i) the memorandum and articles of association of the Company;
- (ii) the material contracts referred to in paragraph 5 above;
- (iii) the Directors' letters of appointment as referred to in paragraph 4.2 above; and
- (iv) this document.

10. Availability of prospectus

Copies of the prospectus are available for inspection at the Document Viewing Facility, The Financial Services Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS.

18 January 2007

DEFINITIONS

In this document, the words and expressions listed below have the meanings set out opposite them (except where the context otherwise requires):

“A : B Ratio”	the ratio of issued A Shares to issued B Shares (excluding Shares held in treasury)
“Act”	the Companies Act 1985 (as amended)
“Adjusted Capital and Reserves”	means the aggregate of the Company’s capital and reserves, adjusted as provided for in the Articles
“Admission”	the admission of the Shares to the Official List and to trading on the London Stock Exchange’s market for listed securities and the admission of the Units to trading on the London Stock Exchange’s market for listed securities
“Articles” or “Articles of Association”	the articles of association of the Company, as amended from time to time
“A Shareholder”	a holder of A Shares
“A Shares”	‘A’ ordinary shares of 0.1p each in the capital of the Company
“Assumptions”	the principal bases and assumptions set out on page 25 of this document
“B Shareholder”	a holder of B Shares
“B Shares”	‘B’ ordinary shares of 0.1p each in the capital of the Company
“Calculation Date”	5.00 p.m. on 20 February 2007
“Capital Shares”	the existing issued and fully paid capital shares of 1p each in the capital of ICT
“Cenkos”	Cenkos Securities plc
“Combined Code”	the Combined Code on Corporate Governance issued by the Financial Reporting Council in June 2006
“Company” or “New ICT”	New ICT plc
“corporate bond”	a debt instrument issued by a corporation
“Costs Agreement”	the letter agreement dated 17 January 2007 between the Company and the Manager in relation to the costs of the Company’s participation in the Scheme, further details of which are set out in paragraph 5.5 of Part 4 of this document.
“CREST”	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by CRESTCo Limited in accordance with the Uncertificated Securities Regulations 2001
“Custodian”	JPMorgan Chase Bank, N.A.
“Directors” or “Board”	the directors of the Company
“Effective Date”	28 February 2007, being the date on which the Scheme is expected to become effective (subject only to Admission)
“Equities Portfolio”	that part of the Company’s assets which is invested in equities and equity-related securities
“F&C”	F&C Asset Management plc and members of its group
“FSA” or “Financial Services Authority”	the Financial Services Authority of the UK

“Higher Yield Portfolio”	that part of the Company’s assets which is invested in fixed interest and other higher yielding securities
“ICT”	Investors Capital Trust plc
“ICTA”	the Income and Corporation Taxes Act 1988 (as amended)
“ICT Shareholders”	holders of ICT Shares
“ICT Shares”	the ZDP Shares, the Income Shares and the Capital Shares (whether held within units or otherwise)
“Income Shares”	the existing issued and fully paid income shares of 1p each in the capital of ICT
“Investment Management Agreement”	the investment management agreement dated 17 January 2007 between the Company and the Investment Manager, further details of which are set out in paragraph 5.1 of Part 4 of this document
“Investment Manager” or “Manager”	F&C Investment Business Limited
“ISA”	an individual savings account
“Issue”	the issue of Shares pursuant to the Scheme
“Issue Price”	100p per Share and 400p per Unit
“Liquidators”	the liquidator or liquidators for the time being of ICT jointly and severally
“Listing Rules”	the listing rules of the UK Listing Authority
“London Stock Exchange”	London Stock Exchange plc
“Minimum Net Proceeds”	the minimum net proceeds of the Issue for the Company to participate in the Scheme, being £40 million
“Official List”	the official list of the UK Listing Authority
“Overseas Investor”	a person who is not resident in, or who is outside or who has a registered address outside, the United Kingdom, the Isle of Man and the Channel Islands
“PEP”	a personal equity plan
“Prospectus Rules”	the prospectus rules issued by the UKLA
“Range”	in respect of the A : B Ratio, the range 72.5 : 27.5 to 77.5 : 22.5
“Scheme”	the scheme of reconstruction of ICT under section 110 of the Insolvency Act 1986 described in the circular issued by ICT on 18 January 2007
“Shareholder”	a holder of Shares
“Shares”	A Shares and/or B Shares
“Special Capital Reserve”	the reserve which is to be created by the Company’s cancellation of that part of its share premium account arising from the issue of the B Shares pursuant to the Issue
“TCGA 1992”	the Taxation of Chargeable Gains Act 1992
“Total Assets”	the aggregate gross value of the assets of the Company less current liabilities of the Company (but there shall not be included as current liabilities principal amounts borrowed for investment)

“Transfer Agreement”	the transfer agreement to be entered into on the Effective Date among ICT, the Liquidators and the Company, further details of which are set out in paragraph 5.4 of Part 4 of this document
“UK Listing Authority” or “UKLA”	the Financial Services Authority, acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000
“Unit”	a unit comprising three A Shares and one B Share
“Unitholder”	a holder of Units
“ZDP Shares”	the existing and fully paid zero dividend preference shares of 1p each in the capital of ICT

