



FORESIGHT VCT PLC

UNAUDITED HALF-YEARLY
FINANCIAL REPORT

30 JUNE 2022

Foresight
FOR A SMARTER FUTURE

SHAREHOLDER INFORMATION

Foresight VCT plc is a Venture Capital Trust aiming to provide private investors with regular dividends and capital growth from a portfolio of investments in fast-growing unquoted companies in the UK

For details on the Company's investment policy please refer to the Strategic Report in the Company's 2021 Annual Report.

www.foresightvct.com

Enquiries

The Board and Manager are always keen to hear from investors. If you have any feedback about the service you receive or any queries relating to Foresight VCT plc, please contact the Investor Relations team:

020 3667 8181

InvestorRelations@foresightgroup.eu

www.foresightgroup.eu

Annual and Half-Yearly Reports, as well as quarterly factsheets and information on new investments, can be viewed online.

As part of the Manager's investor communications policy, investor forums are held throughout the year. Shareholders can also arrange a mutually convenient time to meet the Manager's investment team. Please contact Investor Relations if you are interested.

Dividends

All cash dividends will be credited to your nominated bank/building society account. Your options are:

- Receive your dividends in sterling via direct credit to a UK domiciled bank account
- Reinvest your dividends for additional shares in the Company through our dividend reinvestment scheme

www.investorcentre.co.uk

Investors can manage their shareholding online using Investor Centre, Computershare's secure website.

Shareholders just require their Shareholder Reference Number ("SRN"), which can be found on any communications previously received from Computershare, to access the following:

Holding enquiry Balances | Values History | Payments | Reinvestments

Payments enquiry Dividends | Other payment types

Address change Change registered address to which all communications are sent

Bank details update Please ensure bank details are up to date in order to receive your dividends

Outstanding payments Reissue payments using our online replacement service

Downloadable forms Dividend mandates | Stock transfer | Dividend reinvestment | Change of address

Alternatively, you can contact Computershare by phone on 0370 703 6388

Key dates

Annual results to 31 December 2022	April 2023
Annual General Meeting	June 2023
Interim results to 30 June 2023	September 2023

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Strategic Report

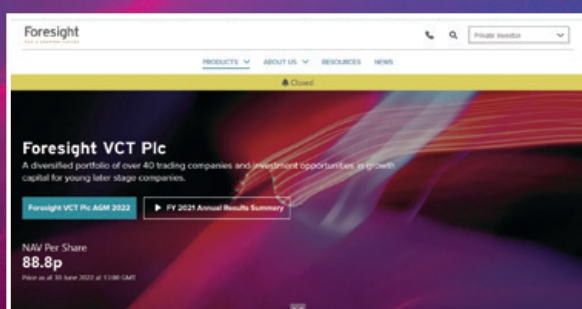
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FINANCIAL HIGHLIGHTS

“In the period, the value of the investment portfolio decreased by £9.8 million, driven by successful realisations of £19.9 million offset by £3.2 million of deployment and an increase of £6.9 million in the value of investments.”

£197.9m

Total net assets
as at 30 June 2022

4.5p

Dividend paid
24 June 2022

£6.9m

Uplift in investment valuations
in period to 30 June 2022

88.5p

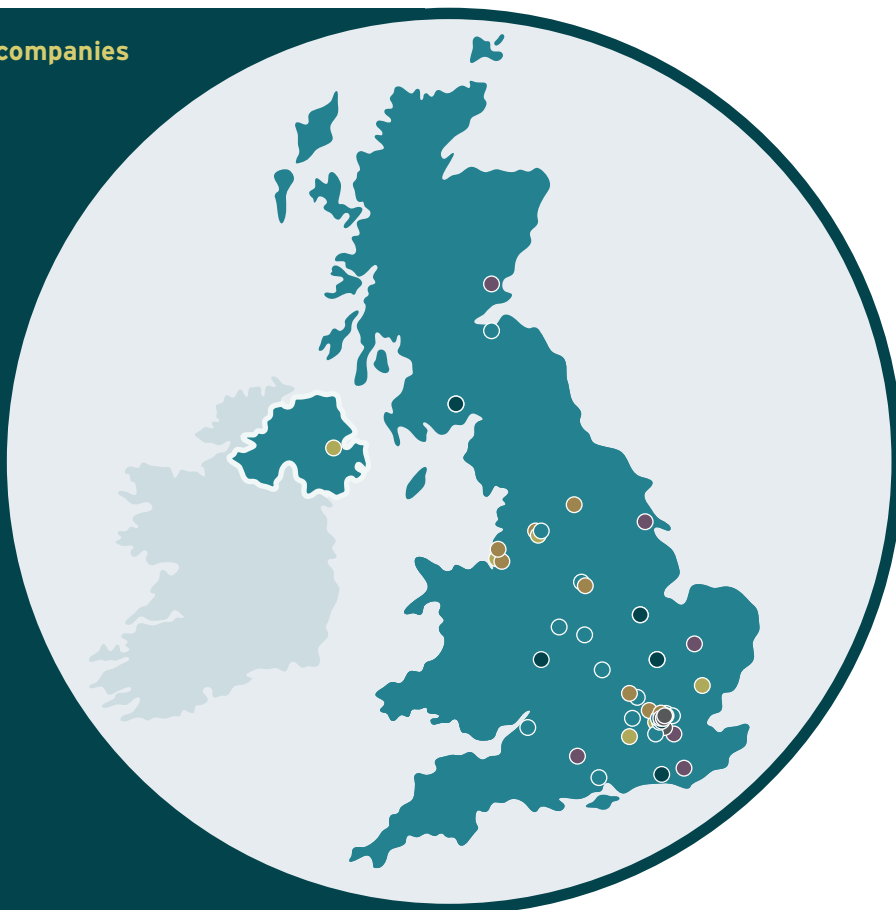
NAV per share
as at 30 June 2022

- Total net assets **£197.9 million**
- A final dividend of **4.5p** per share was paid on 24 June 2022, costing **£10.0 million**
- The value of the portfolio decreased by **£9.8 million** in the six months to 30 June 2022. This was driven by successful realisations of **£19.9 million** offset by **£3.2 million** of deployment and an increase of **£6.9 million** in the value of investments
- The Board has declared a special dividend of **4.0p** per share to be paid on 21 October 2022 following the successful sales of TFC Europe Limited and Codeplay Software Limited
- Net Asset Value per share decreased by **1.8%** from **90.1p** at 31 December 2021 to **88.5p** at 30 June 2022. After adding back the **4.5p** dividend paid on 24 June 2022, NAV Total Return per share was **93.0p**, which made the total return in the period **3.2%**
- The offer for subscription launched in July 2021 was closed on 8 April 2022 and raised a total of **£23.4 million** after expenses

Place of business of portfolio companies

Key:

- Technology, media & telecommunications
- Industrials & manufacturing
- Healthcare
- Business services
- Consumer & leisure
- Other



Key metrics

	6 months 30 June 2022	12 months 31 December 2021
Total net assets	£197.9m	£185.1m
Net Asset Value per share	88.5p	90.1p
Movement in Net Asset Value Total Return during the period ¹	3.2%	27.3%
Share price	79.5p	76.5p
Share price total return ^{1,2}	226.7p	223.9p
Dividend per share paid in the period ¹	4.5p	3.7p
Dividend yield ¹	5.7%	4.8%
Shares in issue	223,678,255	205,591,087
	6 months 30 June 2022	12 months 31 December 2021
Discount to NAV ¹	10.2%	15.1%
Average discount on buybacks ¹	10.0%	10.0%
Shares bought back during the period under review	4,840,841	8,657,404
Shares issued through fundraising	20,797,803	6,508,226
Shares issued under the dividend reinvestment scheme	2,130,206	1,786,248
Ongoing charges ratio (based on net assets) ¹	1.9%	2.0%

1. Definitions of these Alternative Performance Measures ("APMs") can be found in the Glossary on page 33.

2. Based on 100.0p invested in the original Ordinary Share class launched in 1997.

CHAIR'S STATEMENT



“NAV Total Return per share for the period was 93.0p, representing a total return of 3.2%.”

Margaret Littlejohns
Chair of Foresight VCT plc

I am pleased to present the Company's unaudited Half-Yearly Financial Report for the period ended 30 June 2022.

The year started positively as the economy continued to rebound from the pandemic and benefit from pent-up consumer demand, but this recovery was swiftly curtailed after Russia invaded Ukraine in February 2022. The war has continued to wreak death and destruction and displaced large numbers of Ukrainian refugees, with no signs of abating. Supply chains were already under strain from the pandemic but further disruption by the war and subsequent sanctions have particularly impacted food and energy supplies, causing inflation to rise rapidly worldwide. The war has also increased the potential for further market turmoil and cyber attacks. The Company's portfolio has some limited direct exposure to Russia and Ukraine but this remains manageable.

During the six months to 30 June 2022, the value of investments held fell by £9.8 million as a result of £19.9 million of successful realisations, partially offset by new investments of £3.2 million and an increase in the value of the portfolio of £6.9 million. The increase in the valuation of the portfolio of £6.9 million was explained by 22 unrealised investments recording a combined uplift of £11.4 million, three realised investments achieving an uplift of £8.9 million and 19 unrealised investments experiencing a decrease in valuation of £13.4 million. The valuation of the remaining seven investments was unchanged in the period.

Strategy

The Board and the Manager continue to pursue a strategy for the Company which includes the following four key objectives:

- Further development of Net Asset Value Total Return while continuing to grow the Company's assets
- Payment of an annual dividend of at least 5% of the NAV per share (based on the last announced NAV per share) and at the same time endeavouring, at a minimum, to maintain the NAV per share on a year-on-year basis
- The implementation of a significant number of new and follow-on qualifying investments every year
- Maintaining a programme of regular share buybacks at a discount in the region of 10% to the prevailing NAV per share

The Board and the Manager believe that these key objectives remain appropriate and the Company's performance in relation to each of them over the past six months is reviewed in more detail below.

Net Asset Value

As at 30 June 2022, the NAV of the Company was £197.9 million (31 December 2021: £185.1 million), which is in line with the Board's objective of growing the Company's assets.

At the start of the period, 90% of the Company's assets were already invested and back in July 2021, the Board believed it would be in the Company's best interest to raise further funds to provide liquidity for its activities in 2021 and beyond. On 26 July 2021, the Company launched an offer for subscription to raise up to £20 million, with an over-allotment facility to raise up to a further £10 million, through the issue of new shares. The offer was closed on 8 April 2022 having raised £23.4 million of capital net of expenses.



We would like to thank those existing shareholders who have supported this offer and welcome all new shareholders to the Company.

During the period the NAV per share decreased by 1.8% from 90.1p at 31 December 2021 to 88.5p at 30 June 2022. After adding back the payment of a dividend of 4.5p per share on 24 June 2022, which is detailed below, NAV Total Return per share for the period was 93.0p, representing a total return of 3.2%.

After paying the dividend of 5.0% of NAV, the Company has met its objective of maintaining the NAV per share on a year-on-year basis.

The total return per share from an investment made five years ago would be 36.0%, which is above the minimum target return set by the Board of 5% per annum. Exceeding this target is at the centre of the Company's current and future portfolio management strategy.

Dividends

The final dividend for the year ended 31 December 2021 of 4.5p per share was paid on 24 June 2022 based on an ex-dividend date of 9 June 2022, with a record date of 10 June 2022. The total cost of this dividend was £10.0 million, including shares allotted under the dividend reinvestment scheme.

The Board has declared a special dividend of 4.0p per share to be paid on 21 October 2022 following the successful sales of TFC Europe Limited on 29 June 2022 and Codeplay Software Limited on 30 June 2022. The two exits together realised gains of £15.6 million since initial investment, including an uplift of £8.9 million in the six months to 30 June 2022 and returned £19.9 million of cash proceeds to the Company, an exceptional achievement from a combined investment of £4.3 million.

The Company continues to achieve its target dividend yield of 5% of NAV, which was set in 2019 in light of the change in portfolio towards earlier-stage, higher-risk companies, as required by the current VCT rules.

Investment performance and portfolio activity

A detailed analysis of the investment portfolio performance over the year is given in the Manager's Review.

During the period under review, the Manager completed two new investments, one in the healthcare sector and one in the media sector, costing £2.6 million in total, and one follow-on investment of £0.5 million. The Company also disposed of three investments, generating proceeds of £19.9 million with a further £0.9 million of deferred consideration included within debtors at the period end. Details of each of these new portfolio companies and disposals can be found in the Manager's Review.

The Board and the Manager are confident that a more significant number of new and follow-on investments can be achieved in 2022 and beyond as the economy continues to open up and more opportunities emerge.

After the end of the reporting period, new investments of £1.7 million and £2.4 million were made into Strategic Software Applications Ltd and Copptech UK Limited respectively while a further follow-on investment of £0.7 million was made into Hexarad Group Limited.

The Company and Foresight Enterprise VCT plc have the same Manager and share similar investment policies. The Board closely monitors the extent and nature of the pipeline of investment opportunities and is reassured by the Manager's confidence in being able to deploy funds without compromising quality and to satisfy the investment needs of both companies.

CHAIR'S STATEMENT CONTINUED

Responsible investing

The analysis of environmental, social and governance ("ESG") issues is embedded in the Manager's investment process and these factors are considered key in determining the quality of a business and its long-term success. Central to the Manager's responsible investment approach are five ESG principles that are applied to evaluate investee companies, acquired since May 2018, throughout the lifecycle of their investment, from their initial review and acquisition to their final sale. Every year, these portfolio companies are assessed and progress measured against these principles. More detailed information about the process can be found on page 24 of the Manager's Review.

Buybacks

During the period the Company repurchased 4,840,841 shares for cancellation at an average discount of 10.0%, achieving its objective of maintaining regular share buybacks at a discount of around 10.0%, as noted above. The Board and the Manager consider that the ability to offer to buy back shares at a target discount of approximately 10.0% is fair to both continuing and selling shareholders and is an appropriate way to help underpin the discount to NAV at which the shares trade.

Share buybacks are timed to avoid the Company's closed periods. Buybacks will generally take place, subject to demand, during the following times of year:

- April, after the Annual Report has been published
- June, prior to the Half-Yearly reporting date of 30 June
- September, after the Half-Yearly Report has been published
- December, prior to the end of the financial year

Management charges, co-investment and performance incentive

The annual management fee is an amount equal to 2.0% of net assets, excluding cash balances above £20 million, which are charged at a reduced rate of 1.0%. This has resulted in ongoing charges for the period ended 30 June 2022 of 1.9% of net assets, which is at the lower end of the range when compared to competitor VCTs.

Since March 2017, co-investments made by the Manager and individual members of the Manager's private equity team have totalled £1.0 million alongside the Company's investments of £74.1 million. The co-investment scheme requires that the individual members of the team invest in all of the Company's investments from that date onwards and prohibits selective "cherry picking" of co-investments. If any individual team member opts out of co-investment, they cannot invest in anything during that year.

The performance incentive scheme only applies after an investment has been sold and the scheme incorporates three different hurdles, all of which need to be achieved at different stages before any performance fee can be paid: an Investment Growth Hurdle for the individual investment at exit and also two NAV Total Return Hurdles, the first upon the exit of the investment and the second three years later. The NAV Total Return Hurdle increases each year, so the second NAV Total Return Hurdle will be higher than the first. Despite continued improvement in the Company's net asset performance and in its NAV Total Return per share, the increase in RPI of 11.8% in June 2022 has resulted in the initial NAV Total Return Hurdle under the arrangement no longer being met at 30 June 2022.

As at 30 June 2022, the individual Investment Growth Hurdles have been met for three realised and 16 unrealised investments out of the 33 new early-stage investments made since the introduction of the performance incentive arrangements and a contingent liability of £6.2 million in respect of this is disclosed in note 8. A realisation under the arrangement will only qualify for the payment of a performance fee if all three hurdles described above have been met.

More information on the performance incentive arrangements (including an explanation of terms used on the previous page) can be found in note 13 of the 2021 Annual Report and Accounts.

Board composition

The Board continues to review its own performance and undertakes succession planning to maintain an appropriate level of independence, experience, diversity and skills in order to be in a position to discharge its responsibilities.

The Nomination Committee will continue its plans to refresh the Board over the next two years and aims to achieve a sensible balance between continuity and reinvigoration in compliance with the AIC Code.

Shareholder communication

We were delighted to meet once again with some shareholders in person at the AGM on 31 May 2022, having long been unable to do so as a result of the travel restrictions due to COVID-19. Arrangements were also made to enable shareholders to attend online. However, very few took advantage of this facility and the Board has decided, in view of the considerable cost of providing it, not to repeat this in 2023. Additionally, the Manager is hoping to reintroduce in-person investor forum events in the winter which have proven popular with our shareholders in the past.

Outlook

The legacy of COVID-19, combined with the ongoing impact of Brexit and the current geopolitical conflict in Ukraine, will continue to raise challenges and create uncertainty for businesses. In particular, inflationary pressures, supply chain issues and staff shortages have all emerged and are likely to worsen over the coming months. The Bank of England is predicting a recession in the UK by the end of this year. In these deteriorating economic conditions, the Company's investments in unquoted, small, early-growth businesses entail higher levels of risk, greater volatility in valuation and lower liquidity than larger listed companies. It is unlikely, therefore, given these new global developments, that the Company will generate the same level of total return that has been achieved in 2021.

However, the Manager understands well the management and business requirements of each of the companies within the investment portfolio and is working closely with them to help them adapt to, and grow within, this changing environment.

The Company's current portfolio of investments is well diversified by number, business sector, size and stage of development and overall has demonstrated its relative resilience in the face of the pandemic and its repercussions. We anticipate that the portfolio in aggregate will also be able to withstand the increasing challenges and uncertainties arising from the current economic situation and will continue to prosper over time.

The fundraising referred to earlier provides additional resources to make new investments and enables the Company to take advantage of the increasing numbers of investment opportunities that are now emerging out of the recent disruption. We are cautiously optimistic that the existing portfolio and these new acquisitions will generate long-term value for shareholders.

Margaret Littlejohns

Chair

30 September 2022

MANAGER'S REVIEW

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MANAGER'S REVIEW

The Board has appointed Foresight Group LLP (“the Manager”) to provide investment management and administration services

Portfolio summary

As at 30 June 2022, the Company's portfolio comprised 48 investments with a total cost of £98.9 million and a valuation of £157.2 million. The portfolio is diversified by sector, transaction type and maturity profile. Details of the ten largest investments by valuation, including an update on their performance, are provided on pages 16 to 20.

During the six months to 30 June 2022, the value of the portfolio fell by £9.8 million as a result of £19.9 million of successful realisations, partially offset by new investments of £3.2 million and an increase in the value of the investments of £6.9 million. The Company's portfolio continues to recover following the impact of COVID-19 over the past 24 months. Many of the portfolio companies have successfully navigated the new economic landscape, with some performing extremely well, while others continue to adjust.

In line with the Board's strategic objectives, the investment team remains focused on continuing to grow the Company's assets whilst paying an annual dividend to shareholders of at least 5% of the last announced NAV per share. The Company has so far achieved this target for the current year and this objective remains the Manager's focus.

New investments

Since COVID-19 restrictions eased, there has been a shift towards more in-person events and meetings, and whilst not yet back to pre-pandemic levels, it is now easier for the private equity team to meet prospective companies and their teams face to face. This is an important part of assessing investments and developing relationships with management teams and other members of the local investment community. The Manager and SMEs have adjusted to this new landscape given companies still wish to grow their businesses and act on opportunities as they arise. The Manager continued to meet new companies and advisers throughout the period and build its reputation in each of the regions it operates in.

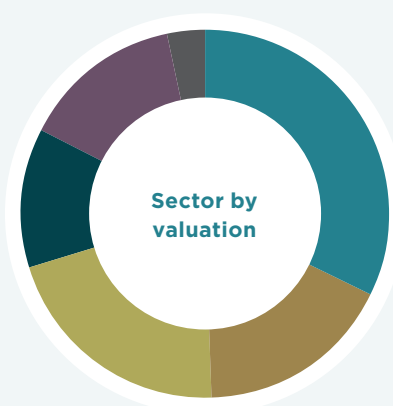
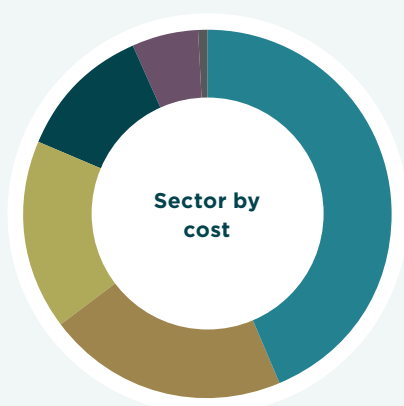
Two new investments were completed in the six months to 30 June 2022. Further details of each of these are provided below. Behind these, there is a strong pipeline of opportunities that the Manager expects to convert during the second half of 2022.

so-sure

SO-SURE Limited

In May 2022, the Company invested £1.6 million into SO-SURE, a digital insurance platform for consumer mobile phones and home contents. The investment will be used to scale up operations and extend the product range, which has shown great potential beyond the existing lines.

Portfolio diversification



Key:

- Technology, media & telecommunications **44% | 32%**
- Consumer & leisure **21% | 17%**
- Healthcare **16% | 21%**
- Business services **12% | 13%**
- Industrials & manufacturing **6% | 14%**
- Other **1% | 3%**

MANAGER'S REVIEW CONTINUED

New investments continued



HomeLink Healthcare Limited

In March 2022, the Company invested £1.1 million of growth capital into HomeLink, a specialist provider of clinical services to patients in their own homes, alleviating pressure on the NHS, freeing up vital bed space, saving time and reducing costs. The investment will be used to consolidate HomeLink's position as a first mover in a sizeable and growing market.



Strategic Software Applications Ltd

Post-period end, in August 2022, the Company invested £1.7 million of growth capital into Strategic Software Applications, previously referred to as Axiom HQ but now trading as Ruleguard, a SaaS technology provider supporting regulatory compliance for financial institutions. The investment will be used to help the business maximise opportunities as its target market grows in line with the adoption of specialised technology as a result of increasing regulatory complexity.



CoppTech UK Limited

Also in August 2022, the Company invested £2.4 million of growth capital into CoppTech UK, an innovative anti-microbial technology company that uses a patented microparticle in polymers, plastics and building materials to kill bacteria, fungi and viruses on contact.

The investment will be used to help the business grow sales and market presence in new geographies.

Follow-on investments

The Manager expects to continue to deploy additional capital into both growing portfolio companies and those that require support to trade through more uncertain periods. Macro factors such as wage, commodity price and energy price inflation may impact some elements of the portfolio, but in general the Manager ensures at the time of initial investment that investee companies are well-capitalised to trade through periods of lower market demand or supply challenges. This is evidenced by the portfolio remaining relatively resilient over the COVID-19 period, supported by the Manager, with an active management style to ensure risks are identified and mitigated early.

The Company made one follow-on investment in the period, totalling £0.5 million, to support further growth opportunities. Further details are provided below.



Rovco Ltd

In March 2022, Rovco, a developer of 3D computer vision and AI technology for streamlining and ultimately automating the monitoring and management of marine infrastructure, received a £0.5 million follow-on investment from the Company as part of a £15.3 million funding round. The investment will be used to support the growing working capital needs in the contract business as well as the expansion of Rovco's commercial, operational and technological capabilities.



Hexarad Group Limited

Post-period end, the Company completed a £0.7 million investment into Hexarad as part of a £2.1 million funding round. Hexarad is a high-growth healthcare technology company, delivering teleradiology services to NHS and private healthcare customers. It gives healthcare providers access to faster diagnosis of medical images (CT, MRI and X-Ray), using proprietary allocation tools to distribute scans to a pool of remote radiologists.

Pipeline

At 30 June 2022, the Company held cash of £28.6 million. This will be used to fund new and follow-on investments, buybacks and running expenses and support the Company's dividend objectives. The Manager has a number of opportunities under exclusivity or in due diligence. The Company remains well-positioned to continue pursuing these potential investment opportunities.

Exits and realisations

The M&A climate has remained buoyant during the period but it may be cooling.

In June 2022, the Company successfully realised investments in Codeplay Software Limited and TFC Europe Limited and sold its holding in Online Poundshop Limited. Codeplay is one of the leading solutions providers to the semiconductor industry. During the investment period, the Manager helped the business reframe its strategy to offer a suite of services rather than standalone products, which made it an important player in an ecosystem of high performance computing. It evolved its technology and developed new routes to market.

The Manager also introduced a chairperson and through the Manager's joint venture with Williams Advanced Engineering, the business was able to access the automotive market.

The business was sold to a leading computer chip developer in a transaction that generated proceeds of £9.6 million at completion, an exceptional return on an investment of £0.7 million. The sale of industrial fastener products supplier TFC generated proceeds of £10.3 million, another strong performance. Since the original investment, the Company helped to extend TFC's network in the UK and Germany.

TFC also rapidly expanded its vendor managed inventory service, growing the customer base, so it now provides a market-leading service to SMEs and international global businesses operating across a range of industries. The Company supported three acquisitions as well as considerable investment in new and existing facilities, opening new sites in England, Northern Ireland and Europe.

Following a sustained period of difficult trading, the Company's holding in discount e-tailer Online Poundshop was written down to nil and the business was sold to a trade buyer.

Disposals in the period ended 30 June 2022

Company	Detail	Accounting cost at date of disposal (£)	Proceeds (£)	Realised gain/(loss) (£)	Valuation at 31 December 2021 (£)
TFC Europe Limited	Full disposal	3,614,612	10,271,922	6,657,310	6,887,033
Codeplay Software Limited	Full disposal	689,656	9,582,978 ¹	8,893,322	4,099,278
Online Poundshop Limited	Full disposal	2,610,000	—	(2,610,000)	—
		6,914,268	19,854,900	12,940,632	10,986,311

1. A further £917,456 of deferred consideration has been reflected in the accounts.

Key portfolio developments

In the first six months of the year, the portfolio has shown further recovery, which started in the second half of 2021, as businesses adapt to the new economic climate.

The value of investments held reduced by £9.8 million in the six months to 30 June 2022, driven largely by realisations of £19.9 million, offset partially by deployment of £3.2 million and an increase in the value of existing investments of £6.9 million.

Material changes in valuation, defined as increasing or decreasing by £1.0 million or more since 31 December 2021, are detailed below. Updates on these companies are included below, or in the Top Ten Investments section on pages 16 to 20.

Key valuation changes in the period

Company	Valuation (£)	Valuation change (£)
Hospital Services Group Limited	19,162,231	3,331,496
Spektrix Limited	8,511,330	1,642,436
Fresh Relevance Ltd	5,806,367	(1,049,432)
Cinelabs International Ltd	2,296,968	(1,436,619)
Datapath Group Limited	5,335,881	(1,745,882)
Innovation Consulting Group Limited	5,161,909	(1,964,780)
Ollie Quinn Limited	4,370,440	(2,370,322)

MANAGER'S REVIEW CONTINUED



Cinelabs International Ltd

Cinelabs provides non-creative post-production services to film and TV production houses globally, primarily to those shooting on analogue film. It also offers film restoration, digitisation and archiving services to owners of film archives.

30 June 2022 update

Cinelabs' performance at the start of the year was softer than anticipated, driven by an overall lower number of projects for both film and digital. As is common in the industry, the summer and autumn periods seem to have rebounded and the pipeline of contracted projects for the second half of the year is strong. Cinelabs has also recently won some new high-profile episodic series, which will support revenue visibility.

OLLIE QUINN

Ollie Quinn Limited

Ollie Quinn is a branded retailer of prescription glasses, sunglasses and non-prescription polarised sunglasses based in the UK and Canada. The company provides high-quality, branded, prescription glasses cheaper than other high-end opticians in order to satisfy a gap in the market for affordable luxury.

30 June 2022 update

Ollie Quinn's performance has been impacted by COVID-19 lockdowns, particularly in Canada where regional restrictions persisted for longer than the UK, and by the beginnings of a squeeze on consumer discretionary spend. The business has taken advantage of economic conditions to open a number of new sites on favourable lease terms, targeting affluent towns including St Albans, Guildford and Richmond.

Outlook

The global and UK markets have experienced a volatile past 12 months following a strong recovery in consumer and business demand after the COVID-19 pandemic. At the same time, supply chains remained constrained by continued lockdowns in China and Europe and the cautious return of labour to the UK workforce, as lockdowns and furlough schemes altered people's working patterns. All these factors began to drive price inflation in late 2021 – a symptom that was further compounded by the war in Ukraine – causing the prices of gas, electricity, precious metals and food, amongst other commodities, to soar in Q1 2022.

The Bank of England responded by raising the base interest rate from 0.1% in December 2021 to 2.25% in September 2022 to help reduce inflation, which has increased from 7.5% in December 2021 to 12.3%¹ by August 2022 and most analysts expect further increases to both inflation and interest rates in the medium term. The Bank of England now forecasts that the UK will enter a recession later in 2022.

Despite this backdrop, the Company's portfolio is well positioned to withstand the market volatility. We have worked to balance risk, with the portfolio exposed to a broad base of both well-established and earlier-stage growth companies across a range of sectors. Over the past 12 months, the portfolio continued to perform well, with the Company realising six investments in this time.

Notable examples that demonstrate our ability to capitalise on high-quality regional opportunities in a variety of sectors are the sale of Codeplay, an Edinburgh-based software tool developer, to a US corporate buyer delivering an impressive 16.1x return, and the sale of TFC, an East Sussex distributor of specialist fixings and industrial fasteners, that generated a 12.6x return on investment. The current portfolio has a good mix of earlier stage and more mature investments, which are expected to generate both income and capital returns for investors over time.

The Manager continues to leverage its regional offices to source the highest quality growth companies where we can employ our extensive advisory network and proactive portfolio management style to drive growth and add value to each investee company. There remains a strong appetite for funding from the smaller UK businesses with growth potential, which manifested itself in a number of exciting deals completed in the past year. Despite shifts in the investment landscape, we continue to see excellent opportunities to support small companies in many sub-sectors, such as health, technology and compliance systems, amongst others.

While the macro environment is precarious, we believe that the Company's portfolio is well placed to cope with a period of uncertainty. The UK undoubtedly remains an exceptional place to start, fund and grow a small business, and the Manager remains committed to supporting the best UK entrepreneurs on their journey.

James Livingston

Foresight Group LLP

30 September 2022

1. Bank of England, RPI December 2021 to August 2022 www.ons.gov.uk/economy/inflationandpriceindices/timeseries/czbh/mm23

CASE STUDY

HEXARAD GROUP LIMITED

Hexarad was established in 2017 by a group of practising consultant radiologists who trained together at St George's Hospital in London. After experiencing a shortage of internal reporting capacity, they saw an opportunity to establish a radiology service led by experts with a deep understanding of the challenges faced both by clinicians and healthcare organisations. Hexarad provides teleradiology services to healthcare providers, linking diagnostic scans with the right radiologist, wherever they are. This is underpinned by a high-quality technology platform that drives efficiencies and profitability.

As a provider of teleradiology, the purpose of the company is to help healthcare systems tackle growing demand. Hexarad has reported on approximately 80,000 scans since July 2018, easing the overload on NHS services. Reducing turnaround time and increasing the quality of scan reporting in turn improves society's health and reduces inequalities caused by different levels of radiology capacity in certain locations. Teleradiology also reduces carbon footprint by remotely outsourcing scan reporting rather than requiring radiologists to travel between different hospitals.

As a regulated healthcare provider, Hexarad is registered with the Care Quality Commission. Hexarad supports the charity RadAid, which helps developing countries to improve their radiology structure, and also created the Hexarad Scholarship to support BAME and less privileged medical students. Of the four founders, two are female and/or from BAME backgrounds.

Hexarad key facts

Name	Hexarad Group Limited
Location	Lynwood House, 373-375 Station Road, Harrow, Middlesex, HA1 2W
Website	www.hexarad.com
Industry	Healthcare
Foresight VCT plc commitment	£0.8 million, excluding post-period end follow-on of £0.7 million
Foresight VCT plc ownership %	8.9% (fully diluted)
Stage	Growth
Investment date	July 2021
Total Foresight Group LLP commitment	£1.7 million, excluding post-period end follow-on of £1.4 million (£0.8 million of investment made by Foresight VCT plc and £0.9 million of investment made by Foresight Enterprise VCT plc)

ABOUT THE MANAGER

Foresight Group LLP is a leading infrastructure and private equity investment manager

FORESIGHT GROUP LLP

Sustainability and ESG criteria are central to all investments – Foresight was among the first to prioritise sustainability and ESG and it remains at the forefront of these developing investment themes.

200+

Institutional clients

21

Institutional solutions

59%

Institutional AUM

29,000

Retail investors

16

Retail solutions

41%

Retail AUM

INFRASTRUCTURE

Foresight now manages over 330 infrastructure assets, including wind, solar and bioenergy, with installed capacity able to generate up to 3.1GW of renewable energy.

£6.3bn

AUM | 71%

337

Assets

PRIVATE EQUITY

Foresight manages more than 130 growth capital and replacement capital investments through a network of seven regional UK offices.

£930m

AUM | 11%

131

Investments

FORESIGHT CAPITAL MANAGEMENT

Foresight Capital Management was established in 2017 to enable retail and institutional investors to access infrastructure, renewables and real estate investment opportunities through actively managed open-ended funds, investing in listed securities.

£1.6bn

AUM | 18%

6

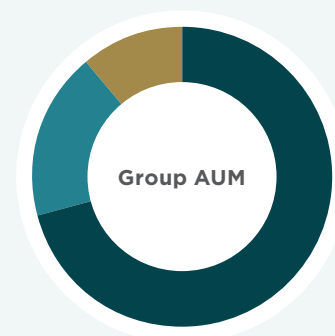
Investment vehicles

OFFICES

Foresight has 12 offices, the largest of which is in London.

£8.8bn

AUM audited as at 31 March 2022



■ Infrastructure
■ Foresight Capital Management
■ Private Equity



London
Stock Exchange

On 9 February 2021, Foresight Group Holdings Limited shares were unconditionally listed on the premium segment of the London Stock Exchange Main Market, under the ticker "FSG". Foresight Group Holdings Limited was awarded the LSE's Green Economy Mark, which recognises companies that derive 50% or more of their annual revenues from products and services that contribute to the global green economy. www.fsg-investors.com

CASE STUDY

CalLEN-LENZ ASSOCIATES LIMITED

Callen-Lenz was founded in 2007 by CEO Jonathan Webber, a former RAF pilot and commercial test pilot, and finance director Andy Callen, who trained at KPMG before roles at Babcock and McLaren. The company initially focused on technical consultancy for aviation research and development, then developed novel hardware and software products that are now sold globally, along with wider design and operational services.

Based near Salisbury, Wiltshire, the company develops, designs and manufactures air vehicles, vehicle components and navigation and communication software for high performance unmanned aerial vehicles ("UAVs") globally.

Callen-Lenz has built a high level of trust with the UK Civil Aviation Authority, owing to its specialist expertise and highly experienced team, despite being an SME. Callen-Lenz is also a member of the international CAA regulatory body, which is responsible for writing new rules and regulations for international

unmanned systems control technology and certification.

Callen-Lenz provides surveillance UAVs to the energy sector, which significantly improve the quality of pipeline monitoring while reducing the health and safety risks faced by people working in hazardous conditions. The remote monitoring by the UAVs also reduces the carbon emissions that may otherwise arise were an alternative manned vehicle used.

The company's technology supports both land management and wildlife conservation. Callen-Lenz is also a significant provider of highly qualified jobs to the local economy, with this investment funding further high-quality job creation. Since investment, with the Manager's support Callen-Lenz has begun formally tracking its ESG performance and process improvements. The company is particularly focused on technological innovation to improve the efficiency of the energy sector.

Callen-Lenz key facts

Name	Callen-Lenz Associates Limited
Location	The Old Barns, Manor Farm, Chilmark, Salisbury, Wiltshire, SP3 5AF
Website	www.callenlenz.com
Industry	Industrials & manufacturing
Foresight VCT plc commitment	£2.4 million
Foresight VCT plc ownership %	12.3% (fully diluted)
Stage	Growth capital
Investment date	August 2021
Total Foresight Group LLP commitment	£4.8 million (£2.4 million of investment made by Foresight VCT plc and £2.4 million of investment made by Foresight Enterprise VCT plc)



TOP TEN INVESTMENTS

BY VALUE AS AT 30 JUNE 2022



HOSPITAL SERVICES GROUP LIMITED

BELFAST

www.hsl.ie

SECTOR: HEALTHCARE

Hospital Services Group ("HSL") distributes, installs and maintains high-quality healthcare equipment and consumables from global partners such as Hologic, GE and Shimadzu. HSL has strengths in the radiology, ophthalmic, ultrasound and surgical sectors, as well as a growing presence in telehealth (delivery of healthcare services via remote technologies) and broader healthcare IT.

30 June 2022 update

HSL has traded strongly with revenues and profits ahead of budget and a consequential reduction in net debt. In June 2022, the company completed the acquisition of the trade and assets of Video South Limited, a specialist provider of video communication systems within UK hospital sites.

Initial investment	September 2015
Amount invested (£) ¹	3,320,000
Accounting cost (£) ²	3,320,000
Investment value (£)	19,162,231
Basis of valuation	Discounted earnings multiple
Equity held (%)	45.2%

1. Including the amount of initial investment by Foresight 2 VCT plc ("F2").
2. The accounting cost includes the value at which F2's holding was transferred to the Company as part of the merger in December 2015.



SPECAC INTERNATIONAL LIMITED

KENT

www.specac.com

SECTOR: INDUSTRIALS & MANUFACTURING

Specac International ("Specac") is a leading manufacturer of high specification sample analysis and preparation equipment used in testing and research laboratories worldwide.

30 June 2022 update

Specac continues to trade well, driven by market demand for its products and a continued focus on sales to non-OEM customers. Sales and marketing have been consolidated under the commercial director and the team is performing well. A new enterprise resource planning ("ERP") system is expected to further increase efficiencies and control across the business.

Initial investment	April 2015
Amount invested (£)	1,345,000
Accounting cost (£)	1,300,000
Valuation (£)	10,647,785
Basis of valuation	Discounted earnings multiple
Equity held (%)	43.2%



NANO INTERACTIVE GROUP LIMITED

LONDON

www.nanointeractive.com

SECTOR: TECHNOLOGY, MEDIA & TELECOMMUNICATIONS

Nano Interactive (“Nano”) is an advertising technology business specialising in search re-targeting campaigns for its global customer base. The business was founded in 2010 and has offices across Europe.

30 June 2022 update

Nano has traded well, with revenues growing profitably and strong margins being maintained. Customer concentration has reduced over the period with several new customers acquired.

Initial investment	October 2017
Amount invested (£)	4,434,191
Accounting cost (£)	4,434,191
Valuation (£)	9,285,744
Basis of valuation	Discounted revenue multiple
Equity held (%)	28.7%



SPEKTRIX LIMITED

LONDON

www.spektrix.com

SECTOR: TECHNOLOGY, MEDIA & TELECOMMUNICATIONS

Spektrix is an enterprise software company, providing ticketing, customer relationship management, marketing and fundraising software to companies in the performing arts sector across the UK and the US.

30 June 2022 update

The sector is showing good recovery in ticket sales for both the UK and the US clients. Spektrix continues to make good progress, generating strong recurring revenue growth and signing several new clients in both the UK and US in the period.

Initial investment	December 2018
Amount invested (£)	4,875,999
Accounting cost (£)	4,875,999
Valuation (£)	8,511,330
Basis of valuation	Discounted EV of proposed funding round
Equity held (%)	12.1%

TOP TEN INVESTMENTS CONTINUED

BY VALUE AS AT 30 JUNE 2022



FRESH RELEVANCE LTD	
HAMPSHIRE	www.freshrelevance.com

SECTOR: TECHNOLOGY, MEDIA & TELECOMMUNICATIONS

Fresh Relevance is an email marketing and web personalisation platform providing online retailers with personalised customer experiences and marketing tools across desktop and mobile.

30 June 2022 update

Fresh Relevance continues to perform well and is growing year-on-year, driven by a strong net retention amongst customers and a focus on the direct sales channel. The business has invested in new product development and features, which have provided opportunities for new technology-led integrations. Despite business growth, softening of the wider comparable technology sector reduced the holding valuation over the period.

Initial investment	March 2017
Amount invested (£)	2,860,324
Accounting cost (£)	2,860,324
Valuation (£)	5,806,367
Basis of valuation	Discounted revenue multiple
Equity held (%)	32.7%

ROXY LEISURE LTD	
MANCHESTER	www.roxyleisure.co.uk

SECTOR: CONSUMER & LEISURE

Roxy Leisure ("Roxy") is a games bar group with venues across the North of England. It offers a range of entertainment facilities including pool tables, ping-pong, bowling, shuffleboard, mini golf, arcade games and karaoke.

30 June 2022 update

Roxy's trading has remained strong. The Leeds Roxy Lanes venue moved to a larger location during the period and is performing well. A bowling-focused venue was opened in Bristol in May and a new site in Sheffield opened in August.

Initial investment	December 2019
Amount invested (£)	2,467,933
Accounting cost (£)	2,467,933
Valuation (£)	5,672,805
Basis of valuation	Discounted earnings multiple
Equity held (%)	5.3%



DATAPATH GROUP LIMITED

DERBYSHIRE

www.datapath.co.uk

SECTOR: TECHNOLOGY, MEDIA & TELECOMMUNICATIONS

Datapath is a UK manufacturer of multiscreen computer graphics cards and video capture hardware, specialising in video wall and data wall technology.

30 June 2022 update

The market remains challenging with supply chain issues and chip shortages impacting the industry as a whole. The company is making strong progress developing its new IP product suite, which has won industry awards and represents a significant long-term investment for the business.

Initial investment ¹	September 2007
Amount invested (£) ¹	1,000,000
Accounting cost (£) ²	7,563,365
Valuation (£)	5,335,881
Basis of valuation	Discounted earnings multiple
Equity held (%)	13.3%

1. The amount and date of initial investment by F2.
2. The accounting cost reflects the valuation of the F2 investment in Datapath at the point it was transferred from F2 to the Company as part of the merger in December 2015.



ITAD (2015) LIMITED

HOVE

www.itad.com

SECTOR: BUSINESS SERVICES

Itad is a UK-headquartered, specialist consultancy firm focused on monitoring and evaluating the impact of international development money and aid, globally.

30 June 2022 update

Over the last 12 months, Itad has performed well and has diversified its business across various foundational and philanthropic work. Progress has also been made in the US, with the new business development lead building Itad's presence on the ground. To support the strategy, the board has also recruited additional non-executive directors who will bring more global perspectives and experience to Itad.

Initial investment	October 2015
Amount invested (£) ¹	2,750,000
Accounting cost (£) ²	2,750,000
Valuation (£)	5,277,994
Basis of valuation	Discounted earnings multiple
Equity held (%)	24.1%

1. Including the amount of initial investment by F2.
2. The accounting cost includes the value at which F2's holding was transferred to the Company as part of the merger in December 2015.

TOP TEN INVESTMENTS CONTINUED

BY VALUE AS AT 30 JUNE 2022



INNOVATION CONSULTING GROUP LIMITED

HERTFORDSHIRE | www.govgrant.co.uk

SECTOR: BUSINESS SERVICES

Innovation Consulting Group provides support services and contingent advice to UK-based SME businesses seeking to gain access to Government tax incentives such as R&D tax credits.

30 June 2022 update

Innovation Consulting Group has had a mixed nine months of trading, with a very strong first quarter followed by six months of less positive performance. This is due to the loss of a large customer and the residual effect of COVID-19. However, the business remains robustly profitable. During the period, the business has continued to focus on larger customers, with some promising new opportunities. The company has also launched a self-service portal to help drive the referral channel, with positive initial feedback from the market.

Initial investment	September 2015
Amount invested (£) ¹	1,650,000
Accounting cost (£) ²	1,605,000
Valuation (£)	5,161,909
Basis of valuation	Discounted earnings multiple
Equity held (%)	35.6%

1. Including the amount of initial investment by F2.
2. The accounting cost includes the value at which F2's holding was transferred to the Company as part of the merger in December 2015.

MOWGLI STREET FOOD GROUP LIMITED

LIVERPOOL | www.mowglistreetfood.com

SECTOR: CONSUMER & LEISURE

A fast-casual chain of Indian street food restaurants founded in 2014, Mowgli is differentiated from traditional Indian restaurants with a focus on healthy dishes and an extensive gluten-free, vegetarian and vegan offering.

30 June 2022 update

Mowgli continues to trade well, despite an increasingly challenging economic environment. Recent openings in Glasgow and Preston were managed well, with strong initial trading, and the company has built a strong pipeline of new sites scheduled to open over the next 18 months, expanding the total number of restaurants from 15 to 23. Improvements to sourcing have helped to offset raw material cost inflation and efficiency drives are helping mitigate labour cost inflation.

Initial investment	July 2017
Amount invested (£)	1,526,750
Accounting cost (£)	1,526,750
Valuation (£)	4,765,452
Basis of valuation	Discounted earnings multiple
Equity held (%)	9.8%



PORTFOLIO OVERVIEW

Investment by value	30 June 2022		Valuation methodology	31 December 2021	
	Accounting cost £	Valuation £		Accounting cost £	Valuation £
Hospital Services Group Limited ¹	3,320,000	19,162,231	Discounted earnings multiple	3,320,000	15,830,735
Specac International Limited ¹	1,300,000	10,647,785	Discounted earnings multiple	1,300,000	11,339,823
Nano Interactive Group Limited ¹	4,434,191	9,285,744	Discounted revenue multiple	4,434,191	9,454,442
Spektrix Limited ¹	4,875,999	8,511,330	Discounted EV of proposed funding round	4,875,999	6,868,894
Fresh Relevance Ltd ¹	2,860,324	5,806,367	Discounted revenue multiple	2,860,324	6,855,799
Roxy Leisure Ltd ¹	2,467,933	5,672,805	Discounted earnings multiple	2,467,933	4,834,846
Datapath Group Limited ¹	7,563,365	5,335,881	Discounted earnings multiple	7,563,365	7,081,763
Itad (2015) Limited ¹	2,750,000	5,277,994	Discounted earnings multiple	2,750,000	5,178,462
Innovation Consulting Group Limited ¹	1,605,000	5,161,909	Discounted earnings multiple	1,605,000	7,126,689
Mowgli Street Food Group Limited ¹	1,526,750	4,765,452	Discounted earnings multiple	1,526,750	4,752,839
Protean Software Limited	2,500,000	4,430,751	Discounted revenue multiple	2,500,000	5,079,037
Industrial Efficiency II Limited	2,603,260	4,423,263	Discounted cash flow	2,603,260	4,357,299
TLS Management Limited	100	4,380,585	Net assets	100	4,034,572
Ollie Quinn Limited	5,693,917	4,370,440	Discounted revenue multiple	5,693,917	6,740,762
Fourth Wall Creative Limited	4,292,299	4,157,684	Discounted revenue multiple	4,292,299	4,130,915
Clubspark Group Ltd	2,756,085	4,143,466	Discounted revenue multiple	2,756,085	4,788,619
Aerospace Tooling Corporation Limited	150,000	3,818,953	Discounted offer received	150,000	3,223,117
Callen-Lenz Associates Limited	2,351,485	3,131,876	Discounted revenue multiple	2,351,485	2,511,927
Ten Health & Fitness Limited	2,958,591	3,014,220	Discounted revenue multiple	2,958,591	2,770,940
Aquasium Technology Limited	333,333	2,898,270	Discounted earnings multiple	333,333	2,743,986
Steamforged Holdings Limited	2,364,532	2,772,620	Discounted revenue multiple	2,364,532	2,595,607
PH Realisations 2020 Limited	1,664,893	2,633,592	Discounted earnings multiple	1,664,893	2,633,592
IMMJ Systems Limited	1,732,674	2,414,443	Discounted revenue multiple	1,732,674	1,800,505
Cinelabs International Ltd	2,216,250	2,296,968	Discounted earnings multiple	2,216,250	3,733,587
NorthWest EHealth Limited	1,485,149	2,244,597	Discounted revenue multiple	1,485,149	2,644,191
Newsflare Limited	1,980,198	2,197,592	Discounted revenue multiple	1,980,198	1,980,198
Luminet Networks Limited	3,783,251	2,149,386	Discounted earnings multiple	3,783,251	1,520,806
200 Degrees Holdings Limited	1,477,832	2,145,524	Discounted earnings multiple	1,477,832	2,141,061
Rovco Limited	1,457,630	1,896,573	EV of last funding round	935,961	642,676
Biotherapy Services Limited	2,220,408	1,738,456	VC method	2,220,408	2,346,371
Additive Manufacturing Technologies Ltd	1,720,296	1,720,296	EV of last funding round	1,720,296	1,720,296

Investment by value	30 June 2022		Valuation methodology	31 December 2021	
	Accounting cost £	Valuation £		Accounting cost £	Valuation £
Titania Group Limited	1,237,624	1,683,824	Discounted revenue multiple	1,237,624	1,726,714
iMIST Group Limited	1,598,515	1,659,421	Discounted revenue multiple	1,598,515	1,747,451
Crosstown Dough Ltd	1,485,149	1,653,642	Discounted revenue multiple	1,485,149	1,485,149
SO-SURE Limited	1,584,158	1,584,158	Cost	—	—
Positive Response Corporation Ltd	1,000,000	1,496,046	Discounted revenue multiple	1,000,000	1,592,454
ABL Investments Limited	2,750,000	1,492,854	Discounted earnings multiple	2,750,000	1,243,814
Hexarad Group Limited	841,585	1,438,385	Discounted EV of proposed funding round	841,585	841,585
Biofortuna Ltd	1,172,517	1,117,337	Discounted revenue multiple	1,172,517	1,777,943
HomeLink Healthcare Limited	1,064,356	1,064,356	Cost	—	—
Weduc Holdings Limited	54,145	494,020	Discounted revenue multiple	54,145	458,615
Whitchurch PE 1 Limited	100,000	271,727	Net assets	100,000	289,186
Vio Healthtech Limited	1,648,334	234,477	Discounted revenue multiple	1,648,334	1,000,644
Cole Henry PE 2 Limited	100,000	204,938	Net assets	100,000	215,818
Kingsclere PE 3 Limited	100,000	168,865	Net assets	100,000	176,171
Oxonica Materials Limited	2,804,473	—	Nil value	2,804,473	—
Powerlinks Media Limited	2,709,360	—	Nil value	2,709,360	—
Sindicatum Carbon Capital Limited	246,075	—	Nil value	246,075	—
TFC Europe Limited	—	—	Sold	3,614,612	6,887,033
Codeplay Software Limited	—	—	Sold	689,656	4,099,278
Online Poundshop Limited	—	—	Sold	2,610,000	—
Total	98,942,036	157,171,103		102,686,121	167,006,211

1. Top Ten Investments by value shown on pages 16 to 20.

RESPONSIBLE INVESTMENT

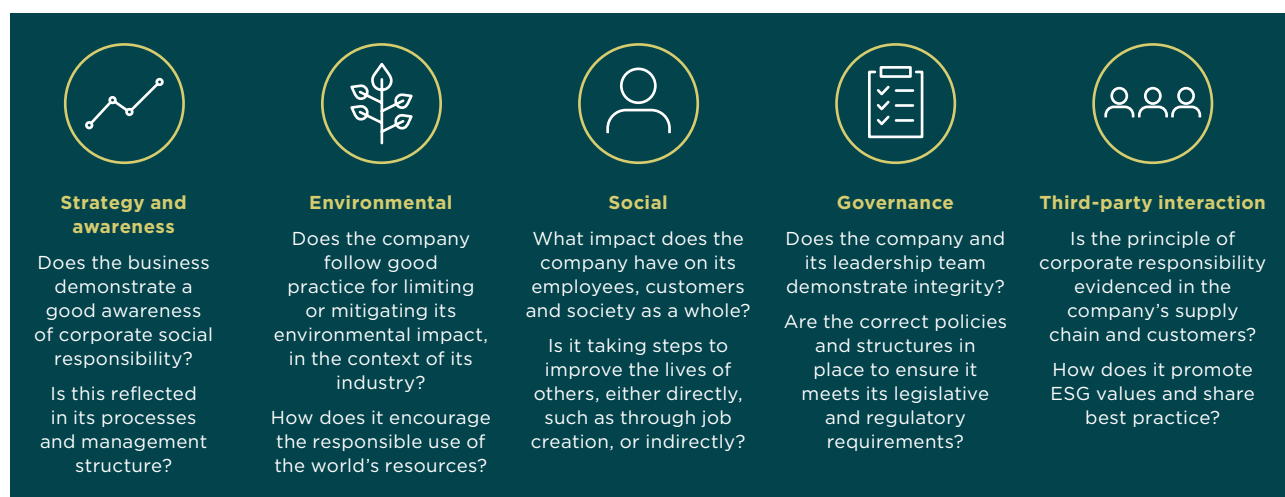
In order to deliver sustainable growth and long-term success, the Manager believes it is critical to incorporate environmental, social and governance (“ESG”) factors into its investment management processes. Often referred to as Responsible Investment, these principles provide not only a key basis for generating attractive returns for investors, but also help build better quality businesses in the UK, creating jobs and making a positive contribution to society.

ESG values form an integral part of the Manager’s day-to-day decision making, with all new investments made since May 2018 subject to ESG due diligence and ongoing ESG monitoring.

This accounts for 44% of the current portfolio, with the view of reaching 100% as legacy investments are sold. Central to its investment approach are five ESG Principles which are used to evaluate investee companies.

Overall, 40 individual key performance indicators are considered under the five Principles.

The Manager invests in a wide range of sectors and believes its approach covers the key tests that should be applied to assess a company’s ESG performance, throughout the lifecycle of an investment:



UN SDGs

The UN’s Sustainable Development Goals (“SDGs”) also represent a key driver and important lens through which corporate and investment activities are reviewed.

In May 2021, the Manager formalised its Impact Themes for private equity investments into four areas:

- Health
- Quality Employment at Scale
- Research and Innovation
- Sustainable, Inclusive, Local Infrastructure and the Environment

These outcome-focused themes are aligned with the UN’s SDGs. They help the Manager assess any opportunities in the business model, and by mapping its investments to them, the private equity team can identify the value and benefits for the companies, society and the environment.

All new portfolio companies since May 2018 are subject to an annual assessment where progress against each of the five Principles and four Impact Themes is measured and an evaluation matrix updated to allow progress to be tracked and continuous improvement encouraged.

The diagram shows the specific SDGs that the Manager has scope to contribute to across all of its activities.



UNAUDITED HALF-YEARLY RESULTS AND RESPONSIBILITIES STATEMENTS

Principal risks and uncertainties

The principal risks faced by the Company are as follows:

- Market risk
- Strategic and performance risk
- Internal control risk
- Legislative and regulatory risk
- VCT qualifying status risk
- Investment valuation and liquidity risk

The Board reported on the principal risks and uncertainties faced by the Company in the Annual Report and Accounts for the year ended 31 December 2021. A detailed explanation can be found on pages 40 to 41 of the Annual Report and Accounts, which is available on the Company's website www.foresightvct.com or by writing to Foresight Group at The Shard, 32 London Bridge Street, London, SE1 9SG.

In the view of the Board, there has been a further change to the fundamental nature of these risks since the previous report. The emerging risks identified in the previous report included that of climate change, inflationary pressures and the Russian invasion of Ukraine. These emerging risks continue to apply and be monitored. In addition, tensions are increasing in the relationship between the United States and China over the future of Taiwan, where a large proportion of sophisticated microchips are manufactured and exported to businesses in the West, including those in the Company's portfolio. The Board and the Manager continue to follow all emerging risks closely with a view to identifying where changes affect the areas of the market in which portfolio companies operate. This enables the Manager to work closely with portfolio companies, preparing them to the best extent possible to ensure they are well positioned to endure potential volatility.

Directors' responsibility statement

The Disclosure and Transparency Rules ("DTR") of the UK Listing Authority require the Directors to confirm their responsibilities in relation to the preparation and publication of the Half-Yearly Financial Report.

The Directors confirm to the best of their knowledge that:

- The summarised set of financial statements has been prepared in accordance with FRS 104
- The interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year)
- The summarised set of financial statements gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Company as required by DTR 4.2.4R
- The interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein)

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report of the Annual Report. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are described in the Chair's Statement, Strategic Report and Notes to the Accounts of the 31 December 2021 Annual Report. In addition, the Annual Report includes the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposures to credit risk and liquidity risk.

The Company has considerable financial resources together with investments and income generated therefrom across a variety of industries and sectors. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully.

The Directors have reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The Half-Yearly Financial Report has not been audited nor reviewed by the auditors.

On behalf of the Board

Margaret Littlejohns

Chair

30 September 2022

UNAUDITED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2022

	Six months ended 30 June 2022 (Unaudited)			Six months ended 30 June 2021 (Unaudited)			Year ended 31 December 2021 (Audited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Realised gains on investments	—	12,992	12,992	—	8,380	8,380	—	13,070	13,070
Investment holding (losses)/gains	—	(5,070)	(5,070)	—	14,123	14,123	—	30,424	30,424
Income	486	—	486	135	—	135	858	—	858
Investment management fees	(464)	(1,096)	(1,560)	(363)	(1,090)	(1,453)	(772)	(2,612)	(3,384)
Other expenses	(295)	—	(295)	(289)	—	(289)	(587)	—	(587)
(Loss)/return on ordinary activities before taxation	(273)	6,826	6,553	(517)	21,413	20,896	(501)	40,882	40,381
Taxation	—	—	—	—	—	—	—	—	—
(Loss)/return on ordinary activities after taxation	(273)	6,826	6,553	(517)	21,413	20,896	(501)	40,882	40,381
(Loss)/return per share	(0.1)p	3.1p	3.0p	(0.2)p	10.4p	10.2p	(0.2)p	19.9p	19.7p

The total columns of this statement are the profit and loss account of the Company and the revenue and capital columns represent supplementary information.

All revenue and capital items in the above Income Statement are derived from continuing operations. No operations were acquired or discontinued in the period.

The Company has no recognised gains or losses other than those shown above, therefore no separate statement of total recognised gains and losses has been presented.

The Company has only one class of business and one reportable segment, the results of which are set out in the Income Statement and Balance Sheet.

There are no potentially dilutive capital instruments in issue and, therefore, no diluted earnings per share figures are relevant. The basic and diluted earnings per share are, therefore, identical.

UNAUDITED RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

FOR THE SIX MONTHS ENDED 30 JUNE 2022

	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Distributable reserve ¹ £'000	Capital reserve ¹ £'000	Revaluation reserve £'000	Total £'000
As at 1 January 2022	2,056	34,954	1,081	75,591	5,945	65,521	185,148
Share issues in the period	229	20,360	—	—	—	—	20,589
Expenses in relation to share issues	—	(622)	—	—	—	—	(622)
Repurchase of shares	(48)	—	48	(3,812)	—	—	(3,812)
Realised gains on disposal of investments	—	—	—	—	12,992	—	12,992
Investment holding losses	—	—	—	—	—	(5,070)	(5,070)
Dividends paid	—	—	—	(9,967)	—	—	(9,967)
Management fees charged to capital	—	—	—	—	(1,096)	—	(1,096)
Revenue loss for the period	—	—	—	(273)	—	—	(273)
As at 30 June 2022	2,237	54,692	1,129	61,539	17,841	60,451	197,889

1. Reserve is available for distribution; total distributable reserves at 30 June 2022 total £79,380,000 (31 December 2021: £81,536,000).

UNAUDITED BALANCE SHEET

AT 30 JUNE 2022

Registered Number: 03421340

	As at 30 June 2022 (Unaudited) £'000	As at 30 June 2021 (Unaudited) £'000	As at 31 December 2021 (Audited) £'000
Fixed assets			
Investments held at fair value through profit or loss	157,171	150,320	167,006
Current assets			
Debtors	12,309	192	1,669
Cash and cash equivalents	28,565	14,070	17,521
Total current assets	40,874	14,262	19,190
Creditors			
Amounts falling due within one year	(156)	(1,172)	(751)
Net current assets	40,718	13,090	18,439
Amounts falling due greater than one year	—	—	(297)
Net assets	197,889	163,410	185,148
Capital and reserves			
Called-up share capital	2,237	2,031	2,056
Share premium account	54,692	68,935	34,954
Capital redemption reserve	1,129	1,041	1,081
Distributable reserve	61,539	39,406	75,591
Capital reserve	17,841	2,777	5,945
Revaluation reserve	60,451	49,220	65,521
Equity shareholders' funds	197,889	163,410	185,148
Net Asset Value per share	88.5p	80.5p	90.1p

UNAUDITED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2022

	Six months ended 30 June 2022 (Unaudited) £'000	Six months ended 30 June 2021 (Unaudited) £'000	Year ended 31 December 2021 (Audited) £'000
Cash flow from operating activities			
Loan interest received from investments	311	284	582
Dividends received from investments	96	42	384
Deposit and similar interest received	27	1	1
Investment management fees paid	(1,843)	(1,453)	(3,095)
Secretarial fees paid	(65)	(61)	(122)
Other cash payments	(168)	(252)	(462)
Net cash outflow from operating activities	(1,642)	(1,439)	(2,712)
Cash flow from investing activities			
Purchase of investments	(3,170)	(6,274)	(15,111)
Net proceeds on sale of investments	10,272	11,056	22,810
Net proceeds on deferred consideration	51	—	—
Net cash inflow from investing activities	7,153	4,782	7,699
Cash flow from financing activities			
Proceeds of fundraising	18,531	—	5,407
Expenses of fundraising	(455)	(37)	(164)
Repurchase of own shares	(4,468)	(2,023)	(5,496)
Equity dividends paid	(8,075)	(6,152)	(6,152)
Net cash inflow/(outflow) from financing activities	5,533	(8,212)	(6,405)
Net inflow/(outflow) of cash in the period	11,044	(4,869)	(1,418)
Reconciliation of net cash flow to movement in net funds			
Increase/(decrease) in cash and cash equivalents for the period	11,044	(4,869)	(1,418)
Net cash and cash equivalents at start of period	17,521	18,939	18,939
Net cash and cash equivalents at end of period	28,565	14,070	17,521

Analysis of changes in net debt

	At 30 June 2022 £'000	Cash flow £'000	At 1 January 2022 £'000
Cash and cash equivalents	28,565	11,044	17,521

NOTES TO THE UNAUDITED HALF-YEARLY RESULTS

FOR THE SIX MONTHS ENDED 30 JUNE 2022

1 The Unaudited Half-Yearly Financial Report has been prepared on the basis of the accounting policies set out in the statutory accounts of the Company for the year ended 31 December 2021. Unquoted investments have been valued in accordance with IPEV Valuation Guidelines.

2 These are not statutory accounts in accordance with S436 of the Companies Act 2006 and the financial information for the six months ended 30 June 2022 and 30 June 2021 has been neither audited nor formally reviewed. Statutory accounts in respect of the year ended 31 December 2021 have been audited and reported on by the Company's auditors and delivered to the Registrar of Companies and included the report of the auditors which was unqualified and did not contain a statement under S498(2) or S498(3) of the Companies Act 2006. No statutory accounts in respect of any period after 31 December 2021 have been reported on by the Company's auditors or delivered to the Registrar of Companies.

3 Copies of the Unaudited Half-Yearly Financial Report will be sent to shareholders via their chosen method and will be available for inspection at the Registered Office of the Company at The Shard, 32 London Bridge Street, London, SE1 9SG.

4 Net Asset Value per share

The Net Asset Value per share is based on net assets at the end of the period and on the number of shares in issue at the date.

	Net assets	Number of shares in issue
30 June 2022	£197,889,000	223,678,255
30 June 2021	£163,410,000	203,113,554
31 December 2021	£185,148,000	205,591,087

5 Return per share

The weighted average number of shares used to calculate the respective returns are shown in the table below.

	Shares
Six months ended 30 June 2022	215,848,355
Six months ended 30 June 2021	205,199,150
Year ended 31 December 2021	204,937,084

Earnings for the period should not be taken as a guide to the results for the full year.

6 Income

	Six months ended 30 June 2022 £'000	Six months ended 30 June 2021 £'000	Year ended 31 December 2021 £'000
Loan stock interest	337	92	473
Dividends receivable	122	42	384
Deposit and similar interest received	27	1	1
	486	135	858

7 Investments at fair value through profit or loss

	£'000
Book cost as at 1 January 2022	102,687
Investment holding gains	64,319
Valuation at 1 January 2022	167,006
Movements in the period:	
Purchases	3,170
Disposal proceeds ¹	(19,855)
Realised gains ²	12,941
Investment holding losses ³	(6,091)
Valuation at 30 June 2022	157,171
Book cost at 30 June 2022	98,943
Investment holding gains	58,228
Valuation at 30 June 2022	157,171

1. The Company generated £19,855,000 from the disposal of investments during the period. Proceeds of £9,583,000 from the Codeplay Software Limited disposal were received post period end in early July 2022 and are shown in debtors as at the date of this report. The book cost of these investments when they were purchased was £6,914,000. These investments have been revalued over time and until they were sold any unrealised gains or losses were included in the fair value of the investments.
2. Realised gains in the Income Statement includes deferred consideration of £51,000 received from Accrosoft Limited in the period.
3. Investment holding losses in the Income Statement include the deferred consideration debtor increase of £1,021,000. The debtor movement reflects the recognition of amounts receivable from Codeplay Software Limited (£917,000) and FFX Group Limited (£155,000), offset by a receipt from Accrosoft Limited (£51,000).

8 Contingent assets and liabilities

In order to incentivise the Manager to generate enhanced returns for shareholders, the Manager will potentially be entitled to performance incentive payments in respect of investments made in new investee companies on or after 31 March 2017 (including follow-ons in such investee companies), as described in note 13 of the Company's 31 December 2021 Annual Report and Accounts (including an explanation of terms used below).

As at 30 June 2022, the NAV Total Return was 117.4p (being the aggregate of the NAV per share as at 30 June 2022 of 88.5p and dividends paid per share (rebased) since 18 December 2015 totalling 28.9p). This compares to the NAV Total Return Hurdle as at 30 June 2022 of 119.1p.

As at 30 June 2022, the Investment Growth Hurdle had been met for three realised and 16 unrealised investments out of the 33 new early-stage investments made since the introduction of the performance incentive arrangements.

Estimation of the financial effect

Should all the hurdles detailed in note 13 of the Annual Report and Accounts be met in the future, the Manager will receive a fee equal to 20% of the amount by which the cash proceeds received by the Company exceed the Investment Growth Hurdle. Based on the current investments made on or after 31 March 2017 the contingent liability, if investments were sold at their current carrying value, would be £6.2 million. Included in this £6.2 million, there is a potential contingent liability of £3.1 million in relation to the realisations of Mologic, Accrosoft and Codeplay, the latter of which proceeds were received post period end in early July 2022.

The fee will only be paid after three years following the sale of a relevant investment, once the end NAV Total Return can be measured. As the payment is conditional on meeting the hurdles and payment would only occur three years after the relevant exit, this contingent liability is not provided for in the financial statements.

NOTES TO THE UNAUDITED HALF-YEARLY RESULTS CONTINUED

FOR THE SIX MONTHS ENDED 30 JUNE 2022

9 Related party transactions

No Director has an interest in any contract to which the Company is a party other than their appointment and payment as Directors.

10 Transactions with the Manager

Foresight Group LLP was appointed as Manager on 27 January 2020 and earned fees of £1,857,000 up to 30 June 2022 (30 June 2021: £1,453,000, 31 December 2021: £3,087,000).

Foresight Group LLP is the Company Secretary (appointed in November 2017) and received, directly and indirectly, for accounting and company secretarial services, fees of £65,000 during the period (30 June 2021: £61,000, 31 December 2021: £122,000).

At the balance sheet date there was £nil due to Foresight Group LLP (30 June 2021: £nil, 31 December 2021: £nil). However, management fees of £7,000 have been accrued as at 30 June 2022 (30 June 2021: £nil, 31 December 2021: £nil).

GLOSSARY OF TERMS

VCT	A Venture Capital Trust as defined in the Income Tax Act 2007.	Dividend yield	The sum of dividends paid during the period of 4.5p (30 June 2021: 3.7p, 31 December 2021: 3.7p) expressed as a percentage of the mid-market share price at the period end date of 79.5p (30 June 2021: 67.5p, 31 December 2021: 76.5p). This giving a dividend yield of 5.7% (30 June 2021: 5.5%, 31 December 2021: 4.8%).
Net Asset Value or NAV	The Net Asset Value ("NAV") is the amount by which total assets exceed total liabilities, i.e. the difference between what the Company owns and what it owes. It is equal to shareholders' equity, sometimes referred to as shareholders' funds.	Shares bought back in the period	The total number of shares which were bought back in the period, being 4,840,841 (30 June 2021: 4,626,711, 31 December 2021: 8,657,404).
Net Asset Value per share or NAV per share	Net Asset Value expressed as an amount per share.	Average discount on buybacks	The average of the percentage by which the buyback price is lower than the Net Asset Value per share at the point of the buyback.
Movement in Net Asset Value Total Return	The movement in the NAV per share at the start of the period to the NAV per share at the end of the period plus all dividends paid per share in the period. The NAV at the start of the period was 90.1p (30 June 2021: 73.7p, 31 December 2021: 73.7p), dividends paid during the period were 4.5p (30 June 2021: 3.7p, 31 December 2021: 3.7p) with NAV at the end of the period being 88.5p (30 June 2021: 80.5p, 31 December 2021: 90.1p); as such, NAV Total Return at the end of the period was 93.0p (30 June 2021: 84.2p, 31 December 2021: 93.8p). Therefore, the movement in Net Asset Value Total Return in the period is 3.2% (30 June 2021: 14.2%, 31 December 2021: 27.3%).	Ongoing charges ratio	The sum of expenditure incurred in the ordinary course of business, being £1.9 million (30 June 2021: £1.7 million, 31 December 2021: £3.6 million), expressed as a percentage of the Net Asset Value at the reporting date, being £197.9 million (30 June 2021: £163.4 million, 31 December 2021: £185.1 million), adjusted for the number of months in the period in order to give an annual figure.
Share price total return	The sum of the current share price rebased by the conversion ratios set out in the Annual Report and Accounts (0.688075647795 and 0.554417986) of 30.3p (30 June 2021: 25.8p, 31 December 2021: 29.2p) plus all dividends paid per share since inception on 19 August 1997 rebased, being 196.4p (30 June 2021: 194.7p, 31 December 2021: 194.7p). This giving a share price total return of 226.7p (30 June 2021: 220.5p, 31 December 2021: 223.9p).	Qualifying company	A company satisfying certain conditions under the VCT legislation. The conditions are detailed but include that the company must be unquoted (companies listed on AIM can qualify), have a permanent establishment in the UK, apply the money raised for the purposes of growth and development for a qualifying trade within a certain time period and not be controlled by another company. There are additional restrictions relating to the size and stage of the company to focus investment into earlier stage businesses, as well as maximum investment limits (certain of such restrictions and limits being more flexible for "knowledge intensive" companies). VCT funds cannot be used by a Qualifying Company to acquire shares in another company or a trade.
Discount to NAV	A discount to NAV is the percentage by which the mid-market share price of the Company of 79.5p (30 June 2021: 67.5p, 31 December 2021: 76.5p) is lower than the Net Asset Value per share of 88.5p (30 June 2021: 80.5p, 31 December 2021: 90.1p). This giving a discount to NAV of 10.2% (30 June 2021: 16.1%, 31 December 2021: 15.1%).	Qualifying investment	An investment which consists of shares or securities first issued to the VCT (and held by it ever since) by a Qualifying Company and satisfying certain conditions under the VCT legislation.
Dividends paid in the period	The total dividends per share paid in the period of 4.5p (30 June 2021: 3.7p, 31 December 2021: 3.7p).	Manager	Foresight Group LLP.

FINANCIAL CONDUCT AUTHORITY

5,000 people contact the Financial Conduct Authority about share fraud each year, with victims losing an average of £20,000



Beware of share fraud

Fraudsters use persuasive and high-pressure tactics to lure investors into scams.

They may offer to sell shares that turn out to be worthless or non-existent, or to buy shares at an inflated price in return for an upfront payment.

While high profits are promised, if you buy or sell shares in this way you will probably lose your money.

How to avoid share fraud

- Keep in mind that firms authorised by the FCA are unlikely to contact you out of the blue with an offer to buy or sell shares.
- Do not get into a conversation, note the name of the person and firm contacting you and then end the call.
- Check the Financial Services Register from www.fca.org.uk to see if the person and firm contacting you is authorised by the FCA.
- Beware of fraudsters claiming to be from an authorised firm, copying its website or giving you false contact details.
- Use the firm's contact details listed on the Register if you want to call it back.
- Call the FCA on **0800 111 6768** if the firm does not have contact details on the Register or you are told they are out of date.
- Search the list of unauthorised firms to avoid at www.fca.org.uk/scams.
- Consider that if you buy or sell shares from an unauthorised firm you will not have access to the Financial Ombudsman Service or Financial Services Compensation Scheme.
- Think about getting independent financial and professional advice before you hand over any money.
- **Remember:** if it sounds too good to be true, it probably is!

Report a scam

If you are approached by fraudsters please tell the FCA using the share fraud reporting form at www.fca.org.uk/scams, where you can find out more about investment scams.

You can also call the FCA Consumer Helpline on **0800 111 6768**.

If you have already paid money to share fraudsters you should contact Action Fraud on **0300 123 2040**.

In association with



CORPORATE INFORMATION

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03421340

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Patricia Dimond
Jocelin Harris
Gordon Humphries

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ADDITIONAL INFORMATION

Privacy policy

We respect your privacy and are committed to protecting your personal data. If you would like to find out more about the measures the Manager takes in processing your personal information, please refer to the privacy policy, which can be found at www.foresightgroup.eu/privacy-policy.



Share buyback dates

Share buybacks are timed to avoid the Company's closed periods. Buybacks will generally take place, subject to demand, during the following times of the year:

- **April**, after the Annual Report has been published
- **June**, prior to the Half-Yearly reporting date of 30 June
- **September**, after the Half-Yearly Report has been published
- **December**, prior to the end of the financial year

Trading shares

The Company's shares are listed on the London Stock Exchange. Share price information is available on Foresight Group LLP's website and can also be obtained from many financial websites.

The Company's shares can be bought and sold in the same way as any other quoted company on the London Stock Exchange via a stockbroker. The primary market maker for Foresight VCT plc is Panmure Gordon & Co.

You can contact Panmure Gordon by phone on 0207 886 2716 or 0207 886 2717

Investment in VCTs should be seen as a long-term investment and shareholders selling their shares within five years of original subscription may lose any tax reliefs claimed. Investors who are in any doubt about selling their shares should consult their independent financial adviser.

Please contact the Manager if you or your adviser have any questions about this process.

Important information

Foresight VCT plc currently conducts its affairs so that its shares can be recommended by IFAs to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream pooled investment products and intends to continue to do so for the foreseeable future.

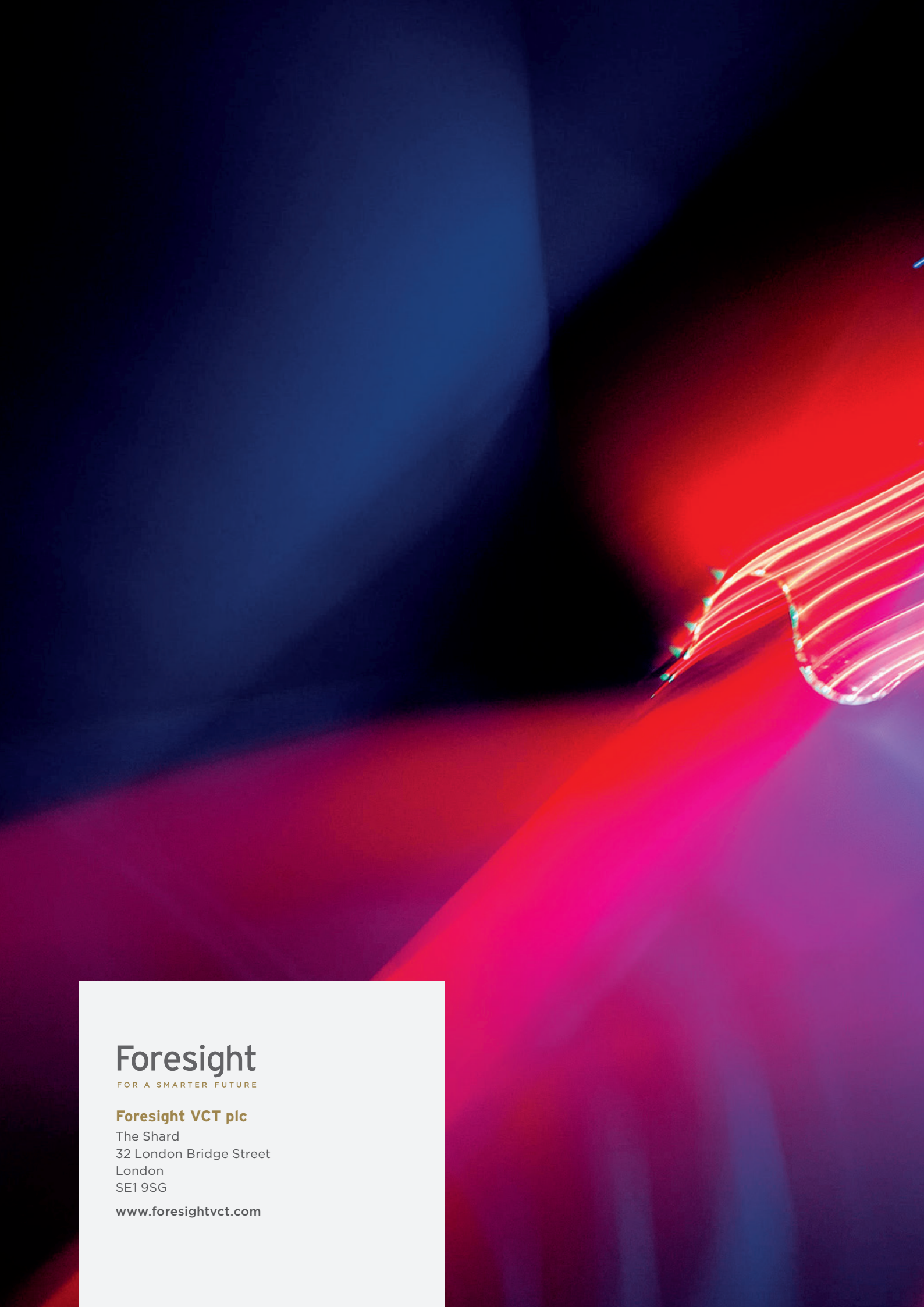
The shares are excluded from the FCA's restrictions which apply to non-mainstream pooled investment products because they are shares in a VCT.

Past performance is not necessarily a guide to future performance. Stock markets and currency movements may cause the value of investments and the income from them to fall as well as rise and investors may not get back the amount they originally invested. Where investments are made in unquoted securities and smaller companies, their potential volatility increases the risk to the value of, and the income from, the investment.



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Foresight

FOR A SMARTER FUTURE

Foresight VCT plc

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