

# Foresight Enterprise VCT plc

Annual Report and Accounts

31 December 2024

# Our Purpose

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

## Key objectives



Payment of annual dividends of at least 5% of the NAV per Share based on the opening NAV per Share of that financial year



Growth in Net Asset Value Total Return above a 5% annual target while continuing to grow the Company's assets



Maintaining a programme of regular share buybacks at a discount of 5%, subject to market conditions



Implementation of a significant number of new and follow-on investments, exceeding deployment requirements to maintain VCT status

## Key dates

Annual General Meeting 10 June 2025

Half-yearly results to 30 June 2025 September 2025

Annual results to 31 December 2025 April 2026

## Awards





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# Financial Highlights

In the year, the Company achieved an increase in NAV Total Return of 6.6%.

£162.8m

Total Net Assets  
as at  
31 December 2024

54.5p

Net Asset Value  
per share  
as at  
31 December 2024

£9.7m

Increase in valuation  
of investments  
in the year ended  
31 December 2024

15.4p

Dividends paid  
5.0p 19 January 2024  
3.3p 12 July 2024  
7.1p 15 November 2024

- After adding back dividend payments of **15.4p** per share during the year, NAV Total Return per share as at 31 December 2024 was **69.9p**, representing an increase in NAV Total Return of **6.6%** in the year.
- Four new investments costing **£8.4 million** and six follow-on investments costing **£6.0 million** were made during the year.
- The Company fully exited its investments in Specac International Limited, Callen-Lenz Associates Limited, So-Sure Limited and Crosstown Dough Ltd, realising gains of **£28.5 million** in the year and returning proceeds of **£34.3 million** to the Company.
- In the year, the value of the investment portfolio rose by **£9.7 million**.
- The Company paid special dividends totalling **12.1p** per share (**5.0p** on 19 January 2024 and **7.1p** on 15 November 2024), returning in aggregate **£32.1 million** to Shareholders.
- An interim dividend of **3.3p** per share was paid on 12 July 2024, returning **£8.8 million** to Shareholders.
- In light of further recent exits, the Board declared an interim special dividend of **3.1p** per share on 15 April 2025, payable on 16 May 2025.
- The offer for subscription launched on 1 November 2024 was closed to applications on 6 December 2024 and raised a total of **£28.8 million** after expenses.





# Financial Highlights continued

## Key metrics

|                                                                                       | 1 year | 3 years | 5 years |
|---------------------------------------------------------------------------------------|--------|---------|---------|
| Movement in NAV Total Return<br>for the period shown to 31 December 2024 <sup>1</sup> | 6.6%   | 16.5%   | 34.6%   |

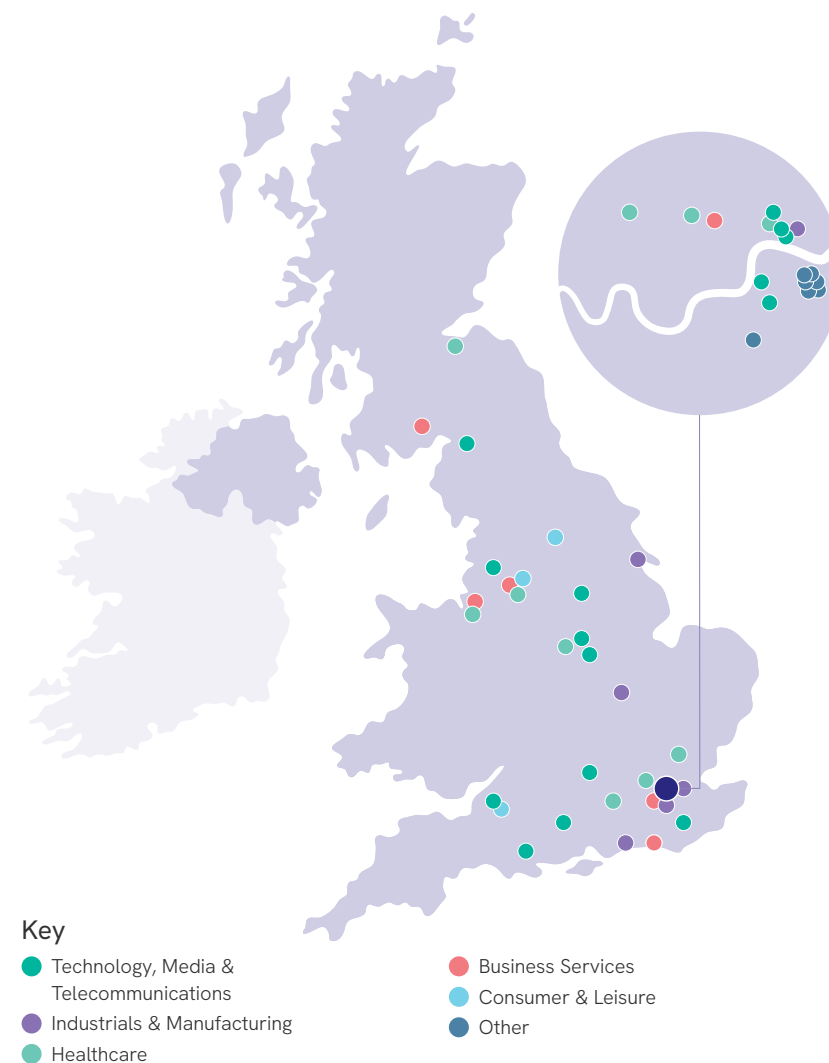
|                                                       | 31 December<br>2024 | 31 December<br>2023 |
|-------------------------------------------------------|---------------------|---------------------|
| Total net assets                                      | £162.8m             | £168.5m             |
| Net Asset Value per share                             | 54.5p               | 65.6p               |
| Movement in NAV Total Return in the year <sup>1</sup> | 6.6%                | 6.2%                |
| Share price                                           | 50.5p               | 57.5p               |
| Share Price Total Return <sup>1</sup>                 | 136.0p              | 127.6p              |
| Dividends per share paid in the year <sup>1</sup>     | 15.4p               | 3.3p                |
| Dividend yield <sup>1</sup>                           | 30.5%               | 5.7%                |
| Shares in issue                                       | 298,828,254         | 256,728,468         |

|                                                                           | 2024       | 2023       |
|---------------------------------------------------------------------------|------------|------------|
| Discount to NAV at year end <sup>1</sup>                                  | 7.3%       | 12.3%      |
| Average discount on buybacks <sup>1</sup>                                 | 5.0%       | 5.8%       |
| Shares issued through fundraising                                         | 49,802,894 | 52,350,433 |
| Shares issued under the dividend reinvestment scheme                      | 8,770,397  | 1,637,805  |
| Shares bought back during the year under review <sup>1</sup>              | 16,473,505 | 10,576,192 |
| Ongoing charges ratio (based on net assets at 31 December) <sup>1,2</sup> | 2.3%       | 2.2%       |

1. Definitions of these Alternative Performance Measures ("APMs") can be found in the Glossary on page 108.

2. Special dividends paid during the year have been added back to year-end net assets and the performance incentive accrual has been added back to total expenses in the year.

## Place of business of portfolio companies



# Chair's Statement



"I am pleased to present the audited Annual Report and Accounts for the year ended 31 December 2024 and to report an increase in Net Asset Value Total Return of 6.6% for the year including a dividend yield of 30.5%."

Michael Gray  
Chair of Foresight Enterprise VCT plc

## Overview of 2024

The UK's economy is expected to continue its very gradual recovery in 2025, following what can at best be described as modest GDP growth in 2024. Inflation has eased, though lingering cost pressures persist in key sectors such as food and energy. Interest rates, which fell from 5.25% to 4.75% in 2024, have been cut to 4.5% as at the time of writing and are expected to fall further, albeit more slowly than was anticipated a year ago.

The Company's portfolio in aggregate performed well against this backdrop, although some individual investee companies are still struggling with weak consumer demand, high interest rates, supply chain issues and labour shortages. The Manager continues to work closely with such companies to help them manage through these difficulties. On the other hand, other investee companies are flourishing and we are encouraged by some very profitable exits recently as the M&A market has started to pick up.

In the year ended 31 December 2024, the valuation of investments in the portfolio increased by £9.7 million.

## Strategy

The Board believes that it is in the best interests of Shareholders to continue to pursue a strategy of:

- Growth in Net Asset Value Total Return above a 5% annual target while continuing to grow the Company's assets
- Payment of annual dividends of at least 5% of the NAV per Share based on the opening NAV per Share of that financial year
- Implementation of a significant number of new and follow-on investments, exceeding deployment requirements to maintain VCT status
- Maintaining a programme of regular share buybacks at a discount of 5%, subject to market conditions

Central to the Company being able to achieve these objectives is the ability of the Manager to source and complete attractive new qualifying investment opportunities and exits.

## Portfolio overview

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Investments as at  
31 December 2024

£9.7m

Increase in valuation of  
investments in the year ended  
31 December 2024

£34.6m

Cash proceeds generated from  
loan repayments and disposal  
of investments in the year  
ended 31 December 2024



# Chair's Statement continued

## Performance and portfolio activity

During the year Net Asset Value per share decreased by 16.9% from 65.6p at 31 December 2023 to 54.5p at 31 December 2024. After adding back the payments of 15.4p in dividends made in the year, NAV Total Return per share at 31 December 2024 was 69.9p, representing a positive total return of 6.6%. The percentage increase in total return per share from an investment in the Company's shares made five years ago is 34.6%, which is well 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 objectives. Factoring in the 30% upfront income tax relief as well as fees paid on entry, a 5% discount on buyback, and assuming that dividends are reinvested when paid, £10,000 invested on 1 January 2020 would have yielded £16,419 as at 31 December 2024, representing a capital gains tax exempt gain of £6,419 or a 12.8% average return per annum. These positive movements are a result of the strategy and business changes throughout the portfolio alluded to above.

During the year the Manager completed four new investments and six follow-on investments costing £8.4 million and £6.0 million respectively. The Manager also fully exited Callen-Lenz Associates Limited and Specac International Limited, generating proceeds of £34.3 million at completion. This, together with cash returns received during the investment period and deferred consideration totalling £5.3 million, is an exceptional achievement from a combined initial investment of £6.2 million and represents a cash-on-cash multiple of 6.4 times. The Manager also exited two challenged businesses, Crosstown Dough Ltd and So-Sure Limited, during the period. Further details of these investments and realisations can be found in the Manager's Review.

After the year end, the Company made one new and five follow-on investments totalling £5.2 million. Furthermore, in February 2025, the Company realised its holding in Hospital Services Group Limited. The exit generated proceeds of £9.3 million at completion, with potential for up to a further £0.4 million in the coming years. This, together with £0.4 million of returns received during the investment period, implies a total cash-on-cash return of up to 8.4 times the initial investment, equivalent to an IRR of 25.7%. Further details of these investments and realisations can be found in the Manager's Review.

The Manager continues to see a strong pipeline of potential investments sourced through its regional networks and well-developed relationships with advisers and the SME community. It is also focused on supporting the existing portfolio through the current economic climate. Following the successful fundraise launched in November 2024, the Company is in a position to fully support the portfolio, where appropriate, and exploit potential attractive investment opportunities.

The Board and the Manager are confident that a number of new and follow-on investments can be achieved this year, particularly with the increased investment activity noted above. Details of each of these new, existing and former portfolio companies can be found in the Manager's Review.

An offer for subscription to raise further funds was launched on 1 November 2024. The offer was closed to applications on 6 December 2024 and raised gross proceeds of £30.0 million, £28.8 million after expenses, as detailed in the post-balance sheet events in note 20. The Board would like to thank those existing Shareholders who supported this offer and welcome all new Shareholders to the Company.

## 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 pages 43 to 46 of the Manager's Review.

## Dividends

A special interim dividend of 5.0p per share was declared on 14 December 2023 based on an ex-dividend date of 4 January 2024 and a record date of 5 January 2024. This dividend was paid on 19 January 2024, returning £13.2 million to Shareholders. Additionally, an interim dividend of 3.3p per share was declared on 11 June 2024 based on an ex-dividend date of 27 June 2024 and a record date of 28 June 2024. This dividend was paid on 12 July 2024, returning £8.8 million to Shareholders. Finally, a second special interim dividend of 7.1p per share was declared on 22 October 2024 based on an ex-dividend date of 31 October 2024 and a record date of 1 November 2024. This dividend was paid on 15 November 2024, returning £18.9 million to Shareholders.

Post year end and following a period of successful realisations, the Board has declared a special dividend of 3.1p per share to be paid on 16 May 2025, based on an ex-dividend date of 1 May 2025 and with a record date of 2 May 2025.

# Chair's Statement continued

## Dividends continued

As noted in prior Annual Report and Accounts, and in light of the change in portfolio towards earlier-stage, higher-risk companies as required by the VCT rules, the Board felt it prudent in 2020 to adjust the dividend policy towards a targeted annual dividend yield of 5% of NAV per annum. The Board and the Manager continue to hope that this may be enhanced by additional special dividends as and when particularly successful portfolio exits are made.

## Buybacks

Buybacks in the year totalled £9.4 million and the Board is pleased to have achieved an average discount of 5.0% to the Net Asset Value per share. The Board continues to have an objective of maintaining buybacks at a discount of 5%, subject to market conditions.

## Management charges and performance incentive

The annual management fee is an amount equal to 2.0% of net assets. This has resulted in ongoing charges, as defined in the Glossary of Terms, for the period ended 31 December 2024 of 2.3%, which is at the lower end of the range when compared to competitor VCTs.

## Shareholder communication

We were delighted to meet with some Shareholders in person at the AGM last year. We hope many of you will be available to attend this year's AGM on 10 June 2025, as detailed below.

## 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 all its responsibilities.

## Annual General Meeting

The Company's Annual General Meeting will take place on 10 June 2025 and we look forward to meeting as many of you as possible in person. Please refer to the formal notice on pages 104 to 107 for further details in relation to the format of this year's meeting. We would encourage you to submit your votes by proxy ahead of the deadline of 1.00pm on 6 June 2025 and to forward any questions by email to [InvestorRelations@foresightgroup.eu](mailto:InvestorRelations@foresightgroup.eu) in advance of the meeting.

## VCT Sunset clause

I am pleased to report that new regulations have been made to extend the UK's VCT scheme by ten years to April 2035, following the European Commission's confirmation that they would not oppose the continuation of the scheme. This now removes any recent uncertainty and will help support further investment by the VCT sector in early-stage companies.

## Outlook

The UK economy has faced challenges throughout 2024, with GDP growth slowing significantly in the second half of the year. The election of a majority Labour government in July brought some political change, but its economic agenda has faced criticism for its effects on the cost of labour for small businesses. Consumer confidence and business investment have remained subdued, despite the Bank of England's decision to cut its base rate to 4.5% in February 2025. These factors, along with the anticipation of higher energy and water prices pushing up inflation, have led to the UK growth forecasts for 2025 being tempered. There is also still considerable uncertainty in the global economy, contributed to by the results of the US election in November as well as geopolitical tensions persisting.

We are conscious that such economic conditions could prove challenging for our investee companies, which are unquoted, small, early-growth businesses and by their nature entail higher levels of risk and lower liquidity than larger listed companies. In particular the Board has considered the effect of trade tariffs, introduced by the Trump administration in April 2025. These events have had a significant effect on international markets and share price volatility. The Board does not expect there to be a significant direct effect on our portfolio companies due to their unquoted nature and their minimal exposure to US exports. Valuation benchmarks may be impacted and the Board will keep this under close review but the impact is difficult to predict at this point in time.

Nonetheless, the Company's current portfolio of investments is highly diversified by number, business sector, size and stage of development and overall has already demonstrated its relative resilience in recent difficult economic and geopolitical circumstances. We are confident that this approach will continue to provide some protection in future volatile market conditions.

The Manager is continuing to see a promising pipeline of potential investments, both new and follow-on, which are sourced nationally through its established regional network. The recent, successful fundraise will provide the necessary resources to make selective acquisitions from an increasing number of emerging investment opportunities. Although economic growth may be subdued, and markets potentially turbulent, in the months ahead, we believe the Company's generalist and diversified portfolio continues to be well positioned to generate long-term value for Shareholders.

**Michael Gray**

Chair

23 April 2025

# Chair's Statement continued

## NAV bridge



## Dividend history

(Since share consolidation in 2005)

### Ordinary Shares<sup>1</sup>

| Date                                                  | Dividend per share (p) |
|-------------------------------------------------------|------------------------|
| 15 November 2024                                      | 7.1                    |
| 12 July 2024                                          | 3.3                    |
| 19 January 2024                                       | 5.0                    |
| 30 June 2023                                          | 3.3                    |
| 30 December 2022                                      | 3.8                    |
| 30 June 2022                                          | 3.5                    |
| 18 June 2021                                          | 4.2                    |
| 28 August 2020                                        | 2.8                    |
| 16 August 2019                                        | 4.0                    |
| 19 October 2018                                       | 4.0                    |
| 17 July 2017                                          | 4.0                    |
| 18 December 2015                                      | 4.0                    |
| 26 April 2013                                         | 4.0                    |
| 24 February 2012                                      | 5.0                    |
| 4 February 2011                                       | 5.0                    |
| 18 December 2009                                      | 5.0                    |
| 26 December 2008                                      | 5.0                    |
| 28 December 2007                                      | 5.0                    |
| 15 December 2006                                      | 2.5                    |
| 30 December 2005                                      | 5.0                    |
| <b>Cumulative</b>                                     | <b>85.5</b>            |
| <b>NAV per share</b>                                  | <b>54.5</b>            |
| <b>NAV Total Return since the share consolidation</b> | <b>140.0</b>           |

1. Excludes a 25.0p dividend paid on C Shares on 6 August 2015. C Shares were converted into Ordinary Shares on 10 August 2015.



# Strategic Report

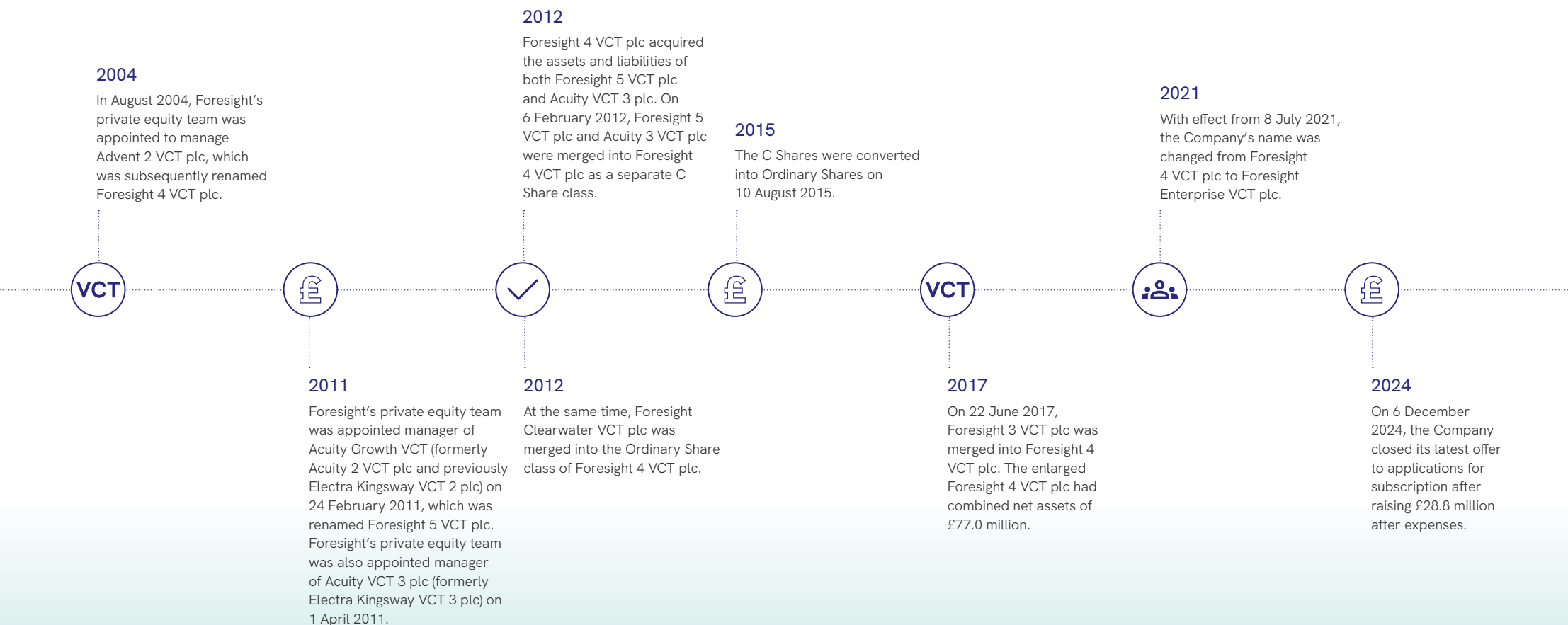
## What's in this section

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# Evolution of Foresight Enterprise VCT plc

Foresight Group LLP (“Foresight”) is one of the longest-serving VCT managers in the industry, launching the first Foresight VCT in 1997. A combination of organic growth and strategic acquisitions now makes Foresight one of the largest and most diverse VCT managers in the industry.



# Company Objectives and KPIs

## Objective



Growth in Net Asset Value Total Return above a 5% annual target while continuing to grow the Company's assets

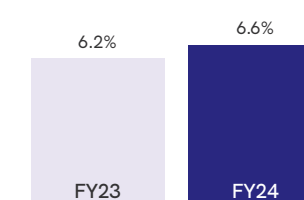
## Progress against objective

- During the year Net Asset Value per share decreased by 16.9% from 65.6p at 31 December 2023 to 54.5p at 31 December 2024.
- Including the payments of dividends totalling 15.4p in the year, NAV Total Return per share at 31 December 2024 was 69.9p, representing an increase in total return of 6.6%.
- This positive movement is a result of the strategy and business changes throughout the portfolio alluded to in this report.

## KPIs

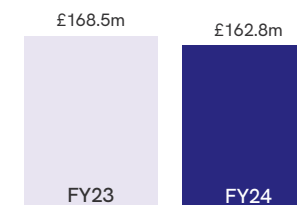
6.6%

Movement in NAV Total Return in year to 31 December 2024  
(31 December 2023: 6.2%)



£162.8m

Total net assets as at 31 December 2024  
(31 December 2023: £168.5m)



## Objective



Payment of annual dividends of at least 5% of the NAV per Share based on the opening NAV per Share of that financial year

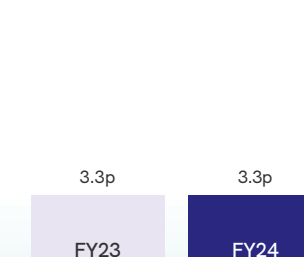
## Progress against objective

- A special dividend of 5.0p was paid on 19 January 2024, an interim dividend of 3.3p was paid on 12 July 2024, and a further special dividend of 7.1p was paid on 15 November 2024.
- This total payout of 15.4p per share exceeded the minimum target dividend per share of 5% of the NAV per share of 65.6p as at 31 December 2023, equating to 23.5% of NAV per share.

## KPIs

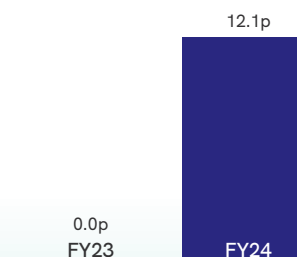
3.3p

Interim dividend paid  
12 July 2024: 3.3p  
(30 June 2023: 3.3p)



12.1p

Special dividends paid  
19 January 2024: 5.0p  
15 November 2024: 7.1p  
(31 December 2023: 0.0p)





# Company Objectives and KPIs continued

## Objective



Implementation of a significant number of new and follow-on investments, exceeding deployment requirements to maintain VCT status

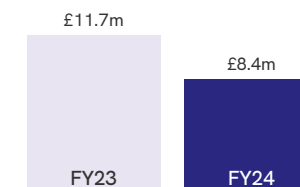
## Progress against objective

- During the year the Manager completed four new investments and six follow-on investments costing £8.4 million and £6.0 million respectively.
- The Board and the Manager are confident that a number of new and follow-on investments can be achieved in 2025 as the ongoing economic difficulties and political turmoil are already presenting unique investment opportunities. Details of each of these new portfolio companies can be found in the Manager's Review.

## KPIs

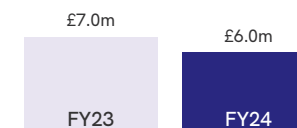
**£8.4m**

**New investment deployment**  
in year to 31 December 2024  
(31 December 2023: £11.7m)



**£6.0m**

**Follow-on deployment**  
in year to 31 December 2024  
(31 December 2023: £7.0m)



## Objective



Maintaining a programme of regular share buybacks at a discount of 5%, subject to market conditions

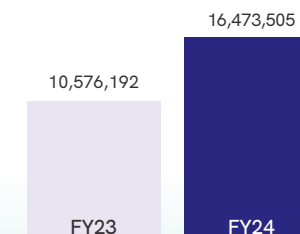
## Progress against objective

- The Board is pleased to have achieved an average discount across all buybacks of 5% to the Net Asset Value per share in the year and continues to have an objective of maintaining buybacks at a discount of 5%, subject to market conditions.

## KPIs

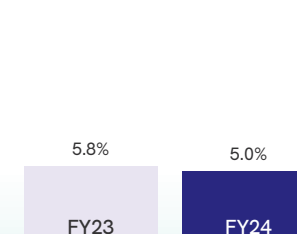
**16,473,505**

**Number of shares bought back**  
in year to 31 December 2024  
(31 December 2023: 10,576,192)



**5.0%**

**Average discount on buybacks**  
in year to 31 December 2024  
(31 December 2023: 5.8%)



# Company Objectives and KPIs continued

## Investment objective

To provide private investors with regular dividends and capital growth from a portfolio of investments in fast-growing unquoted companies in the UK. It is the intention to maximise tax-free income available to investors from a combination of dividends and interest received on investments and the distribution of capital gains arising from trade sales or flotations.

### Performance and Key Performance Indicators (“KPIs”)

The Board expects the Manager to deliver a performance which meets the objectives of the Company. The KPIs covering these objectives are growth in Net Asset Value per share and dividend payments, which, when combined, give a positive overall NAV Total Return. Additional KPIs and Alternative Performance Measures (“APMs”) reviewed by the Board include the discount of the share price relative to the Net Asset Value, which shows the percentage by which the mid-market share price of the Company is lower than the Net Asset Value per share, and the ongoing charges ratio, as defined in the Glossary of Terms. KPIs and APMs allow performance comparisons to be made between VCTs.

A record of some of these indicators is contained in the Key Metrics section on page 3 and the Company Objectives and KPIs section on pages 10 to 13.

The ongoing charges ratio for the year was 2.3% of net assets after adding back special dividends paid during the year to the year-end net assets and adding back the performance incentive accrual to total expenses for the year.

The Directors note that regular share buybacks at a competitive discount to NAV is an essential KPI and also accretive for existing Shareholders. Share buybacks were completed at an average discount of 5.0%. Further details of the Company’s KPIs can be found in the Glossary of Terms on page 108.

A review of the Company’s performance during the financial year, the position of the Company at the year end and the outlook for the coming year is contained within the Manager’s Review. The Board assesses the performance of the Manager in meeting the Company’s objectives against the primary KPIs and APMs highlighted above.

Investments in unquoted companies at an early stage of their development will involve some disappointments. However, investing the Company’s funds in companies with high growth characteristics with the potential to become strong performers within their respective fields creates an opportunity to provide investors with regular dividends and capital growth.

### Other funds managed by Foresight

The Company may invest alongside other funds managed or advised by Foresight. Where more than one fund is able to participate in an investment opportunity, allocations will generally be made based on the Manager’s allocation policy, as agreed by the Board. Implementation of this policy will be subject to the availability of monies to make the investment and other portfolio considerations, such as the portfolio diversity and the need to maintain VCT status.

The Manager provides investment management services or advice to Foresight VCT plc, Foresight Technology VCT plc, Foresight Ventures VCT plc (formerly Thames Ventures VCT 1 plc following its merger with Thames Ventures VCT 2 plc), Foresight Nottingham Fund LP, Foresight Regional Investment LP, Foresight Regional Investment II LP, Foresight Regional Investment III LP, Foresight Regional Investment IV LP, Foresight Regional Investment V LP, Foresight Regional Investment VI LP, Foresight Regional Investment VII LP, IFW-Equity LP, MEIF ESEM Equity LP, Scottish Growth Scheme – Foresight Group Equity Partners LP, NI Opportunities LP, NI Opportunities II LP, Foresight West Yorkshire Business Accelerator LP, Foresight South Yorkshire Business Accelerator LP, Foresight Inheritance Tax Solutions, Foresight Solar Fund Limited, Foresight Environmental Assets Group Limited (formerly JLEN Environmental Assets Group Limited), Foresight Energy Infrastructure Partners S.C.Sp, Foresight Energy Infrastructure Partners II S.C.S.Sp, Foresight Group S.c.a. Sicav-sif, AIB Foresight SME Impact LP, FP Foresight Sustainable Future Themes Fund, FP Foresight Global Real Infrastructure Fund, FP Foresight Sustainable Real Estate Securities Fund, FP Foresight UK Infrastructure Income Fund, WHEB Asset Management LLP, Liontrust Diversified Real Assets fund, Cromwell Foresight Global Sustainable Infrastructure Fund, Thames Ventures EIS, Foresight WAE Technology EIS Fund and Foresight Italian Green Bond Fund.

# Company Objectives and KPIs continued

## Strategies for achieving objectives

As detailed below, the Company employs the following strategies for achieving its objectives: adhering to its investment policy, material changes to which will only be made with Shareholder approval; adhering to VCT regulation; and following its dividend and share buyback policies.

### Investment policy

The Company will target UK unquoted companies which it believes will achieve the objective of producing attractive returns for Shareholders.

### Investment securities

The Company invests in a range of securities including ordinary and preference shares, loan stock, convertible securities, fixed-interest securities and cash. Unquoted investments are usually structured as a combination of Ordinary Shares and loan stock. Cash is primarily held in interest-bearing accounts as well as in a range of permitted liquidity investments.

### UK companies

Investments are primarily made in companies which are substantially based in the UK, although many will trade overseas. The companies in which investments are made must satisfy a number of tests set out in Part 6 of the Income Tax Act 2007 to be classed as VCT qualifying holdings.

### Asset mix

The Company aims to be significantly invested in growth businesses, subject always to the quality of investment opportunities and the timing of realisations. Any uninvested funds are held in cash and a range of permitted liquidity investments.

### Risk diversification and maximum exposures

Risk is spread by investing in a range of different businesses within different industry sectors at different stages of development, using a mixture of securities. The maximum amount invested in any one company, including any guarantees to banks or third parties providing loans or other investment to such a company, is limited by VCT legislation to 15% of the Company's investments (which includes cash) by VCT value at the time of investment.

### Investment style

Investments are selected in the expectation that value will be enhanced by the application of private equity disciplines, including an active management style for unquoted companies through the placement of an investor director on investee company boards.

### Borrowing powers

The Company has a borrowing limit of an amount not exceeding an amount equal to 50% of the adjusted capital and reserves (being the aggregate of the amount paid up on the issued share capital of the Company and the amount standing to the credit of its reserves). Whilst the Company does not currently borrow, and has no plans to do so, its Articles allow it to do so.

### VCT regulation

The investment policy is designed to ensure that the Company continues to qualify and is approved as a VCT by HMRC. Amongst other conditions, the Company may not invest more than 15% of its total investments and cash by VCT value, at the time of making the investment, in a single company, must have at least 80% by VCT value of its investments and cash (disregarding investments and cash under grace periods) throughout the year in shares or securities in qualifying holdings and must invest 30% of funds raised in qualifying holdings within 12 months of the end of the year in which those funds were raised.

In addition, in aggregate, 70% of a VCT's qualifying investments (30% for investments made before 6 April 2018 from funds raised before 6 April 2011) by VCT value must be in ordinary shares which carry no preferential rights to assets on a winding up or to dividends (apart from certain non-cumulative fixed preferential rights). For each individual investment, a minimum of 10% of the investment must be in ordinary shares of that company.

### Dividend policy

The Board will endeavour to pay annual dividends of at least 5% of the NAV per share based on the opening NAV of that financial year. The aim of the Board and the Manager is for future investment performance to support this level of distribution. This level of dividend may be exceeded by the payment of additional special dividends as and when particularly successful portfolio disposals are made.

### Share buyback policy

It is the Company's policy, subject to adequate cash availability and distributable reserves, to consider repurchasing shares when they become available in order to help provide liquidity to the market in the Company's shares. The Board continues to have an objective of achieving and maintaining buybacks at a discount of 5% to the prevailing NAV per Share, subject to market conditions.

# Manager's Review

As at 31 December 2024 the Company's portfolio comprised 46 investments with a total cost of £76.8 million and a valuation of £109.1 million.

## Portfolio summary

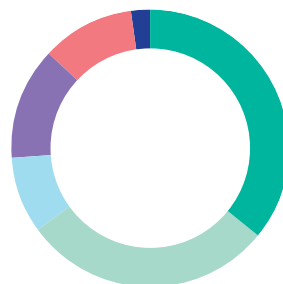
The portfolio is diversified by sector, transaction type and maturity profile. Details of the ten largest investments by valuation, including an update on their performance, are provided on pages 26 to 30.

In the year to 31 December 2024, the value of the investment portfolio fell by £10.5 million as a result of strong exits of several investments and loan repayments realising £34.6 million, offset by an increase of £9.7 million in the valuation of investments plus £14.4 million of new and follow-on investments. Overall, the portfolio has performed well despite uncertainty in the wider market, notably significant geopolitical issues, the UK Budget, the US election and continued domestic price inflation, coupled with higher interest rates.

In line with the Board's strategic objectives, we remain focused on growing the Company through further development of Net Asset Value Total Return. In the year, Net Asset Value Total Return increased by 6.6%, meaning that the Company has successfully met this objective in the period under review.

## Portfolio diversification

Sector by cost:



- Technology, Media & Telecommunications  
(cost 36% | valuation 32%)
- Healthcare  
(cost 29% | valuation 29%)
- Consumer & Leisure  
(cost 9% | valuation 9%)

Sector by valuation:



- Industrials & Manufacturing  
(cost 13% | valuation 8%)
- Business Services  
(cost 11% | valuation 12%)
- Other  
(cost 2% | valuation 10%)





# Manager's Review continued

## New investments

2024 was a year of relative calm in financial terms, when compared to recent years. Deal activity across the market has steadily grown throughout the year, suggesting confidence is tentatively returning, although the economic picture in the UK remains finely balanced. Interest rates have remained high, with inflation reducing more slowly than anticipated and the Autumn Budget including tax changes are not helping UK SMEs. Careful management remains crucial to steering portfolio companies through this environment.

We have continued to invest in our deal origination capabilities and identified a large number of potentially attractive investment opportunities during the year.

Over the course of 2024, four new investments were completed, investing a total of £8.4 million. New investments were across nurseries, manufacturing, cyber security and tech-enabled services. Behind these, there continues to be a strong pipeline of opportunities that we expect to convert during the next 12 months. Follow-on investments totalling £6.0 million were also made in six existing investee companies.



### Family Adventures Group Ltd

In January 2024, the Company invested £2.5 million of growth capital into Family Adventures Group, a provider of daycare nurseries and children's leisure sites that combines soft play areas with theatrical role play facilities. All inspected sites have been rated "Good" by Ofsted and have an average score of 9.9/10 on daynurseries.co.uk; whilst the leisure sites have market-leading Net Promoter Scores and high repeat visits. The investment will be used to aid the business with a continued rollout of nursery and leisure sites across the South West and the Midlands.



### Evolve Dynamics Limited

In March 2024, the Company completed a £2.0 million investment into Evolve Dynamics. Founded in 2016, the company designs and manufactures smaller Unmanned Aerial Systems ("UAS") with capabilities for intelligence, surveillance and reconnaissance. The company's UAS products are also widely deployed within UK and international police forces, fire services, energy inspection and search & rescue organisations. The investment will help scale the business and aid in new product launches.



### Lepide Group Holding Company Ltd

In March 2024, the Company invested £2.0 million into Lepide, a cyber security software solution that helps organisations to protect their unstructured data. Lepide actively monitors event logs within Windows Active Directory in order to detect suspicious activity and help organisations to manage over-exposure of data. The investment will help scale the business and accelerate growth initiatives.



### Resi Design Limited

In October 2024, the Company invested £2.0 million in Resi Design, a technology-enabled architectural business that manages structural home improvement projects from concept through to planning, design, build and sign-off. The company has delivered c.8,000 projects with a market-leading 98% planning approval rate. The investment will enable Resi Design to continue its impressive growth trajectory, as well as focusing on strategic partnerships to achieve wider reach.

# Manager's Review continued

## Follow-on investments

Given the size of the portfolio, the number of follow-on investments relative to new deals remains high, a trend that is expected to continue. These follow-on investments are to support further growth initiatives for companies within the portfolio, or to support them through a period of challenging trading. We are pleased to report that despite continuing macroeconomic uncertainty and stubbornly high interest rates, the portfolio remains resilient overall.

We have made follow-on investments in six companies during 2024, totalling £6.0 million. Further details of each of these are provided here.

The additional equity injections in the year were used to support further growth plans, such as launching new products and providing cash headroom for further growth. In view of the economic outlook, which remains challenging, we continue to be vigilant about the health of the rest of the portfolio and the need for follow-on funding over the coming months.



### HomeLink Healthcare Limited

In March 2024, the Company completed a £1.0 million follow-on investment into HomeLink Healthcare. The Company first invested into HomeLink in March 2022. Contracting with the NHS, the business provides patients with wound care, physiotherapy and intravenous therapies in their own home. HomeLink is also a leader in remote patient monitoring practices, offers a virtual ward solution and has now saved the NHS over 150,000 hospital bed days. The investment will support the organic expansion of the company.



### Sprintroom Limited

In March 2024, the Company completed a £0.8 million follow-on investment into Sprintroom, which trades as Sprint Electric. The business designs and manufactures drives for controlling electric motors in light and heavy industrial applications, as well as recovering and reusing otherwise lost energy. The investment will be used to drive continued revenue growth and develop further iterations of the new product range.



### Hexarad Group Limited

In June 2024, the Company completed a £0.7 million follow-on investment into Hexarad Group. The Company initially invested £0.9 million into Hexarad in June 2021, and a further £0.7 million follow-on in August 2022. Hexarad is a teleradiology company, supporting NHS and private healthcare providers with access to a diversified pool of radiologists in order to provide fast, accurate diagnosis and enable more timely and higher quality patient care. The latest investment forms part of a larger funding round, including a new third-party investor, to support the ongoing development of the technology, as well as the expansion of the commercial and operational teams.



### NorthWest EHealth Limited

In August 2024, the Company completed a £0.7 million investment into NWEH. This was followed by a further £0.8 million in November 2024. NWEH is a provider of technology-enabled clinical trials services to the pharmaceutical and life sciences sectors, leveraging NHS electronic health records. The investments during the year will enable NWEH further cash runway to convert an important commercial opportunity.

## Manager's Review continued

### Follow-on investments continued



#### Strategic Software Applications Ltd

In August 2024, the Company completed a further investment of £1.0 million in Strategic Software Applications, trading as Ruleguard. Ruleguard is a SaaS regulatory compliance platform for financial services institutions. The investment will enable Ruleguard to continue to invest in its team and secure high-quality SaaS revenues from a growing customer base.



#### Red Flag Alert Technology Group Limited

In September 2024, the Company invested £0.5 million into Red Flag Alert. This was followed by a further £0.5 million in December 2024. Red Flag Alert is a business intelligence platform which provides prospecting, credit risk and compliance products to its customers. The new funding will enable the business to develop new features and convert the customer pipeline to deliver SaaS revenue growth.



# Manager's Review continued

## Realisations

The M&A climate has proved more challenging than in recent years in light of the macroeconomic conditions of high interest rates and geopolitical uncertainty. Despite this, we were pleased to report some particularly strong realisations, as well as the disposal of some of the more challenged businesses within the portfolio. We continue to engage with a range of potential acquirers of several portfolio companies and to carefully consider the timing of exit for each. Demand remains for high-quality, high-growth businesses from both private equity and trade buyers.



### So-Sure Limited

In March 2024, the investment in So-Sure was fully written off as it failed to perform in line with the management team's plan. So-Sure Limited is a technology company acting as "Managing General Agent" for insurers. The company's mission is to offer a more trusted proposition, greater pricing transparency and improved customer experience through its customer-centric digital platform. So-Sure was acquired by the Australian insurance firm, Open, in March 2024.

## CROSSTOWN

### Crosstown Dough Ltd

In June 2024, the Company realised its investment in Crosstown Dough, a doughnut vendor operating from 31 sites including a mix of bricks and mortar stores, food trucks and market stalls. Crosstown's core products are made at its central production unit in Battersea. The sale of Crosstown to Karali Group, a large franchise operator of Burger King in the UK and US, allowed distributions to be made to creditors whilst facilitating the continuation of the business.



### Specac International Limited

In March 2024, the Company announced the sale of Specac International, a leading manufacturer of high-specification sample analysis and preparation equipment used in testing and research laboratories worldwide, primarily supporting infrared spectroscopy. The transaction generated proceeds of £11.2 million at completion. When added to £1.5 million of cash returned pre-exit, this implies a total cash-on-cash return of 10.3x, equivalent to an IRR of 33%, with a further £704,000 of deferred consideration recognised at the year end. Since investment, the business has grown to sell globally through both original equipment manufacturers ("OEMs") and distributors. Throughout the investment, we also engaged with the team to support management team changes, improvements in governance, headcount and numerous product launches, as well as a major site move. The exit will facilitate the continued growth of the business.



### Callen-Lenz Associates Limited

In May 2024, the Company achieved the successful exit of Callen-Lenz Associates, returning £23.4 million to the Company. A further £2.1 million was received in October 2024 and £0.5 million in December 2024. Including a further £1.4 million of earnout recognised in debtors at the year end, the sale implies a 5.4 times cash-on-cash return on the total investment made of £4.9 million, equivalent to an IRR of 124%. Since investment, we have worked with the board to expand both non-executive and executive leadership, which led to successful product launches and a significant increase in headcount and revenue. With the business focus successfully transitioned from R&D to commercial sales, the exit will facilitate continued growth.



# Manager's Review continued

## Realisations in the year ended 31 December 2024

| Company                                     | Detail            | Accounting cost<br>at date<br>of disposal<br>(£) | Proceeds <sup>4</sup><br>(£) | Realised<br>gain/(loss)<br>(£) | Valuation at<br>31 December<br>2023<br>(£) |
|---------------------------------------------|-------------------|--------------------------------------------------|------------------------------|--------------------------------|--------------------------------------------|
| Callen-Lenz Associates Limited <sup>1</sup> | Full disposal     | 4,875,000                                        | 23,111,692                   | 18,236,692                     | 17,551,767                                 |
| Specac International Limited <sup>2</sup>   | Full disposal     | 2,054,761                                        | 11,161,216                   | 9,106,455                      | 10,851,677                                 |
| Crosstown Dough Ltd                         | Full disposal     | 1,500,000                                        | —                            | (1,500,000)                    | 477,052                                    |
| So-Sure Limited <sup>3</sup>                | Full disposal     | 1,600,000                                        | —                            | (1,600,000)                    | —                                          |
| Spektrix Limited                            | Loan<br>repayment | 112,873                                          | 112,873                      | —                              | 112,873                                    |
| Positive Response Corporation Ltd           | Loan<br>repayment | 225,000                                          | 225,000                      | —                              | 225,000                                    |
| <b>Total disposals</b>                      |                   | <b>10,367,634</b>                                | <b>34,610,781</b>            | <b>24,243,147</b>              | <b>29,218,369</b>                          |

1. Excludes £2.6 million of deferred consideration which was received in October and December 2024. A further £1.4 million of deferred consideration has been recognised within debtors at 31 December 2024.
2. Excludes £704,000 of deferred consideration which has been recognised within debtors at 31 December 2024.
3. Excludes £11,000 of deferred consideration received in August 2024.
4. Proceeds on exit excluding interest, dividends and exit fees where applicable.



# Manager's Review continued

## Pipeline

At 31 December 2024, the Company had cash reserves of £51 million, which will be used to fund new and follow-on investments, buybacks, dividends and corporate expenditure. We are seeing a strong pipeline of new opportunities, with several opportunities in due diligence or in exclusivity stages, with further deal completions expected to be announced in the months to follow.

Stubbornly high interest rates have created challenging trading conditions for many companies. While interest rates are slowly declining, bank debt remains significantly more expensive than it has been for much of the last 15 years. Nonetheless, we note that the cautious approach to leveraging portfolio companies provides some protection here. Continuing geopolitical concern surrounding conflicts in Ukraine and the Middle East, as well as the spectre of a global trade war driven by the new US administration, have also caused supply chain disruption. These challenges create opportunities to source attractive investments however, with many companies seeking to strengthen their balance sheets.

We continue to see an attractive pipeline of opportunities and do not see this changing in the medium term. The Company is able to access these opportunities through its wide and proprietary network across the country, supported to a greater extent by its network of regional offices. We consider the Company's strategy to be well suited to market volatility, due to its balanced mix of companies across sectors and stages, experienced investment team and network of high-quality non-executives.

## Post-year end activity



### Loopr Ltd

In February 2025, the Company made a £1.5 million follow-on investment into Loopr Ltd (trading as "Looper Insights"), a company providing data analytics to content distributors and video-on-demand streaming services. The investment will support the company's next phase of product development and continue the rollout to new and existing customers internationally, including regulators, multinationals and local media outlets.



### Evolve Dynamics Limited

In March 2025, the Company completed a £0.6 million follow-on investment into Evolve Dynamics Limited ("Evolve"). The investment will support the company's working capital, research and development initiatives as the business continues to target both private and public sector contracts. Evolve develops and manufactures Unmanned Aircraft Systems ("UAS") and since investment, it has developed and begun to commercialise two new systems.



### Ad Signal Limited

In March 2025, the Company completed a £1.5 million investment into Ad Signal Limited, a provider of content management platforms for the media and entertainment industry. The company's founder has strong technical skills and significant experience in developing content management solutions. He is supported by a strong executive team, with an experienced Non-Executive Chair due to join imminently. The investment will enable the company to develop further tools to support its customers and add further blue chip clients.



### Fourth Wall Creative Limited

Post year end, the Company invested a further £0.7 million into Fourth Wall Creative Limited to support the continued growth of the business. For further details on Fourth Wall Creative Limited, please see page 24.



### Ten Health & Fitness Limited

In March 2025, the Company completed a £0.6 million follow-on investment into Ten Health, alongside a £0.2 million co-investment from senior management. This funding will primarily be used to launch a new franchise model to generate scale at pace and enable Ten Health to open a presence in locations across the UK, specifically beyond London, and internationally.



### NorthWest EHealth Limited

In April 2025, the Company completed a £0.3 million investment into NWEH. For further details on NWEH, please see page 29.



### Rovco Limited

In March 2025, Rovco's anticipated Series C funding round fell through, leaving the company in a challenging situation and in need of further capital.



# Manager's Review continued

## Post-year end activity continued



### Hospital Services Group Limited

In February 2025, the Company completed the sale of Hospital Services Group Limited ("HSL"), a provider of high-quality healthcare equipment and consumables. The transaction generated proceeds of £9.3 million at completion with potential for a further up to £0.4 million over the coming years, implying a return and IRR of up to 8.4 times the original investment and 25.7% respectively. HSL provides equipment to a growing number of customers on both sides of the Irish Sea, with over 500 medical facilities supported in 2024. Since investment, HSL has seen strong organic growth and has made eight strategic bolt-on acquisitions, most notably in Ireland. The exit is reflective of Foresight's commitment to supporting sustainable growth, as well as its continued success in the Healthcare sector.



### Biotherapy Services Limited

In March 2025, the Company exited its holding in Biotherapy Services Limited ("BTS") for a nominal value to management. Despite promising early clinical results, BTS struggled to complete its Phase IIB trial of its RAPID gel product within its funding runway. The trial was significantly hampered by COVID-19, with diabetic trial participants needing to shield. BTS has recently published its data and analysis. If the business is sold in the medium term, the Company will receive deferred consideration. BTS was fully written off in December 2022.



# Manager's Review continued

## Key portfolio developments

Material changes in valuation, defined as increasing or decreasing by £1.0 million or more since 31 December 2023, are detailed below. Updates on these companies are included below, in the Post-year end activity section on pages 20 and 21, or in the Top Ten Investments section on pages 26 to 30.

## Key valuation changes in the year

| Company                                 | Valuation methodology       | Net movement (£) |
|-----------------------------------------|-----------------------------|------------------|
| Hexarad Group Limited                   | Price of last funding round | 2,541,529        |
| TLS Holdco Limited                      | Net assets                  | 2,353,300        |
| Hospital Services Group Limited         | Sales proceeds              | 1,805,815        |
| Red Flag Alert Technology Group Limited | Price of last funding round | 1,219,449        |
| Aerospace Tooling Corporation Limited   | Discounted revenue multiple | (1,879,091)      |
| NorthWest EHealth Limited               | Discounted revenue multiple | (1,990,441)      |



## Aerospace Tooling Corporation Limited

Aerospace Tooling Corporation Limited ("ATL") provides specialist inspection, maintenance, repair and overhaul ("MRO") services for components in high-specification aerospace and industrial turbine engines. A core focus for ATL is in "legacy" components and engines that are still in widespread use but have ceased production and do not have easily available spare parts. The company also provides services on a wide range of "in production" turbines, providing a cost-effective alternative to expensive replacement parts.

## 31 December 2024 update

During 2024 ATL incurred a significant increase in both direct overheads and utilities which, due to the timing of existing price frameworks, were not absorbed by existing customers. A cost reduction exercise is underway which will provide a pathway back to profitable growth. We remain supportive of the business as it grows its existing customer base whilst continuing to build new customer relationships through the expansion of its services.



# Manager's Review continued

## Outlook

2024 was a year of lower volatility and measured recovery following the turmoil of previous years. Inflation returned to more normalised levels, with the consumer price index ("CPI") rising by 2.5% in the year. This led to cuts in the base rate to 4.75% in 2024 and further to 4.5% post year end. Overall, UK GDP growth was 1% in 2024, which was sluggish by global standards.

While the UK performance was broadly in line with Europe, it lags the OECD average of 3.2%. Other advanced economies enjoyed stronger performance, notably the US. Indexes such as the S&P 500 performed strongly, delivering 25% growth in 2024. 2024 saw half of the world's population eligible to vote in general elections, resulting in changes in government for many countries, and a rise in populism in Europe, the US and other territories. This, coupled with the continuing conflicts in Ukraine and the Middle East, gave rise to market volatility throughout the year.

There is room for some optimism however, as the UK continues to be a global leader in key sectors such as Technology, Life Sciences and Financial Services. Further, the new Government has put "growth" firmly on the agenda, suggesting further investment in sectors such as technology and renewables, although public finances are notably tight. There is a strong and established network of support for growing young companies, and world-class universities continue to nurture exciting spin-outs. Multinationals continue to see the UK as an attractive place to invest and grow their businesses, and the anticipated increase in the capital gains tax rate did not materialise.

The strength of the US technology and finance sectors in recent years has made UK valuations seem relatively low by comparison, offering attractive opportunities for sale to international buyers. M&A also remains firmly on the agenda for corporates seeking to grow their businesses and the mid-market private equity market remains highly liquid and active. We therefore anticipate further profitable exits in the years to come.

The Company has performed well in the year, achieving a 6.6% increase in NAV Total Return for Shareholders. The exit of Crosstown at a lower valuation demonstrates the weaker consumer confidence that has characterised recent years. However, the exits of Callen-Lenz and Specac, to a mix of trade and PE acquirors, demonstrate that attractive valuations can be achieved for businesses that are performing well. These exits contributed to the Company's total dividends of 15.4p per share for the year, delivering an attractive dividend yield of 30.5% and exceeding the Company's target. The Company retains a portfolio that is well balanced across sectors and stages, with some companies delivering strong profitability whilst other earlier-stage investments continue to display strong growth. Our cautious approach to taking on leverage has protected many portfolio companies from the impact of concerns surrounding rising interest rates, which are expected to remain relatively high.

It was anticipated that 2025 would see the UK economy grow more rapidly however the macroeconomic outlook has since worsened. Interest rates are expected to reduce further in 2025; however, in the medium term, the base rate is considered unlikely to return to the low levels of the last 15 years. This means that the cost of debt for businesses and consumers is likely to remain relatively high by recent standards. We continue to monitor an emerging international trade war and ensuing potential supply chain disruptions.

We are pleased with the performance in the year, with the Company navigating the economic and geopolitical uncertainty well. The Company's strong performance has improved its position in the VCT market, which is an increasingly attractive and visible source of capital for the UK's ambitious entrepreneurs. The portfolio remains diversified and resilient to macroeconomic headwinds, supported by a collaborative, hands-on approach from Foresight.

## James Livingston

on behalf of Foresight Group LLP  
Co-Head of Private Equity  
23 April 2025



# Case Study

## Fourth Wall Creative Limited

Fourth Wall Creative Limited (“FWC”) designs, procures and fulfils branded merchandise for use by sports clubs and organisations, predominantly within the UK’s football industry. The platform aims to increase engagement with fans via membership welcome packs, season-ticket presentation boxes and hospitality gifts. The company uses proprietary software to automate much of the process of ordering and tracking products, therefore saving administration costs for customers typically associated with merchandise fulfilment.

Over the last four years the company has been developing its new “Alloc8” software, which allows clubs to actively manage and grow their memberships, whilst also allowing members to purchase match tickets directly within the platform.

Since the initial investment in 2019, the company has grown its customer base from 11 clubs to over 60 and includes most of the UK’s largest football clubs such as Manchester United, Liverpool, Arsenal, Manchester City, Tottenham and Aston Villa.

The Company initially invested growth capital into FWC in 2019, which was followed by a further investment in November 2021. Revenues have increased four-fold since 2019 and although FWC is primarily a re-occurring product and services business, its continued investment in its technology is leading to an increase in secured contract revenues.

## Fourth Wall Creative key facts

|                                          |                                                                              |
|------------------------------------------|------------------------------------------------------------------------------|
| Name                                     | Fourth Wall Creative Limited                                                 |
| Location                                 | Wirral                                                                       |
| Website                                  | <a href="http://www.fourthwallcreative.com">www.fourthwallcreative.com</a>   |
| Industry                                 | Business Services                                                            |
| Foresight Enterprise VCT plc investment  | £2.9 million                                                                 |
| Foresight Enterprise VCT plc ownership % | 16.6%                                                                        |
| Stage                                    | Growth stage                                                                 |
| Investment date                          | April 2019                                                                   |
| Foresight managed funds                  | £7.2 million (includes co-investment of £4.3 million from Foresight VCT plc) |



# Case Study

## Red Flag Alert Technology Group Limited

Based in Manchester, Red Flag Alert has developed a business intelligence platform with modular capabilities spanning compliance, prospecting, risk management and financial health assessments which is sold into a growing corporate customer base. At its core, Red Flag Alert is a credit referencing agency ("CRA") and is the most agile and up-to-date credit scoring tool in the market, predicting insolvencies in the next 12 months with 97% accuracy.

The concept behind Red Flag Alert began as a lead generation solution within Begbies Traynor, a listed insolvency practitioner, with the proprietary tool identifying companies at risk of insolvency before traditional CRAs. It was spun out of Begbies Traynor in 2012 and is now the only independently owned UK-based CRA assessing company risk.

Red Flag Alert presented the opportunity to invest in a growing business with a well-developed platform and product suite. The business had already moved from repurposing and presenting third-party data to providing enriched data and value-add analytics, providing a compelling, premium enterprise solution.

The Company initially invested £1.8 million of growth capital in March 2023 to invest in the sales, marketing and account management teams to drive growth. In 2024, a further £1.0 million follow-on investment was completed to support the data modernisation strategy to improve the way it ingests raw data, increasing the timeliness and accuracy of its insights.

Since investment, the senior management team has been strengthened with the appointment of a new Chief Revenue Officer, Head of Marketing and Finance Director. Red Flag Alert has performed well since investment with strong revenue growth and continues to execute its strategic plans. With a strengthened sales team, new contract wins are increasingly in the enterprise value range and the pipeline continues to grow with the customer base diversifying from the legacy Financial Services sector. The business is focused on delivering the data modernisation strategy, which will further enhance its product offering.

### Red Flag Alert key facts

|                                          |                                                                              |
|------------------------------------------|------------------------------------------------------------------------------|
| Name                                     | Red Flag Alert Technology Group Limited                                      |
| Location                                 | Manchester                                                                   |
| Website                                  | <a href="http://www.redflagalert.com">www.redflagalert.com</a>               |
| Industry                                 | Technology                                                                   |
| Foresight Enterprise VCT plc investment  | £2.8 million                                                                 |
| Foresight Enterprise VCT plc ownership % | 15.0%                                                                        |
| Stage                                    | Growth stage                                                                 |
| Investment date                          | March 2023                                                                   |
| Foresight managed funds                  | £5.5 million (includes co-investment of £2.7 million from Foresight VCT plc) |

# Top Ten Investments

By value as at 31 December 2024



## 1. Hospital Services Group Limited

Belfast

[www.hsl.ie](http://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.

### 31 December 2024 update

HSL delivered a strong performance in 2024 with robust underlying demand in key healthcare markets across Ireland, Northern Ireland and Great Britain. The business successfully integrated its material 2023 acquisition of Fleetwood Healthcare in Ireland and completed a further acquisition of a specialist supplier of training services and advanced ultrasound scanning equipment. Post year end, on 4 February 2025 HSL was sold to Asker Healthcare, a leading European provider of quality medical products and solutions, delivering exceptional returns to the Company.

|                                          |                |
|------------------------------------------|----------------|
| Initial investment                       | September 2015 |
| Amount invested (£)                      | 1,200,000      |
| Accounting cost (£)                      | 1,200,000      |
| Valuation (£)                            | 9,272,696      |
| Basis of valuation                       | Sales proceeds |
| Equity held (%)                          | 15.6%          |
| Income received in the year (£)          | 123,292        |
| Cash returned up to 31 December 2024 (£) | 442,828        |

| £'000             | Year ended 30 September 2023 | Year ended 30 September 2022 |
|-------------------|------------------------------|------------------------------|
| Sales             | 45,095                       | 37,003                       |
| Profit before tax | 2,692                        | 2,037                        |
| Retained profit   | 1,926                        | 1,773                        |
| Net assets        | 10,276                       | 6,617                        |



## 2. TLS Holdco Limited

Leicestershire

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

Sector: Other

True Lens Services is a specialist provider of lens manufacturing, refurbishment and servicing to the film and television markets.

### 31 December 2024 update

TLS continued to grow both revenues and EBITDA in the year, having successfully moved to a new freehold site in 2023, which created significant capacity growth. The performance in 2024 reflects a full year of this additional capacity benefit. The business has also invested in its sales and marketing during 2024 to help drive further growth in the year ahead.

|                                          |               |
|------------------------------------------|---------------|
| Initial investment                       | December 2015 |
| Amount invested (£)                      | 100           |
| Accounting cost (£)                      | 100           |
| Valuation (£)                            | 7,983,256     |
| Basis of valuation                       | Net assets    |
| Equity held (%)                          | 42.5%         |
| Income received in the year (£)          | —             |
| Cash returned up to 31 December 2024 (£) | —             |

| £'000             | Year ended 31 December 2023 | Year ended 31 December 2022 |
|-------------------|-----------------------------|-----------------------------|
| Sales             | —                           | —                           |
| Profit before tax | 1,270                       | 1,341                       |
| Retained profit   | 953                         | 796                         |
| Net assets        | 4,661                       | 3,708                       |



# Top Ten Investments continued

By value as at 31 December 2024



## 3. Hexarad Group Limited

London

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

### Sector: Healthcare

Hexarad is a provider of teleradiology services to NHS trusts and private healthcare providers. Hexarad's services enable the fast and effective allocation of medical images to available radiologists, speeding up diagnosis and improving patient outcomes.

#### 31 December 2024 update

Hexarad has grown strongly in the year to 31 December 2024, reflecting increased scan volumes with existing customers and new contract wins, alongside the expansion of its contractor radiologist pool. The business continues to invest in the differentiated technology platform to drive competitive advantage.

|                                          |                             |
|------------------------------------------|-----------------------------|
| Initial investment                       | June 2021                   |
| Amount invested (£)                      | 2,300,034                   |
| Accounting cost (£)                      | 2,300,034                   |
| Valuation (£)                            | 6,356,271                   |
| Basis of valuation                       | Price of last funding round |
| Equity held (%)                          | 11.2%                       |
| Income received in the year (£)          | —                           |
| Cash returned up to 31 December 2024 (£) | —                           |

| £'000             | Year ended 30 June 2023 | Year ended 30 June 2022 |
|-------------------|-------------------------|-------------------------|
| Sales             | n/a                     | n/a                     |
| Profit before tax | n/a                     | n/a                     |
| Retained profit   | n/a                     | n/a                     |
| Net assets        | 2,876                   | 1,069                   |

In accordance with Section 444 of the Companies Act 2006, a statement of income has not been delivered in the financial statements available on Companies House.



## 4. Professionals At Play Ltd

Manchester

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

### Sector: Consumer & Leisure

Trading as Roxy Leisure ("Roxy"), it operates competitive socialising bars throughout the UK. The venues contain a range of games and activities from tenpin bowling, table tennis, shuffleboard and pool to more innovative activities such as ice-free curling and batting cages. As at December 2024, the business operated 22 bars throughout the UK.

#### 31 December 2024 update

Roxy enjoyed another year of strong growth in 2024, expanding its estate further by opening four new venues. The site expansion pipeline is heavily focused on the company's family bowling offering with the success of its King Pins sites in Manchester being the catalyst to expanding the brand nationwide. Further King Pins sites are planned for Bristol and Glasgow whilst a Roxy Ballroom site in London has recently opened. Roxy continues to deliver strong site-level profits across its estate, despite challenging trading conditions in the market more widely, underlining the strength of the company's operating model.

|                                          |                              |
|------------------------------------------|------------------------------|
| Initial investment                       | December 2019                |
| Amount invested (£)                      | 2,500,000                    |
| Accounting cost (£)                      | 2,500,000                    |
| Valuation (£)                            | 6,237,306                    |
| Basis of valuation                       | Discounted earnings multiple |
| Equity held (%)                          | 5.6%                         |
| Income received in the year (£)          | —                            |
| Cash returned up to 31 December 2024 (£) | 58,340                       |

| £'000             | Year ended 31 December 2023 | Year ended 31 December 2022 |
|-------------------|-----------------------------|-----------------------------|
| Sales             | 32,761                      | 23,499                      |
| Profit before tax | 2,036                       | 3,105                       |
| Retained profit   | 1,185                       | 2,534                       |
| Net assets        | 3,970                       | 2,785                       |

# Top Ten Investments continued

By value as at 31 December 2024



## 5. Spektrix Limited

London

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

### Sector: Technology, Media & Telecommunications

Spektrix is an enterprise software company, providing ticketing, CRM, marketing and fundraising software to venues in the performing arts sector, primarily across the UK and US.

#### 31 December 2024 update

Spektrix delivered further solid growth during the year with continued revenue growth in the UK and US. The company acquired Canadian-based software company, ArtsMan Theatre Manager, during the year and the integration has been successful. The business continues to innovate and launch additional technical functionality, including in payments, as well as invest in its people. In the coming year the company is seeking to launch its offering in additional geographies as well as to continue to grow market share in existing markets.

|                                          |                             |
|------------------------------------------|-----------------------------|
| Initial investment                       | December 2018               |
| Amount invested (£)                      | 2,998,350                   |
| Accounting cost (£)                      | 2,267,477                   |
| Valuation (£)                            | 4,966,190                   |
| Basis of valuation                       | Price of last funding round |
| Equity held (%)                          | 5.0%                        |
| Income received in the year (£)          | —                           |
| Cash returned up to 31 December 2024 (£) | 942,380                     |

| £'000           | Year ended 31 December 2023 | Year ended 31 December 2022 |
|-----------------|-----------------------------|-----------------------------|
| Sales           | 17,655                      | 14,380                      |
| Loss before tax | (2,489)                     | (1,451)                     |
| Retained loss   | (2,484)                     | (1,040)                     |
| Net assets      | 9,396                       | 11,683                      |



## 6. Fourth Wall Creative Limited

Wirral

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

### Sector: Business Services

Fourth Wall Creative provides fan engagement services to Premier League and Championship football clubs and other sporting organisations via its technology platforms. It also designs, sources and fulfils membership welcome packs and related products.

#### 31 December 2024 update

Fourth Wall grew revenues and customers again in the year. It now serves close to one million members of football clubs and sporting organisations, either through its technology platform directly or by providing club-branded products to fans on behalf of the clubs. Profits were consolidated in the year due to good control over margins, whilst still enabling further investment in sales and its technology.

|                                          |                             |
|------------------------------------------|-----------------------------|
| Initial investment                       | April 2019                  |
| Amount invested (£)                      | 2,900,000                   |
| Accounting cost (£)                      | 2,900,000                   |
| Valuation (£)                            | 4,791,852                   |
| Basis of valuation                       | Discounted revenue multiple |
| Equity held (%)                          | 16.6%                       |
| Income received in the year (£)          | —                           |
| Cash returned up to 31 December 2024 (£) | —                           |

| £'000             | Year ended 30 September 2023 | Year ended 30 September 2022 |
|-------------------|------------------------------|------------------------------|
| Sales             | n/a                          | n/a                          |
| Profit before tax | n/a                          | n/a                          |
| Retained profit   | n/a                          | n/a                          |
| Net assets        | 5,028                        | 5,866                        |

In accordance with Section 444 of the Companies Act 2006, a statement of income has not been delivered in the financial statements available on Companies House.

# Top Ten Investments continued

By value as at 31 December 2024



## 7. Red Flag Alert Technology Group Limited

Manchester

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

### Sector: Technology, Media & Telecommunications

Red Flag Alert is a business intelligence platform with modular capabilities spanning compliance, prospecting, risk management and financial health assessments which is sold into a growing corporate customer base.

#### 31 December 2024 update

In September 2024 and December 2024, the Company invested a further £1.0 million in aggregate in Red Flag Alert. The investment provided support to improve the way it ingests raw data, increasing the timeliness and accuracy of its insights. Red Flag Alert has performed well since investment with strong revenue growth and continues to execute its strategic plans.

|                                          |                             |
|------------------------------------------|-----------------------------|
| Initial investment                       | March 2023                  |
| Amount invested (£)                      | 2,775,000                   |
| Accounting cost (£)                      | 2,775,000                   |
| Valuation (£)                            | 4,044,092                   |
| Basis of valuation                       | Price of last funding round |
| Equity held (%)                          | 15.0%                       |
| Income received in the year (£)          | —                           |
| Cash returned up to 31 December 2024 (£) | —                           |

| £'000             | Year ended 31 March 2024 | Year ended 31 March 2023 |
|-------------------|--------------------------|--------------------------|
| Sales             | n/a                      | n/a                      |
| Profit before tax | n/a                      | n/a                      |
| Retained profit   | n/a                      | n/a                      |
| Net liabilities   | (2,772)                  | (119)                    |

In accordance with Section 444 of the Companies Act 2006, a statement of income has not been delivered in the financial statements available on Companies House.



## 8. NorthWest EHealth Limited

Manchester

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

### Sector: Healthcare

NorthWest EHealth ("NWEH") provides software and services to the clinical trial market for the design, recruitment, feasibility analysis and delivery of real world trials. NWEH's solutions are an alternative to traditional clinical trials, utilising real world data such as electronic patient records to undertake trial activity.

#### 31 December 2024 update

During 2024 NWEH signed a significant partnership agreement with the CPRD which has substantially expanded the database of patient records its software and services can be used on. The announcement of this partnership has seen significant growth in sales pipeline opportunities, albeit the new project opportunities are likely to require a significant timeline to close. The Manager continues to support the business, which maintains a large, fixed cost case in order to be able to deliver the projects, with one particularly important trial anticipated to launch later this year.

|                                          |                             |
|------------------------------------------|-----------------------------|
| Initial investment                       | April 2021                  |
| Amount invested (£)                      | 5,499,999                   |
| Accounting cost (£)                      | 5,499,999                   |
| Valuation (£)                            | 3,953,343                   |
| Basis of valuation                       | Discounted revenue multiple |
| Equity held (%)                          | 38.5%                       |
| Income received in the year (£)          | —                           |
| Cash returned up to 31 December 2024 (£) | —                           |

| £'000           | Year ended 31 December 2023 | Year ended 31 December 2022 |
|-----------------|-----------------------------|-----------------------------|
| Sales           | 5,763                       | 6,655                       |
| Loss before tax | (3,249)                     | (1,283)                     |
| Retained loss   | (2,969)                     | (894)                       |
| Net assets      | 1,604                       | 3,173                       |



# Top Ten Investments continued

By value as at 31 December 2024



## 9. Strategic Software Applications Ltd

London

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

### Sector: Business Services

Trading as Ruleguard, Strategic Software Applications Ltd is a SaaS regulatory compliance platform for financial services institutions.

#### 31 December 2024 update

The Company invested a further £1.0 million in August 2024. This investment will support the continued expansion of sales and marketing activities and continued scaling of the business. Trading has seen a positive momentum with a number of new deals being signed in the second half of the year.

|                                          |                             |
|------------------------------------------|-----------------------------|
| Initial investment                       | August 2022                 |
| Amount invested (£)                      | 2,749,994                   |
| Accounting cost (£)                      | 2,749,994                   |
| Valuation (£)                            | 3,572,684                   |
| Basis of valuation                       | Discounted revenue multiple |
| Equity held (%)                          | 17.6%                       |
| Income received in the year (£)          | —                           |
| Cash returned up to 31 December 2024 (£) | —                           |

| £'000             | Year ended 31 March 2024 | Year ended 31 March 2023 |
|-------------------|--------------------------|--------------------------|
| Sales             | n/a                      | n/a                      |
| Profit before tax | n/a                      | n/a                      |
| Retained profit   | n/a                      | n/a                      |
| Net assets        | 998                      | 2,890                    |

In accordance with Section 444 of the Companies Act 2006, a statement of income has not been delivered in the financial statements available on Companies House.



## 10. PH Realisations 2020 Limited

Leicestershire

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

### Sector: Other

PH Realisations 2020 Limited holds part of the Company's investment in True Lens Services, which is a specialist provider of lens manufacturing, refurbishment and servicing to the film and television markets.

#### 31 December 2024 update

TLS continued to grow both revenues and EBITDA in the year, having successfully moved to a new freehold site in 2023, which created significant capacity growth. The performance in 2024 reflects a full year of this additional capacity benefit. The business has also invested in its sales and marketing during 2024 to help drive further growth in the year ahead.

|                                          |                              |
|------------------------------------------|------------------------------|
| Initial investment                       | April 2013                   |
| Amount invested (£)                      | 1,524,993                    |
| Accounting cost (£)                      | 2,162,929                    |
| Valuation (£)                            | 3,446,497                    |
| Basis of valuation                       | Discounted earnings multiple |
| Equity held (%)                          | 42.5%                        |
| Income received in the year (£)          | —                            |
| Cash returned up to 31 December 2024 (£) | —                            |

| £'000             | Year ended 31 December 2023 | Year ended 31 December 2022 |
|-------------------|-----------------------------|-----------------------------|
| Sales             | n/a                         | n/a                         |
| Profit before tax | n/a                         | n/a                         |
| Retained profit   | n/a                         | n/a                         |
| Net assets        | n/a                         | n/a                         |

# Portfolio Overview

| Investment (by value) |                                                      | Date of the first investment | Sector | Valuation methodology        | 31 December 2024        |                | 31 December 2023        |                | Addition<br>£ | Disposal<br>proceeds<br>£ | Net valuation<br>movement<br>£ |
|-----------------------|------------------------------------------------------|------------------------------|--------|------------------------------|-------------------------|----------------|-------------------------|----------------|---------------|---------------------------|--------------------------------|
|                       |                                                      |                              |        |                              | Accounting<br>cost<br>£ | Valuation<br>£ | Accounting<br>cost<br>£ | Valuation<br>£ |               |                           |                                |
| 1                     | Hospital Services Group Limited <sup>1</sup>         | 2015                         | ●      | Sales proceeds               | 1,200,000               | 9,272,696      | 1,200,000               | 7,466,881      | —             | —                         | 1,805,815                      |
| 2                     | TLS Holdco Limited <sup>1</sup>                      | 2015                         | ●      | Net assets                   | 100                     | 7,983,256      | 100                     | 5,629,956      | —             | —                         | 2,353,300                      |
| 3                     | Hexarad Group Limited <sup>1</sup>                   | 2021                         | ●      | Price of last funding round  | 2,300,034               | 6,356,271      | 1,549,999               | 3,064,707      | 750,035       | —                         | 2,541,529                      |
| 4                     | Professionals At Play Ltd <sup>1</sup>               | 2019                         | ●      | Discounted earnings multiple | 2,500,000               | 6,237,306      | 2,500,000               | 6,234,290      | —             | —                         | 3,016                          |
| 5                     | Spektrix Limited <sup>1</sup>                        | 2018                         | ●      | Price of last funding round  | 2,267,477               | 4,966,190      | 2,380,350               | 4,352,595      | —             | (112,873) <sup>2</sup>    | 726,468                        |
| 6                     | Fourth Wall Creative Limited <sup>1</sup>            | 2019                         | ●      | Discounted revenue multiple  | 2,900,000               | 4,791,852      | 2,900,000               | 4,585,300      | —             | —                         | 206,552                        |
| 7                     | Red Flag Alert Technology Group Limited <sup>1</sup> | 2023                         | ●      | Price of last funding round  | 2,775,000               | 4,044,092      | 1,750,000               | 1,799,643      | 1,025,000     | —                         | 1,219,449                      |
| 8                     | NorthWest EHealth Limited <sup>1</sup>               | 2021                         | ●      | Discounted revenue multiple  | 5,499,999               | 3,953,343      | 3,999,999               | 4,443,784      | 1,500,000     | —                         | (1,990,441)                    |
| 9                     | Strategic Software Applications Ltd <sup>1</sup>     | 2022                         | ●      | Discounted revenue multiple  | 2,749,994               | 3,572,684      | 1,750,000               | 2,082,367      | 999,994       | —                         | 490,323                        |
| 10                    | PH Realisations 2020 Limited <sup>1</sup>            | 2013                         | ●      | Discounted earnings multiple | 2,162,929               | 3,446,497      | 2,162,929               | 3,353,430      | —             | —                         | 93,067                         |
| 11                    | Clubspark Group Ltd                                  | 2019                         | ●      | Discounted revenue multiple  | 2,460,000               | 3,430,322      | 2,460,000               | 3,881,892      | —             | —                         | (451,570)                      |
| 12                    | Biofortuna Ltd                                       | 2012                         | ●      | Discounted revenue multiple  | 3,517,537               | 3,162,360      | 3,517,537               | 3,457,421      | —             | —                         | (295,061)                      |
| 13                    | Ten Health & Fitness Limited                         | 2019                         | ●      | Discounted revenue multiple  | 2,400,000               | 3,142,076      | 2,400,000               | 2,829,283      | —             | —                         | 312,793                        |
| 14                    | HomeLink Healthcare Limited                          | 2022                         | ●      | Price of last funding round  | 2,075,047               | 2,938,219      | 1,075,000               | 2,323,388      | 1,000,047     | —                         | (385,216)                      |
| 15                    | Titania Group Limited                                | 2020                         | ●      | Discounted revenue multiple  | 1,250,000               | 2,860,695      | 1,250,000               | 2,600,656      | —             | —                         | 260,039                        |
| 16                    | Family Adventures Group Ltd                          | 2024                         | ●      | Cost                         | 2,500,000               | 2,500,000      | —                       | —              | 2,500,000     | —                         | —                              |
| 17                    | Mizaic Ltd                                           | 2020                         | ●      | Discounted revenue multiple  | 2,400,000               | 2,385,344      | 2,400,000               | 2,454,209      | —             | —                         | (68,865)                       |
| 18                    | Firefish Software Limited                            | 2023                         | ●      | Discounted revenue multiple  | 1,500,000               | 2,129,776      | 1,500,000               | 1,915,420      | —             | —                         | 214,356                        |
| 19                    | Loopr Limited                                        | 2023                         | ●      | Discounted revenue multiple  | 1,750,000               | 2,122,732      | 1,750,000               | 1,750,000      | —             | —                         | 372,732                        |
| 20                    | Itad (2015) Limited                                  | 2015                         | ●      | Discounted earnings multiple | 1,371,726               | 2,120,887      | 1,371,726               | 1,830,432      | —             | —                         | 290,455                        |

1. Top Ten Investments by value shown on pages 26 to 30.

2. Loan repayment.

Key: ● Technology, Media & Telecommunications ● Industrials & Manufacturing ● Healthcare ● Business Services ● Consumer & Leisure ● Other

# Portfolio Overview continued

| Investment (by value)                      | Date of the first investment | Sector | Valuation methodology        | 31 December 2024        |                | 31 December 2023        |                | Addition<br>£ | Disposal<br>proceeds<br>£ | Net valuation<br>movement<br>£ |
|--------------------------------------------|------------------------------|--------|------------------------------|-------------------------|----------------|-------------------------|----------------|---------------|---------------------------|--------------------------------|
|                                            |                              |        |                              | Accounting<br>cost<br>£ | Valuation<br>£ | Accounting<br>cost<br>£ | Valuation<br>£ |               |                           |                                |
| 21 I-Mist Group Limited                    | 2020                         | ●      | Discounted earnings multiple | 1,614,500               | 2,045,350      | 1,614,500               | 1,733,192      | —             | —                         | 312,158                        |
| 22 Rovco Limited                           | 2019                         | ●      | Price of last funding round  | 1,476,880               | 2,033,874      | 1,476,880               | 1,942,141      | —             | —                         | 91,733                         |
| 23 Evolve Dynamics Limited                 | 2024                         | ●      | Cost                         | 1,999,999               | 1,999,999      | —                       | —              | 1,999,999     | —                         | —                              |
| 24 Lepide Group Holding Company Ltd        | 2024                         | ●      | Cost                         | 1,958,916               | 1,958,916      | —                       | —              | 1,958,916     | —                         | —                              |
| 25 Resi Design Limited                     | 2024                         | ●      | Cost                         | 1,950,000               | 1,950,000      | —                       | —              | 1,950,000     | —                         | —                              |
| 26 Positive Response Corporation Ltd       | 2014                         | ●      | Discounted revenue multiple  | 559,195                 | 1,863,724      | 784,195                 | 1,794,413      | —             | (225,000) <sup>1</sup>    | 294,311                        |
| 27 Navitas Group Limited                   | 2023                         | ●      | Discounted revenue multiple  | 1,500,000               | 1,717,868      | 1,500,000               | 1,500,000      | —             | —                         | 217,868                        |
| 28 Copptech UK Limited                     | 2022                         | ●      | Discounted revenue multiple  | 2,455,000               | 1,598,396      | 2,455,000               | 1,431,535      | —             | —                         | 166,861                        |
| 29 Steamforged Holdings Limited            | 2019                         | ●      | Discounted revenue multiple  | 1,600,000               | 1,476,316      | 1,600,000               | 1,791,216      | —             | —                         | (314,900)                      |
| 30 Sprintroom Limited                      | 2023                         | ●      | Discounted earnings multiple | 1,760,000               | 1,345,698      | 1,000,000               | 1,213,592      | 760,000       | —                         | (627,894)                      |
| 31 Iphigenie Limited                       | 2015                         | ●      | Net assets                   | 100                     | 1,277,816      | 100                     | 1,259,719      | —             | —                         | 18,097                         |
| 32 Five Wealth Limited                     | 2023                         | ●      | % of AUM                     | 712,500                 | 1,266,541      | 712,500                 | 712,500        | —             | —                         | 554,041                        |
| 33 ABL Investments Limited                 | 2015                         | ●      | Discounted earnings multiple | 1,494,075               | 1,134,888      | 1,494,075               | 1,535,050      | —             | —                         | (400,162)                      |
| 34 Newsflare Limited                       | 2021                         | ●      | Discounted revenue multiple  | 2,000,000               | 1,032,698      | 2,000,000               | 1,980,632      | —             | —                         | (947,934)                      |
| 35 Kognitiv Spark Inc                      | 2023                         | ●      | Price of last funding round  | 1,000,000               | 928,750        | 1,000,000               | 992,198        | —             | —                         | (63,448)                       |
| 36 Live Group Holdings Limited             | 2023                         | ●      | Discounted revenue multiple  | 1,400,002               | 882,173        | 1,400,002               | 1,400,002      | —             | —                         | (517,829)                      |
| 37 Aerospace Tooling Corporation Limited   | 2013                         | ●      | Discounted revenue multiple  | 415,255                 | 636,459        | 415,255                 | 2,515,550      | —             | —                         | (1,879,091)                    |
| 38 Whitchurch PE 1 Limited                 | 2014                         | ●      | Net assets                   | 378,000                 | 631,443        | 378,000                 | 632,099        | —             | —                         | (656)                          |
| 39 Weduc Holdings Limited                  | 2018                         | ●      | Discounted revenue multiple  | 302,941                 | 531,568        | 302,941                 | 621,776        | —             | —                         | (90,208)                       |
| 40 Additive Manufacturing Technologies Ltd | 2021                         | ●      | Discounted revenue multiple  | 1,833,018               | 528,093        | 1,833,018               | 36,212         | —             | —                         | 491,881                        |

1. Loan repayment.

Key: ● Technology, Media & Telecommunications ● Industrials & Manufacturing ● Healthcare ● Business Services ● Consumer & Leisure ● Other



## Portfolio Overview continued

|                                      |                                    |        |                              | 31 December 2024        |                | 31 December 2023        |                | Addition<br>£ | Disposal<br>proceeds<br>£ | Net valuation<br>movement<br>£ |
|--------------------------------------|------------------------------------|--------|------------------------------|-------------------------|----------------|-------------------------|----------------|---------------|---------------------------|--------------------------------|
| Investment (by value)                | Date of<br>the first<br>investment | Sector | Valuation methodology        | Accounting<br>cost<br>£ | Valuation<br>£ | Accounting<br>cost<br>£ | Valuation<br>£ |               |                           |                                |
| 41 Cole Henry PE 2 Limited           | 2014                               | ●      | Net assets                   | 200,000                 | 355,467        | 200,000                 | 356,122        | —             | —                         | (655)                          |
| 42 The KSL Clinic Limited            | 2023                               | ●      | Discounted earnings multiple | 1,000,000               | 295,608        | 1,000,000               | 1,000,000      | —             | —                         | (704,392)                      |
| 43 Kingsclere PE 3 Limited           | 2014                               | ●      | Net assets                   | 100,000                 | 202,066        | 100,000                 | 202,790        | —             | —                         | (724)                          |
| 44 Sindicatum Carbon Capital Limited | 2007                               | ●      | Nil value                    | 544,538                 | —              | 544,538                 | —              | —             | —                         | —                              |
| 45 Vio Healthtech Limited            | 2018                               | ●      | Nil value                    | 689,928                 | —              | 689,928                 | —              | —             | —                         | —                              |
| 46 Biotherapy Services Limited       | 2019                               | ●      | Nil value                    | 2,250,000               | —              | 2,250,000               | —              | —             | —                         | —                              |
| 47 Callen-Lenz Associates Limited    | 2021                               | ●      | Sold                         | —                       | —              | 4,875,000               | 17,551,767     | —             | (23,111,692)              | 5,559,925                      |
| 48 Specac International Limited      | 2015                               | ●      | Sold                         | —                       | —              | 2,054,761               | 10,851,677     | —             | (11,161,216)              | 309,539                        |
| 49 Crosstown Dough Ltd               | 2021                               | ●      | Sold                         | —                       | —              | 1,500,000               | 477,052        | —             | —                         | (477,052)                      |
| 50 So-Sure Limited                   | 2022                               | ●      | Sold                         | —                       | —              | 1,600,000               | —              | —             | —                         | —                              |
|                                      |                                    |        |                              | 76,774,690              | 109,110,309    | 72,698,333              | 119,586,889    | 14,443,991    | (34,610,781)              | 9,690,210                      |

Key: ● Technology, Media & Telecommunications ● Industrials & Manufacturing ● Healthcare ● Business Services ● Consumer & Leisure ● Other

# About the Manager

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

The Manager is a leading private equity and infrastructure investment manager with its parent company, Foresight Group Holdings Limited, listed on the London Stock Exchange.

The Manager prefers to take a lead role in the companies in which it invests. Larger investments may be syndicated with other investing institutions, or strategic partners with similar investment criteria.

In considering a prospective investment in a company, particular regard will be paid to:

- Evidence of high-margin products or services capable of addressing fast-growing markets
- The company’s ability to sustain a competitive advantage
- The strength of the management team
- The existence of proprietary technology
- The company’s prospects of being sold within five years

The growing private equity investment team of over 50 is proactive and hands-on, with a focus on investing up to £10 million in UK growth companies across a broad range of sectors.

The team, based out of offices in London, Manchester, Nottingham, Edinburgh, Cambridge, Cardiff, Leeds, Dublin, Belfast and Newcastle, with smaller satellite offices in Leicester and Milton Keynes, searches for investment opportunities across the whole of the UK. Two additional offices in Bristol and Exeter are also due to open in H1 2025.



**James Livingston**  
Partner and Co-Head of Private Equity

James joined Foresight Group in 2007 from Deloitte’s strategy consulting team. James has 20 years of experience and is a member of the investment committee and the executive committee. Alongside Matt Smith, James manages the private equity team. During his time at Foresight Group, James has led numerous successful transactions including growth and replacement capital transactions. James holds a Master’s degree in Natural Sciences and Management Studies from Cambridge University, as well as the CIMA Advanced Diploma in Management Accounting.



**Matt Smith**  
Partner and Co-Head of Private Equity

Matt joined Foresight Group in 2010 from Rothschild, where he spent six years advising companies in a range of sectors on a variety of transaction types. Matt has 20 years of experience and is a member of the investment committee and the executive committee. Alongside James Livingston, Matt manages the private equity team. He has a particular focus on ESG considerations and has helped develop Foresight Group’s approach. Matt graduated from Oxford University with a Master’s degree in Biological Sciences and a postgraduate degree in Physiology.



**Claire Alvarez**  
Partner

Claire joined Foresight Group’s Manchester office in 2016 from Deloitte, where she focused on transaction and restructuring services across a range of corporate finance assignments. Claire provides ongoing strategic and financial support to existing portfolio companies, as well as wider management across the private equity team, including a particular focus on origination of transactions. Claire has led on a number of investments for both the VCTs and Foresight Group’s institutional funds. Claire holds an MBA from Manchester Business School as well as a Corporate Finance Certificate from the Securities and Investment Institute. She also holds a degree in Management from Lancaster University.

## About the Manager continued

Since inception, the Manager has worked intensively to invest in, manage and realise a large number of investments. The team completes a considerable number of new deals and exits each year and supports investee companies pursuing various different strategies, including organic growth, buy & build and turnarounds. The team combines executives from varying backgrounds across corporate finance, consulting, accounting, and the private equity sector.

This team has c.300 years' worth of collective investment experience and combines investors' capital and its own expertise with the intention of creating long-term Shareholder value and generating attractive returns for Shareholders.

The Manager has an active and direct portfolio management approach, typically taking a non-executive directorship position on each investee company board. The Foresight Investor Director will influence, support and, where necessary, strengthen or change management, in order to protect and build Shareholder value. This hands-on role involves regular dialogue with the executive and non-executive team on growth, markets, strategy, products and tactics and a continuous evaluation of the performance of the team as a whole. For investments by Foresight VCT and Foresight Enterprise VCT, the Manager will typically negotiate the right to appoint a senior industry expert as chair.

The Manager works particularly closely with the investee companies in the following areas:

- Definition and review of strategy and its implementation
- Recruitment and incentivisation of key management and board members
- Planning for growth, international expansion and new product/service introduction
- Fundraising from banks and other external sources
- Proactive monitoring
- Merger, acquisition and exit planning
- ESG compliance

In 2024, the Manager won "Small Buyout House of the Year" and "ESG Deal of the Year" for its ABL Health exit at the Mergermarket British Private Equity Awards 2024.

Additionally, the Manager won "Best BR Manager (Unlisted)" and "ESG Champion of the Year" at the Growth Investor Awards 2024. The Manager won the "EISA Impact Award" at the EISA Awards 2024. Further, the Manager won "Small Buyout House of the Year" at the Unquote British Private Equity Awards 2024. The Manager has also been shortlisted for the "Deal of the Year" and "PE House of the Year" awards at the Real Deals Awards 2025, was runner-up for the "Most Innovative ESG Initiative" at the ESG Investing Awards 2024 and was highly commended for Investment Week's "VCT Generalist" award.

Claire Alvarez, a Partner in the Manager's private equity team, won the "Finance Leader" award at the North West Leadership Awards. The Manager won Private Equity Deal of the Year at the South East Dealmakers Awards for its investment into Sprint Electric. Additionally, the Manager won "Deal of the Year (sub €2.5 million)" for its investment in Mazars at the Irish Investor Awards 2024.

In addition, the Manager's portfolio company Family Adventures Group also won "Medium Business of the Year (turnover up to £6 million)", the "Service Excellence Award" and the "Business Resilience and Growth Award" at the Somerset Business Awards 2024. Further, the Manager won "Deal of the Year (Sub £10 million)" at the Central and East of England Insiders Awards 2024 for its investment into Cambrionix.

Prior to 2024, the Manager won "UK Small-Cap House of the Year" at the Real Deals ESG Awards 2023 and "Best EIS Investment Manager" at the Enterprise Investment Scheme Association Awards 2023, where it was also highly commended in the "EISA Impact" category. Additionally, the Manager won both "Growth Investor of the Year" and "Best Investor Return" at the Growth Investor Awards 2023 and was shortlisted for several others including "ESG Champion of the Year", "Exit of the Year" for TFC Europe Limited, "Best VCT Investment Manager" and "Best Business Relief Investor Manager - Unlisted". The Manager also featured on the shortlist for "UK Small-Cap Deal of the Year" at the 2023 Real Deals Private Equity Awards for its exit from Codeplay Software Limited. Claire Alvarez, a Partner in the Manager's private equity team, was listed in Real Deals' Future 40 Investment Leaders 2022 listings and was also shortlisted for "Dealmaker of the Year" at the 2023 Northwest Dealmaker Awards. The Manager's sustainability efforts were further recognised in 2023, earning it the "Most Sustainable SME Investment Management Company" at the Wealth and Finance International Awards, the "SME Equity Award" for the AIB Foresight SME Impact Limited Partnership at the Finance Dublin Deals of the Year Awards and a listing in Real Deals Future 40 ESG Innovators.

# Co-Investments

Co-investments have been made by other funds that the Manager advises and manages, as follows:

| Investment                                 | Sector | Foresight Enterprise VCT Accounting cost £ | Foresight VCT Accounting cost £ | Accounting cost of other funds managed by the Manager £ | Total equity of funds managed by the Manager % |
|--------------------------------------------|--------|--------------------------------------------|---------------------------------|---------------------------------------------------------|------------------------------------------------|
| ABL Investments Limited                    | ●      | 1,494,075                                  | 2,750,000                       | —                                                       | 57.3                                           |
| Additive Manufacturing Technologies Ltd    | ●      | 1,833,018                                  | 1,814,869                       | 5,343,552                                               | 16.9                                           |
| Aerospace Tooling Corporation Limited      | ●      | 415,255                                    | 150,000                         | —                                                       | 83.4                                           |
| Biofortuna Ltd                             | ●      | 3,517,537                                  | 1,172,517                       | —                                                       | 59.8                                           |
| Clubspark Group Ltd                        | ●      | 2,460,000                                  | 3,647,174                       | —                                                       | 35.5                                           |
| Cole Henry PE 2 Limited                    | ●      | 200,000                                    | 100,000                         | —                                                       | 50.0                                           |
| Copptech UK Limited                        | ●      | 2,455,000                                  | 2,430,694                       | —                                                       | 10.1                                           |
| Evolve Dynamics Limited                    | ●      | 1,999,999                                  | 1,980,202                       | —                                                       | 11.7                                           |
| Family Adventures Group Ltd                | ●      | 2,500,000                                  | 2,475,274                       | —                                                       | 32.1                                           |
| Firefish Software Limited                  | ●      | 1,500,000                                  | 1,485,148                       | 1,000,000                                               | 26.3                                           |
| Five Wealth Limited                        | ●      | 712,500                                    | 705,445                         | 5,275,000                                               | 51.7                                           |
| Fourth Wall Creative Limited               | ●      | 2,900,000                                  | 4,292,299                       | —                                                       | 41.5                                           |
| Hexarad Group Limited                      | ●      | 2,300,034                                  | 2,277,250                       | —                                                       | 22.3                                           |
| HomeLink Healthcare Limited                | ●      | 2,075,047                                  | 2,054,499                       | —                                                       | 29.2                                           |
| Hospital Services Group Limited            | ●      | 1,200,000                                  | 3,320,000                       | 4,926,995                                               | 81.6                                           |
| I-Mist Group Limited                       | ●      | 1,614,500                                  | 1,598,515                       | 1,271,000                                               | 39.7                                           |
| Mizaic Ltd (formerly IMMJ Systems Limited) | ●      | 2,400,000                                  | 2,376,238                       | —                                                       | 25.3                                           |
| Itad (2015) Limited                        | ●      | 1,371,726                                  | 2,750,000                       | —                                                       | 35.0                                           |

Key: ● Technology, Media & Telecommunications ● Industrials & Manufacturing ● Healthcare ● Business Services ● Consumer & Leisure ● Other



## Co-Investments continued

| Investment                              | Sector | Foresight Enterprise VCT Accounting cost £ | Foresight VCT Accounting cost £ | Accounting cost of other funds managed by the Manager £ | Total equity of funds managed by the Manager % |
|-----------------------------------------|--------|--------------------------------------------|---------------------------------|---------------------------------------------------------|------------------------------------------------|
| Kingsclere PE 3 Limited                 | ●      | 100,000                                    | 100,000                         | —                                                       | 50.0                                           |
| Kognitiv Spark Inc                      | ●      | 1,000,000                                  | 990,099                         | 3,511,158                                               | 22.8                                           |
| Lepide Group Holding Company Ltd        | ●      | 1,958,916                                  | 1,939,520                       | —                                                       | 32.1                                           |
| Live Group Holdings Limited             | ●      | 1,400,002                                  | 1,386,135                       | —                                                       | 35.0                                           |
| Loopr Limited                           | ●      | 1,750,000                                  | 1,732,673                       | —                                                       | 12.3                                           |
| Navitas Group Limited                   | ●      | 1,500,000                                  | 1,485,149                       | 4,345,000                                               | 65.0                                           |
| Newsflare Limited                       | ●      | 2,000,000                                  | 1,980,198                       | —                                                       | 16.2                                           |
| NorthWest EHealth Limited               | ●      | 5,499,999                                  | 5,445,544                       | —                                                       | 77.0                                           |
| PH Realisations 2020 Limited            | ●      | 2,162,929                                  | 1,664,893                       | 1,000,000                                               | 85.0                                           |
| Positive Response Corporation Ltd       | ●      | 559,195                                    | 550,000                         | —                                                       | 63.9                                           |
| Professionals At Play Ltd               | ●      | 2,500,000                                  | 2,467,933                       | 4,500,000                                               | 27.9                                           |
| Red Flag Alert Technology Group Limited | ●      | 2,775,000                                  | 2,747,544                       | —                                                       | 29.9                                           |
| Resi Design Limited                     | ●      | 1,950,000                                  | 1,930,693                       | —                                                       | 19.2                                           |
| Rovco Limited                           | ●      | 1,476,880                                  | 1,457,630                       | 3,130,774                                               | 16.3                                           |
| Spektrix Limited                        | ●      | 2,267,477                                  | 5,204,440                       | —                                                       | 16.8                                           |
| Sprintroom Limited                      | ●      | 1,760,000                                  | 1,742,574                       | 880,000                                                 | 38.4                                           |
| Steamforged Holdings Limited            | ●      | 1,600,000                                  | 2,364,532                       | 1,000,000                                               | 31.9                                           |
| Strategic Software Applications Ltd     | ●      | 2,749,994                                  | 2,722,773                       | —                                                       | 35.2                                           |

Key: ● Technology, Media & Telecommunications ● Industrials & Manufacturing ● Healthcare ● Business Services ● Consumer & Leisure ● Other

## Co-Investments continued

| Investment                   | Sector | Foresight Enterprise VCT Accounting cost<br>£ | Foresight VCT Accounting cost<br>£ | Accounting cost of other funds managed by the Manager<br>£ | Total equity of funds managed by the Manager<br>% |
|------------------------------|--------|-----------------------------------------------|------------------------------------|------------------------------------------------------------|---------------------------------------------------|
| Ten Health & Fitness Limited | ●      | 2,400,000                                     | 3,552,650                          | —                                                          | 56.7                                              |
| The KSL Clinic Limited       | ●      | 1,000,000                                     | 990,099                            | 6,750,000                                                  | 71.3                                              |
| Titania Group Limited        | ●      | 1,250,000                                     | 1,237,624                          | —                                                          | 16.7                                              |
| Weduc Holdings               | ●      | 302,941                                       | 699,140                            | 157,577                                                    | 44.3                                              |
| Whitchurch PE 1 Limited      | ●      | 378,000                                       | 100,000                            | —                                                          | 50.0                                              |

Companies valued at £nil have been excluded from the table above.

Where the Manager controls over 50% of an investment by virtue of its discretionary management of one or more funds under management, decisions either have to be taken by the individual boards of the shareholding companies in respect of their individual holdings or voting is limited to 50%.

# Stakeholders and s.172

Directors' duty to promote the success of the Company

The Board of Directors consider, both individually and together, that they have acted in a way they consider, in good faith, is likely to promote the success of the Company for the benefit of its members as a whole in the decisions taken during the year.

This report sets out how the Directors have had regard to promoting the success of the Company for the benefit of its stakeholders as a whole and, in making their decisions, have had regard to s.172 of the Company Act 2006, namely:

- The likely consequence of any decision in the long term
- The interests of the Company's employees
- The need to foster the Company's business relationships with suppliers, customers and others
- The impact of the Company's operations on the community and the environment
- The desirability of the Company maintaining a reputation for high standards of business conduct
- The need to act fairly between members of the Company

## The Board

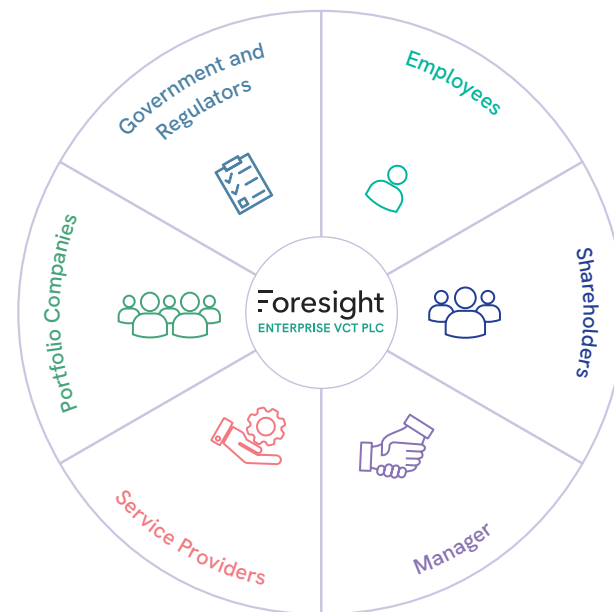
The Board generally adopts the 2019 AIC Code of Corporate Governance which provides the framework for the governance of the Company.

As a VCT, the Board has delegated the day-to-day management of the Company to the Manager, who is responsible for the administration, accounting and company secretarial services of the Company. The Manager also has delegated responsibility for overseeing the relationships with key services providers such as the registrar, broker and VCT status adviser.

To ensure that the Directors are aware of, and understand, their duties, they are provided with a comprehensive induction, including details of all relevant regulatory and legal duties as a director of a UK public limited company when they first join the Board, and as part of each offer for subscription exercise. They also have access to the advice and services of the Company Secretary, and when deemed necessary, can seek independent professional advice.

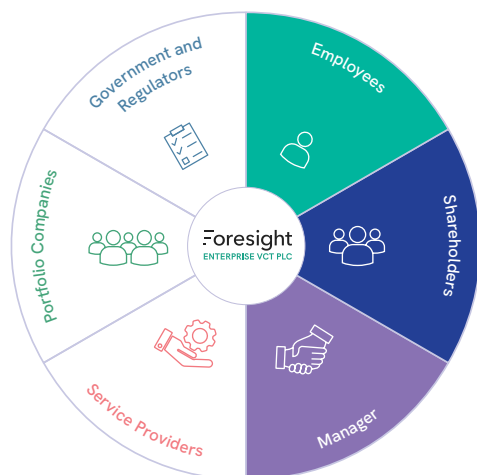
## Long-term strategic considerations

The Board carefully considers the long-term consequences of its decisions to ensure the sustainable growth and success of the Company. This involves evaluating potential risks and opportunities, and how they may impact the Company's financial health, market position, VCT status and stakeholder relationships over time. By taking a forward-looking approach, the Board aims to make decisions that not only drive immediate performance but also foster resilience and adaptability in the face of future challenges. This strategic vision helps to secure the Company's long-term viability and aligns with its commitment to delivering its key objectives to Shareholders and other stakeholders.



# Stakeholders and s.172 continued

Directors' duty to promote the success of the Company



## Employees

As an externally managed investment company, the Company does not have employees; however, the Board has a close working relationship with the employees of the Manager as the Board considers this integral to the long-term success of the Company.



## Shareholders

### Why we engage

The Board and the Manager recognise the critical importance of engaging with Shareholders on a regular basis to maintain a high level of transparency and accountability. Their support is essential for raising additional capital, which is contingent upon the Company's performance and transparent reporting on portfolio progress.

### How we engage

The Board encourages Shareholders to attend and vote at the Annual General Meeting, and any other shareholder meetings that may be required during the year. The Chair of the Board and the Chair of each committee attend general meetings of the Company and are available to engage with and answer any questions posed by Shareholders. The Board also ensures that the Manager attends shareholder meetings in order to provide detailed updates on the Company's portfolio.

The Company also engages with its Shareholders through the Annual and Half-Yearly Reports, news releases via the London Stock Exchange and the Company's website. The Annual and Half-Yearly Reports and other shareholder information are distributed to Shareholders and made available on the website <https://www.foresight.group/products/foresight-enterprise-vct-plc>, along with other pertinent information, including quarterly factsheets.



## Manager

### Why we engage

The Company's principal relationship is with the Manager, whose investment management and administration services are fundamental to the long-term success of the Company and the pursuit of its key objectives. The Board places significant emphasis on the investment performance of the Company and closely monitors the Manager's ability to deliver satisfactory strong results. This involves regular and rigorous reviews of the Manager's performance against predefined benchmarks and objectives. The Board seeks to maintain a constructive and collaborative working relationship with the Manager, ensuring open communication and alignment of interests.

### How we engage

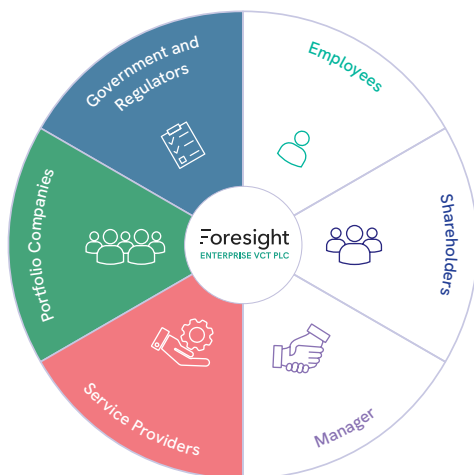
At every Board meeting, representatives from the Manager's investment, accounting and company secretarial teams attend the meeting to provide the Board with comprehensive updates on the financial and operational performance of the Company, as well as legal and regulatory compliance updates. The Company also holds an annual strategy day with the Manager to review and assess the Company's investment strategy and objectives, and also to receive a comprehensive update from the Manager matters such as the VCT market, investment landscape and Foresight Group as a whole.





# Stakeholders and s.172 continued

Directors' duty to promote the success of the Company



## Service Providers

*Including the registrar, the VCT status adviser, the auditor, the lawyers and the broker:*

### Why we engage

As an investment company, the Company relies on a diverse range of third-party service providers. Either directly or through the Manager, the Company works with these service providers to ensure that they provide the level of service required to ensure that the Company continues to operate in line with applicable laws, regulations and best practice, as well as in the best interest of its Shareholders.

### How we engage

Through the Manager, annual site visits are undertaken with key service providers to maintain a close working relationship as well as ensuring that service providers' internal systems and controls are sufficient for the Company's needs. The Company also meets with the auditor at least twice per year and invites its lawyers and broker to attend Board meetings when considered necessary. The Management Engagement Committee undertakes an annual review of key service providers, including the Manager, where it considers factors such as cost and quality of service and makes recommendations to the Board regarding their continued appointment.



## Portfolio Companies

### Why we engage

The long-term success of the Company and delivery of its key objectives are directly linked to the performance of its underlying portfolio companies.

### How we engage

Each quarter, the Board is provided with sufficient information and support to scrutinise the performance of the portfolio companies. This thorough review process ensures that the Board can make informed decisions based on accurate and up-to-date information.

Each year, the Board seeks to hold one Board meeting at one of the Manager's regional offices, as well as investee company site visits. This provides the opportunity to visit a selection of portfolio companies and meet with the management teams. These meetings offer several benefits, including fostering stronger relationships between the Board and the portfolio companies, gaining deeper insights into the business' operations and challenges, and ensuring that the companies are adhering to the Company's standards and expectations. By engaging directly with the portfolio companies, the Board can better understand their strategic direction, provide valuable feedback and support their long-term growth and success. This proactive approach helps to enhance the overall performance of the portfolio and contributes to the sustainable success of the Company.



## Government and Regulators

### Why we engage

As a venture capital trust, the impact of government decisions and policy changes may have significant consequences for the Company and its Shareholders.

### How we engage

The Company is a member of the AIC and both the Board and Manager actively participate in AIC activities such as roundtables, lobbying activities and events. When deemed appropriate, the Board will also engage directly with the government on matters relating to the Company.

# Stakeholders and s.172 continued

In accordance with Section 172 of the Companies Act 2006, the Board has a duty to promote the success of the Company for the benefit of its members as a whole, while having regard to various factors including the interests of employees, fostering business relationships with suppliers, customers, and others, and considering the impact of the Company’s operations on the community and the environment.

Throughout the year, engagement with stakeholders took place to gather feedback and understand their concerns. To illustrate how the Board has considered the matters set out in s.172, the table below highlights some of the key decisions and actions taken by the Board over the course of the year.

The actions include alignment with the Company’s strategy and the interests of the Company’s stakeholders. By transparently reporting on these matters, the Board demonstrates its commitment to addressing stakeholder concerns and promoting the long-term success of the Company.

Examples:

| The likely consequences of any decision in the long term                                                                                                                                                                                                                                                                                                 | The need to foster the Company’s business relationships with suppliers, customers and others                                                                                                                                                                                                                                                                                                                                                                                                        | The desirability of the Company maintaining a reputation for high standards of business conduct                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | The interests of employees                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | The impact of the Company’s operations on the community and the environment                                                                                                                                                                                                                                                                        | The need to act fairly between members of the Company                                                                                                                                                                                                                                                                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The Board considered the Company’s cash balances and the VCT rules regarding the 80% test, as well as the Company’s objective of distributing funds to Shareholders following exceptional realisations. The Board agreed that the special interim divided declaration would support the Company in the long term, whilst adhering to its key objectives. | Through the Manager, the Company fosters strong business relationships with key service providers. On behalf of the Company, the Manager undertakes due diligence exercises either on site or through comprehensive questionnaires. The Manager provides the Board with reports on its findings which enables the Board to assess whether there were any areas of concern. Through this approach, the Board can make more informed decisions on the continued appointment of key service providers. | Through the Manager, the Board will have representation at portfolio company level, either through a board seat, or observer status. This enables the Company and the Manager to ensure that the portfolio companies maintain or achieve the expected standards of governance and best practice in their operations. As part of the Manager’s 100 day plan post investment, a key area of focus is often governance best practice which can involve the introduction of new board members with specific industry experience to support the business, for example. | The Company prioritises aligning the interests of Shareholders and managers by establishing clear investment goals and performance benchmarks. This strategy incentivises the management team to pursue long-term growth and profitability, benefiting both Shareholders and employees. Additionally, the Company has a well-defined incentive plan for managers, incorporating performance-based bonuses. This approach motivates managers to drive the Company’s success, as their rewards are directly linked to the Company’s performance. | As the Company focuses on providing growth capital to SMEs across the UK, the Board is committed to supporting the local communities in the areas in which it invests. Through the Company’s investments, portfolio companies have additional capital to enable job creation and encourages all portfolio companies to pay the nation living wage. | The Company ensures that all Shareholders are treated equally, regardless of their investment size. This commitment involves providing transparent and timely information to every member. Furthermore, the Company maintains a fair voting system, where each Shareholder’s vote is counted equally, reflecting the collective interests of all members. |

# Responsible Investment

Often referred to as responsible investment, environmental, social and governance principles (“ESG”) provide not only a key basis for generating attractive returns for investors, but also to help build better-quality businesses in the UK, creating jobs and making a positive contribution to society.

ESG criteria 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 c.72% of the current portfolio, with the view to reaching 100% as legacy investments are sold over time. Central to its investment approach are five ESG principles which are used to evaluate investee companies.

Overall, over 100 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 life cycle of an investment:



# Responsible Investment<sub>continued</sub>

## UN SDGs

While contribution to the UN's Sustainable Development Goals ("SDGs") is not a determining factor for investment decisions, many investee companies have important linkages, and sometimes contributions, to the SDGs.

In May 2021, the Manager formalised its Investment 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 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.

Each portfolio company is subject to an annual assessment where progress against each of the five principles is measured and an evaluation matrix updated to allow progress to be tracked and continuous improvement encouraged.

The diagram below shows the specific SDGs that the Manager has identified linkages to.





# Responsible Investment<sub>continued</sub>

## Credentials

The Manager has been a member of the UK Sustainable Investment and Finance Association since 2009 and a signatory to the Principles for Responsible Investment (“PRI”) since 2013.

The Manager is an accredited Living Wage Employer and a signatory of the HM Treasury Women in Finance Charter, committing to implement recommendations to improve gender diversity in financial services. Portfolio companies are encouraged to pursue similar objectives.

## Climate change statement

The Manager has a long-term investing vision. As such, taking actions to mitigate the risks posed by climate change, whilst also investing to generate commercial returns for our investors, must be done hand-in-hand. The Manager has been a signatory to the United Nations-backed PRI since 2013. PRI is a globally recognised voluntary framework concerned with the incorporation of ESG considerations into the investment decision-making process. It provides a basis for potential and existing investors to judge the quality of a company’s ESG processes and positioning within an industry sector. In 2024, the Manager was once again awarded five stars by PRI across Foresight Group and the Private Equity, Infrastructure and Capital Markets divisions.

The Board supports the Manager’s views on climate change and ESG and its process in the evaluation of an asset’s environmental and social impact during due diligence and thereafter. For each material risk identified during due diligence, a mitigation plan is proposed in the investment submission and these actions form part of each portfolio company’s “100-day plan” post-investment.

From an environmental perspective, analysis relating to the implementation of good industry practice in limiting and mitigating the potentially adverse environmental impact of a company’s operations has four principal components:

- Environmental policy and track record
- Energy and resource usage and environmental impact
- Environmental impact of products and services
- Environmental performance improvements

Regular monitoring post-investment ensures that standards are maintained in respect of ESG issues where there is a change in either the regulatory or operating environment or the composition of the management team.

## Task Force on Climate-related Financial Disclosures (“TCFD”)

Foresight Group reports in line with the TCFD recommendations. As a small authorised UK AIFM and by virtue of its legal entity status, the Company is exempt from TCFD product-level reporting requirements. However, the Company provides carbon emissions data, which is one of the TCFD’s reporting requirements, through its pioneering Sustainability Data Platform. The Board and Manager will review the Company’s ability to provide additional TCFD-related data in the future. Further details can be found at [www.foresightgroup.eu](http://www.foresightgroup.eu).





# Responsible Investment<sub>continued</sub>

## Environmental, human rights, employee, social and community issues

The Board recognises the requirement under Section 414 of the Companies Act 2006 to provide information about environmental matters (including the impact of the Company's business on the environment), employee, human rights, social and community issues; and information about any policies it has in relation to these matters and the effectiveness of these policies.

The Company does not have any policies in place for human rights, environmental, social and community issues due to having no office premises, no employees and its purchases being services as opposed to tangible products. The Manager's policies in respect of all the above issues can be found on its website: [www.foresightgroup.eu](http://www.foresightgroup.eu).

## Diversity

The Board currently comprises two female and two male Directors, with one Director from an ethnic minority background. There is no formal diversity policy in place, however the Board is conscious of the need for diversity and will consider male and female candidates from all ethnic backgrounds when appointing new Directors.

The Manager has an equal opportunities policy and, as at 31 March 2024, employed 239 men (2023: 232) and 167 women (2023: 158).

As at 31 December 2024, Foresight had a total of 38 directors, comprising 29 males and nine females. Additionally, Foresight had a total of 41 individuals within the Senior Management team, eight of which were female and 33 of which were male.

## Global greenhouse gas emissions

The Company has no greenhouse gas emissions to report from the operations of the Company, nor does it have responsibility for any other emissions sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.



# Risks

## Principal risks, risk management and regulatory environment

### Internal controls and risk management

In accordance with the AIC Code of Corporate Governance, We have established a robust framework of internal controls to effectively manage and mitigate risks. Our system includes comprehensive policies, regular risk assessments, and continuous monitoring to ensure operational integrity and regulatory compliance. This proactive approach helps us safeguard our assets and achieve our strategic objectives.

The Board carries out half-yearly reviews of the risk environment in which the Company operates, including emerging risks.

The principal risks and uncertainties identified by the Board which might affect the Company's business and future performance, and the steps taken with a view to their mitigation, are set out below. These include investment overexposure, lack of available cash, inadequate control environment within the Manager, inadequate control environment at other third-party service providers, economic conditions leading to reduced valuations, poor investment decisions, dilution of equity position, poor performance leading to reduced investor demand, restrictive VCT rules, failure to satisfy VCT status, non-qualifying investments affecting VCT status, and the Manager no longer able to act.

Additionally, several emerging risks have been identified that could significantly impact the Company's operations and performance. **Geopolitical risk** involves disruptions to supply chains and increased operational costs due to political instability and conflicts. **Cyber security** threats are growing in sophistication, posing risks of data breaches and operational disruptions. The rapid advancement of **artificial intelligence ("AI")** brings concerns about data privacy, algorithmic biases and **potential economic instability**. Lastly, the risk of a **global pandemic** could severely impact economic activity, restrict movement and hinder the Fund's ability to service its assets, as highlighted by the COVID-19 pandemic.

The Board, with the help of the Manager's extensive research resources and market intelligence, surveys the full risk landscape of the Company in order to identify increasing and emerging risks to which the Company may be exposed in the future. The Board questions which parts of the Company's business may be vulnerable to disruption, including the business models of its investee companies and third-party suppliers.

Throughout the year, comprehensive analyses are conducted to evaluate the portfolio's exposure to various risks. These include geopolitical risks, which may arise from international political developments; the effect of fluctuating interest rates on individual investee companies; and the financial impact of increases to employers' national insurance contributions.

The findings from these analyses are systematically circulated to the Board, enabling informed decision-making regarding the best course of action.

The Manager continuously assesses the impact of these risks on the Company's portfolio, ensuring that any potential threats are identified and addressed promptly. This ongoing assessment process allows the Company to remain agile and responsive to emerging risks.

The Board and Manager are confident that through diligent monitoring and proactive mitigation strategies, the Company is well equipped to manage and minimise the impact of these risks, including the increases to employers' national insurance. This approach underscores our commitment to safeguarding the Company's assets and ensuring long-term stability and growth.

Quarterly Board reviews focus on emerging risks and their implications, ensuring timely actions to address new challenges. Dynamic risk registers are maintained and updated regularly to reflect new risks, including detailed descriptions and mitigation strategies. These approaches ensure a comprehensive and proactive identification of emerging risks, aligning with best practices in risk management.

Further details of the Board's climate change considerations are provided in the Climate change statement in the Responsible Investment section on pages 43 to 46.

# Riskscontinued

## Principal risks, risk management and regulatory environment

| Risk                                       | Description                                                                                                                                                                                                                                                                                                                                                                                                                                    | Key controls and mitigation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|--------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Principal risks                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Market risk</b><br>⬆                    | Macroeconomic changes, geopolitical developments, including the risk of war, or external shocks affect the investment community in general and lead to a fall in the valuation of investee companies, a drop in the Company's share price or widening discount to Net Asset Value, resulting in capital losses for Shareholders.                                                                                                               | The Manager ensures the portfolio is diversified and the Board reviews it at least quarterly. The Company also maintains sufficient cash reserves to be able to provide additional funding to investee companies where appropriate and to repurchase its own shares.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Internal control risk</b><br>↗          | The control environments at service providers, including the Manager, have inadequate procedures for the identification, evaluation and management of cyber security and data protection, putting the Company's assets and data at risk.                                                                                                                                                                                                       | The Board carries out semi-annual reviews of the system of internal and cyber controls, both financial and non-financial, operated by the Manager and other service providers. These reviews include controls designed to ensure that the Company's assets are safeguarded and that proper accounting records are maintained.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Strategic and performance risk</b><br>➡ | <p>The Board fails to set appropriate strategic objectives and fails to monitor the Company's implementation of strategy which leads to poor performance.</p> <p>Unattractive objectives or prolonged poor performance lead to a lack of investor demand for the Company's shares, making it difficult to raise new capital, a lack of cash available to fund buybacks and an inability to control a widening share price discount to NAV.</p> | <p>The Board and the Manager meet for an annual strategy day. Also, the investment strategy and underlying performance are further monitored quarterly at Board meetings.</p> <p>The Board and the Manager aim to implement robust performance management strategies to identify and address under-performance early. This includes setting clear goals, providing regular feedback, and offering training and development opportunities. In addition, the Board and the Manager aim to reduce reliance on a single source of revenue by diversifying the portfolio. This can help stabilise income and make the Company more resilient to market fluctuations. There is a major focus on improving the Company's financial health by managing costs effectively, optimising cash flow, and maintaining a healthy balance sheet.</p> <p>Furthermore, the Board aims to maintain transparent and frequent communication with investors about the Company's performance, strategies and future plans. This can help build trust and confidence in the Company's potential.</p> |



# Risks continued

## Principal risks, risk management and regulatory environment

| Risk                                                                                                                                  | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Key controls and mitigation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|---------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Principal risks</b>                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Legislative and regulatory risk</b><br>           | <p>The Company fails to comply with applicable laws and regulations including VCT Rules, UK Listing Authority Rules, AIC Code on Corporate Governance, Stewardship Code, Companies Act, Bribery Act, Market Abuse Regulations, data protection rules, Criminal Finances Act and relevant Taxes Acts and as a result loses its approval as a VCT.</p> <p>Radical changes to VCT rules limit satisfactory investment returns and the ability to issue new shares, leading to a reduction in the sale of investee companies. This leads to a cash flow issue which restricts dividend payments or share buybacks and the Company's ability to control a widening share price discount to NAV.</p> <p>The "Sunset clause" for EIS and VCT reliefs has been extended by ten years to April 2035, following the European Commission's confirmation that they would not oppose the continuation of the scheme. This now removes any recent uncertainty and will help support further investment by the VCT sector in early-stage companies.</p> | <p>The Manager is contracted to provide company secretarial, accounting and administration services through qualified professionals and the Board receives regular updates on compliance with relevant regulations.</p> <p>The Company, the Manager and the VCT status adviser are, between them, members of the VCT Managers Association, EIS Association and the AIC and are regularly consulted by HMRC and Treasury, or reply to consultations, before changes in legislation take place, often enabling a middle ground to be agreed on legislative changes.</p> <p>The Board and Manager review corporate governance and regulatory changes on a continual basis and seek additional advice as and when required.</p>               |
| <b>VCT qualifying status risk</b><br>                | <p>The Company fails to observe the conditions laid down in the Income Tax Act 2007 for the maintenance of approved VCT status. The loss of such approval could lead to the Company ceasing to be exempt from corporation tax on capital gains, to investors being liable to pay income tax on dividends received from the Company and capital gains tax on the disposal of their shares, and, in certain circumstances, to investors being required to repay the initial income tax relief on their investment.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <p>The Manager takes legal advice for each transaction to ensure all investments are qualifying. Advance assurance, where appropriate, is sought from HMRC ahead of completion. The Manager keeps the Company's VCT qualifying status under continual review, seeking to take appropriate action to maintain it where required, and its reports are reviewed by the Board on a quarterly basis. The Board has also retained Shakespeare Martineau LLP to undertake an independent VCT status monitoring role.</p>                                                                                                                                                                                                                         |
| <b>Investment valuation and liquidity risk</b><br> | <p>The Company's investments are in small and medium-sized unquoted companies which are VCT qualifying holdings, and which, by their nature, entail a higher level of risk, subjective valuations and lower liquidity than investments in larger quoted companies. Unquoted companies have no published market price for their shares. The value of the shares needs to be calculated based on other information using estimates and judgements, and is reliant on the accuracy and completeness of information provided by investee companies. As the Manager's remuneration is based on the Company's Net Asset Value, there is an inherent conflict of interest in valuations of the portfolio by the Manager.</p> <p>The Company may not be able to sell its investments in unquoted companies. Insufficient capital realisations and the Company's inability to raise new capital could prevent the Company from meeting its financial objectives and restrict dividends and buybacks.</p>                                          | <p>The Manager aims to limit the risk attaching to the portfolio as a whole by careful selection, close monitoring and timely realisation of investments, by carrying out rigorous due diligence procedures and maintaining a spread of holdings in terms of industry sector. The Board reviews the investment portfolio and anticipated realisations with the Manager on a quarterly basis.</p> <p>Valuations are prepared in accordance with the IPEV Valuation Guidelines, as discussed in more detail in note 1 to the accounts. Sensitivity analysis is disclosed in note 15. The Board reviews portfolio valuations quarterly and the external auditor performs an annual review, as noted in the Independent Auditor's Report.</p> |

# Risks continued

## Principal risks, risk management and regulatory environment

| Risk                                  | Description                                                                                                                                                                                                                                                                                                           | Key controls and mitigation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|---------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Emerging risks</b>                 |                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Geopolitical risk</b>              | The risk that geopolitical activity has a negative impact on the Company by disrupting supply chains, raising costs, etc.                                                                                                                                                                                             | <p>The Company maintains a diversified portfolio across various sectors and geographies to manage exposure to global political and economic instability. The Company focuses on industries that demonstrate long-term resilience and conduct rigorous macroeconomic analysis and scenario planning to anticipate potential disruptions, allowing us to adjust our investment strategy proactively.</p> <p>By prioritising companies with strong fundamentals, adaptable business models, and robust financial health, we enhance our portfolio's ability to withstand economic volatility. The Company engages with portfolio companies to ensure proactive risk management, agile operational strategies, and contingency planning to mitigate the impact of regulatory changes, trade disruptions, and market fluctuations.</p> <p>The Manager mitigates geopolitical risk through strategic diversification, continuous risk monitoring, and investment in resilient businesses. The Company minimises exposure by prioritising companies with adaptable supply chains and strong governance, ensuring regulatory compliance and robust contingency planning to safeguard long-term value against geopolitical uncertainties.</p> |
| <b>Cybersecurity</b>                  | The risk that Company information, including the personal data of investors, is lost or shared with unauthorised parties as a result of a cyber-attack or that the Company's information and technology systems become vulnerable to damage or interruption resulting in them becoming compromised and/or inoperable. | <p>The Manager carries out annual audits on key service providers to the Company either through a due diligence questionnaire or on-site visits, where matters such as cyber security, internal controls and processes are assessed, and feedback and recommendations shared with the service provider.</p> <p>Furthermore, the Manager has implemented key controls such as strong access control and conducts continuous monitoring, to ensure disaster recovery and business continuity measures are in place. The Manager also emphasises security awareness and training for employees, assesses third-party cyber security practices, and performs regular security assessments to identify and address potential vulnerabilities.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Artificial intelligence ("AI")</b> | The risk that the rapid advancement and widespread deployment of AI could lead to a lack of data privacy, data and algorithmic bias, loss of human influence, broader economic and political instability or a financial crisis, all of which could have a potentially material effect on the Company.                 | <p>To mitigate these risks, we have implemented several key controls and strategies:</p> <p>The Manager has implemented data governance practices, strict access control policies, and continuous monitoring to ensure the security of its use of AI. The Manager assesses the security practices of third-party suppliers and include AI-specific security requirements in contracts where appropriate. Ongoing training and awareness campaigns keep employees informed about AI-related security risks and best practices. These measures ensure the use of AI is resilient against potential cyber security threats.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Global pandemic</b>                | The risk that the emergence of a new global pandemic could potentially have a materially negative impact on economic activity, restrict freedom of movement and hinder the Company's ability to service its assets.                                                                                                   | The Company proactively manages pandemic-related risks through sector diversification, investment in resilient industries, and strategic risk assessment. Our portfolio includes businesses with strong digital capabilities, flexible supply chains, and adaptive business models. The Company conducts regular stress testing to assess the impact of global disruptions and support our portfolio companies in strengthening their operational resilience. Additionally we monitor emerging health risks and global policy responses to inform investment decisions, ensuring long-term sustainability and value preservation for our Shareholders.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

# Viability Statement

In accordance with principle 21 of the AIC Code of Corporate Governance published by the AIC in February 2019, the Directors have assessed the prospects of the Company over the three-year period to 31 December 2027. This three-year period is used by the Board during the strategic planning process and is considered reasonable for a business of its nature and size.

## Principal risks and uncertainties

In making this statement, the Board carried out a robust assessment of the principal risks facing the Company, including those that might threaten its business model, future performance, solvency or liquidity. The Board concentrated its efforts on the major factors that affect the economic, regulatory and political environment.

## Business model and strategy

The Board also considered the ability of the Company to raise finance and deploy capital. This assessment took account of the availability and likely effectiveness of the mitigating actions that could be taken to avoid or reduce the impact of the underlying risks, including the Manager adapting its investment process to take account of the more restrictive VCT investment rules that currently apply.

## Financial position and performance

The Directors have also considered the Company's income and expenditure projections and underlying assumptions for the next three years and found these to be realistic and sensible.

## Stress testing and scenario analysis

Stress testing on the cash flow forecast has not been performed, due to the discretionary nature of the main inflows and outflows. If fewer funds are raised, and fewer realisations achieved, then fewer investments and buybacks can be made and reduced dividends can be paid. The contracted ongoing costs of the Company are sufficiently covered for the next three years and, in addition, the normal ongoing expenses are subject to an annual expenses cap.

Based on the Company's processes for monitoring cash flow, share price discount, review of the investment objective and policy, asset allocation, sector weightings and portfolio risk profile, the Board has concluded that there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three years to 31 December 2027.

This Strategic Report has been prepared in accordance with the requirements of Section 414 of the Companies Act 2006 and best practice. Its purpose is to inform the members of the Company and help them to assess how the Directors have performed their duty to promote the success of the Company, in accordance with Section 172 of the Companies Act 2006.

## Future strategy

The Board and the Manager believe that the strategy of continuing to qualify as a VCT and focusing on growth private equity investments is currently in the best interests of Shareholders and the historical information reproduced in this report is evidence of positive recent performance in this area.

The Company's performance relative to its peer group will depend on the Manager's ability to allocate the Company's assets effectively, make successful investments and manage its liquidity appropriately.

Based on this comprehensive assessment, the Board has a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the next three years. The Board is confident in the Company's ability to navigate potential challenges and capitalise on opportunities to achieve its strategic objectives.

The Board acknowledges that the assessment is subject to inherent uncertainties and assumptions. Any significant changes in the external environment or unforeseen events could impact the Company's viability. The Board will continue to monitor these factors closely and take appropriate actions to ensure the Company's long-term success.

This Strategic Report has been approved for issue by the Board.

**Michael Gray**

Chair

23 April 2025

# Governance

## What's in this section

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# Board of Directors

The Directors have significant relevant experience of similar investment funds, regulatory organisations, corporate governance of listed companies, the private equity industry and investing in small companies.



**Michael Gray**  
Chair of the Board (since 1 January 2024)

**Appointed**  
14 February 2017

## Experience

Michael has extensive experience in funds, banking and other capital markets. He was most recently the regional managing director, corporate banking for RBS International with responsibility for The Royal Bank of Scotland's Corporate Banking Business in the Crown Dependencies and British Overseas Territories. In a career spanning 31 years with The Royal Bank of Scotland Group plc, Michael has undertaken a variety of roles including that of auditor, and has extensive general management and lending experience across a number of industries.

## Other positions

Michael is a Fellow of The Chartered Institute of Bankers in Scotland and a qualified corporate treasurer.

**Beneficial shareholding**  
28,448 shares



**Gaynor Coley**  
Non-Executive Director and Chair of the Audit Committee

**Appointed**  
10 September 2020

## Experience

Gaynor is a Chartered Accountant with over 30 years of experience in private and public sector finance. She is Chair of the Audit Committee and has extensive experience of governance, compliance and risk management. She is a Non-Executive Director of Lowland Investment Co plc and Chair of the Audit Committee and a trustee of the Duchy Health Charity.

## Other positions

Gaynor is very familiar with the challenges of stakeholder management, business growth and development. She was a Founding Director of the £140 million award-winning Eden Project, leading the funding and setting up of the innovative social enterprise structure. After 13 years as Managing Director at the Eden Project, she went on to join the Royal Botanic Gardens, Kew as Director of Public Programmes, responsible for rebranding the gardens and growing the commercial income streams. She then chaired the board of directors of Wave Bristol Ltd, an inland surf project, from start-up for five years. She was Director of Finance at Plymouth University for five years prior to joining the Eden Project, encouraging spin-out companies and enterprise initiatives.

**Beneficial shareholding**  
15,267 shares

## Board of Directors continued



**Ian Harris**  
Non-Executive Director

**Appointed**  
1 December 2023

### Experience

Ian joined the Board on 1 December 2023. He has considerable experience in the private markets sector and was a Partner and Chief Operating Officer at SL Capital Partners LLP, the private equity and infrastructure division of Standard Life Investments. Ian had responsibility for all aspects of fund administration, finance, tax, compliance/risk and client reporting. Ian chaired valuation and risk committees covering a wide range of unlisted asset classes and has served on the board of investment vehicles domiciled in the UK, US, Ireland and Luxembourg.

### Other positions

Ian is a Chartered Accountant and a member of the ICAEW. He is also a trustee and Chair of Scotland Yard Adventure Centre ("The Yard"), a charity based in Edinburgh. Prior to being appointed Chair of The Yard in September 2024, Ian was Deputy Chair and also chaired the Audit and Finance Committee of The Yard.

**Beneficial shareholding**  
19,704 shares



**Kavita Patel**  
Non-Executive Director, Deputy Chair and Chair of the  
Management Engagement & Remuneration Committee  
and Nomination Committee

**Appointed**  
1 September 2023

### Experience

Kavita joined the Board on 1 September 2023 and was appointed Deputy Chair on 1 January 2024. Until 31 July 2024, she was a member of Ampa Holdings, a professional services group, and a Partner and Head of Investment Funds at law firm, Shakespeare Martineau. Kavita is currently a consultant to SHMA which is due to end on 30 April 2025. Kavita has a wealth of experience advising clients in the financial services arena both in the retail and institutional space on corporate, regulatory and governance matters, and is considered a VCT specialist.

### Other positions

Kavita is also a Non-Executive Director of Nottingham Building Society where she sits on the Board Risk Committee, Board Audit Committee and the Remuneration Committee, as well as being the Board Consumer Duty Champion. Kavita is also a member of the AIC VCT Forum.

**Beneficial shareholding**  
38,645 shares

# Directors' Report

The Directors present their report and the financial statements of the Company for the year ended 31 December 2024.

## Activities and status

The principal activity of the Company during the year was the making of investments in unquoted companies in the UK. The Company is not an investment company within the meaning of Section 833 of the Companies Act 2006. It has satisfied the requirements as a VCT under Sections 274-280A of the Income Tax Act 2007. Confirmation of the Company's qualification as a VCT has been received up to 31 December 2023 and the Directors have managed and intend to continue to manage the Company's affairs in such a manner as to comply with these regulations.

## Results and dividends

The total profit attributable to Shareholders for the year amounted to £11,409,000 (2023: £9,060,000). The Board paid a special dividend of 5.0p on 19 January 2024, an interim dividend of 3.3p per share on 12 July 2024 and a special dividend of 7.1p of 15 November 2024.

## Net Asset Value Total Return

The Company's principal indicator of performance, NAV Total Return per share, as at 31 December 2024 was 69.9p, representing an increase in NAV Total Return of 6.6% in the year (65.6p as at 31 December 2023, representing an increase in NAV Total Return of 6.2% in the prior year).

## Political contributions

During the fiscal year, the Company did not make any political contributions. The Board remains committed to maintaining transparency and adhering to all relevant regulations regarding political donations and contributions.

## Engagement with suppliers, customers, and others

In accordance with the Companies Act 2006, the Directors have actively engaged with suppliers, customers, and other stakeholders throughout the year. This engagement is crucial for fostering strong business relationships, ensuring the quality of our supply chain, and understanding the needs and expectations of our customers. Regular feedback mechanisms, meetings, and collaborative initiatives have been implemented to enhance these interactions and support the Company's long-term success.

## Share issues

During the year 49,802,894 shares and 8,770,397 shares were issued pursuant to an offer for subscription and the dividend reinvestment scheme respectively. Shares were issued at issue prices ranging from 54.1p to 65.5p per share. At 31 December 2024, the Company had 298,828,254 shares in issue.

## Share buybacks

During the year the Company repurchased 16,473,505 shares for cancellation at a cost of £9.4 million. No shares bought back by the Company are held in treasury. Share buybacks have been completed at an average discount of 5.0%.

## Principal risks, risk management and regulatory environment

A summary of the principal risks faced by the Company is set out in the Strategic Report on pages 47 to 50.

## Financial instruments

Details of all financial instruments used by the Company during the year are given in note 15 to the accounts.

## Policy of paying creditors

The Company does not subscribe to a particular code but follows a policy whereby suppliers are paid by the due date and investment purchases are settled in accordance with the stated terms. At the year end, trade creditors represented an average credit period of zero days (2023: zero days).

## Management

The Company has appointed Foresight Group LLP (the "Manager") to provide investment management, accounting and administration services.

Annually, the Management Engagement & Remuneration Committee reviews the appropriateness of the Manager's appointment. In carrying out its review, the Management Engagement & Remuneration Committee considers the investment performance of the Company and the ability of the Manager to produce satisfactory investment performance. It also considers the length of the notice period of the investment management contract and fees payable to the Manager, together with the standard of other services provided, which include company secretarial services. It is the Board's opinion that the continuing appointment of the Manager on the terms agreed is in the interests of Shareholders as a whole. The last review was undertaken in April 2025. The principal terms of the management agreement are set out in note 3 to the accounts.

# Directors' Report continued

## Management continued

The annual expenses cap is 2.35% of net assets, which is at the lower range of any VCT with total assets over £50 million.

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

Foresight Group LLP was appointed as manager on 30 July 2004 and earned fees of £3,553,000 in the year to 31 December 2024 (2023: £3,035,000). Foresight Group LLP received £207,000 excluding VAT (2023: £197,000) during the year in respect of secretarial, administrative, accounting and custodian services to the Company. A performance incentive fee of £1,964,000 has been recognised during the year to 31 December 2024 (2023: £1,569,000). Foresight Group LLP also received from investee companies arrangement fees of £411,000 (2023: £530,000) and Directors' fees of £876,000 (2023: £797,000).

|                           | £'000        |
|---------------------------|--------------|
| Management fee            | 3,553        |
| Secretarial fee           | 207          |
| Performance incentive fee | 1,964        |
| Arrangement fees          | 411          |
| Directors' fees           | 876          |
|                           | <b>7,011</b> |

All amounts are stated, where applicable, net of VAT. The Manager is also a party to the performance incentive agreements described in note 13 to the accounts. Foresight Promoter LLP, a related party to the Manager, earned fees of £554,000 (2023: £770,000) in respect of costs incurred related to share allotments in the year.

At the time of writing, officers and staff of the Manager held a total of 169,869 shares in the Company.

## Performance-related incentives

The Manager is entitled to a payment equal to 15% of dividends paid to Shareholders, subject to the total return (Net Asset Value plus cumulative dividends paid per share) exceeding 100.0p ("High Watermark"), both immediately before and after the performance incentive fee is paid.

After each distribution is made to Shareholders where a performance incentive is paid, the High Watermark required to be achieved by the Company to trigger a further performance incentive fee will be amended to take account of the dividend paid. As a result of performance incentive fee payments made in the current and previous years, the High Watermark at as 31 December 2024 was 116.8p (2023: 110.3p). Further details can be found in note 13 to the accounts.

The performance incentive fee may be satisfied by either a cash payment or the issue of shares (or by a combination of both) ultimately at the Board's discretion and, as such, qualifies as a share-based payment. Any new shares to be issued to the Manager would be calculated by dividing the performance fee cash equivalent amount by the latest Net Asset Value per share after adding the cumulative dividends to be paid.

A performance incentive fee of £3,079,000 was paid in the year (2023: £734,000). A performance incentive fee accrual of £nil (2023: £1,115,000) has been provided for in these accounts. Further details can be found in note 13 to the accounts.

## Venture Capital Trust status

Foresight Enterprise VCT plc has been granted approval as a Venture Capital Trust ("VCT") under Sections 274-280A of the Income Tax Act 2007 for the year ended 31 December 2023.

The next complete review will be carried out for the year ended 31 December 2024. It is intended that the business of the Company be carried on so as to maintain its VCT status.

The Board and the Manager have managed, and continue to manage, the business in order to comply with the legislation applicable to VCTs. The Board has appointed Shakespeare Martineau LLP to monitor and provide continuing advice in respect of the Company's compliance with applicable VCT legislation and regulation. Reviews of prospective investments are carried out by advisers assisting on the relevant investment transaction. As at 31 December 2024, the Company had 96.1% (by VCT value) of its applicable funds in such VCT qualifying holdings.

## VCT tax benefit for Shareholders

To obtain VCT tax reliefs on subscriptions up to £200,000 per annum, a VCT investor must be a "qualifying" individual over the age of 18 with UK taxable income. The tax reliefs for subscriptions since 6 April 2006 are:

- Income tax relief of up to 30% on subscription by qualifying investors for new shares
- VCT dividends (including capital distributions of realised gains on investments) are not subject to income tax in the hands of qualifying investors
- Capital gains on disposal of VCT shares by qualifying investors are tax-free, whenever the disposal occurs



# Directors' Report continued

## VCT tax benefit for Shareholders continued

The upfront income tax relief will be forfeited by Shareholders if the shares are not held for five years or the Company loses its approval as a VCT in that period.

The other tax reliefs will similarly be lost if the Company loses its approval as a VCT.

## Substantial shareholdings

So far as the Board is aware, there were no individual shareholdings representing 3% or more of the Company's issued share capital at the date of this report.

## Likely future developments

Please refer to the Manager's Review on page 23 for more details on likely future developments.

## Alternative Investment Fund Managers Directive ("AIFMD")

The AIFMD came into force on 22 July 2013 and sets out the rules for the authorisation and ongoing regulation of Alternative Investment Fund Managers ("AIFMs") that manage authorised Alternative Investment Funds ("AIFs") in the EU. The Company qualifies as a small authorised AIF and so is required to comply, although additional costs and administration requirements are not material. The Company's approval was confirmed in August 2014. This has not affected the current arrangements with the Manager, who continues to report to the Board and manage the Company's investments on a discretionary basis.

## Valuation policy

Investments held by the Company have been valued in accordance with the International Private Equity and Venture Capital ("IPEV") Valuation Guidelines (December 2022 and further COVID-19 guidance for March 2020) developed by the British Venture Capital Association and other organisations. Through these guidelines, investments are valued as defined at "fair value". Where the investment being valued was made recently, its cost would normally provide a good starting point for estimating fair value.

At each measurement date, fair value is estimated using appropriate valuation techniques. Investments quoted or traded on a market are valued at bid price. The portfolio valuations are prepared by the Manager, reviewed and approved by the Board quarterly and are subject to annual review by the external auditor.

## Statutory Instrument 2008/410 Schedule 7 part 6

The following disclosures are made in accordance with Statutory Instrument 2008/410 Schedule 7 Part 6.

## Capital structure

The Company's issued share capital as at 22 April 2025 was 316,531,550 Ordinary Shares of 1 penny each. Further information on the share capital of the Company is detailed in note 11 to the accounts.

## Voting rights in the Company's shares

Details of the voting rights in the Company's shares at the date of this report are given in note 5 in the Notice of Annual General Meeting on page 106.

## Notifiable interests in the Company's voting rights

At the date of this report no notifiable interests had been declared in the Company's voting rights.

## Auditor

Pursuant to Section 487(2) of the Companies Act 2006, the Board has decided to propose the reappointment of Deloitte LLP as auditor and a resolution concerning this will be proposed at the Annual General Meeting.

## Audit information

Pursuant to Section 418(2) of the Companies Act 2006, each of the Directors confirms that (a) so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and (b) they have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of such information.

## Companies Act 2006 disclosures

In accordance with Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, as amended, the Directors disclose the following information:

- The Company's capital structure and voting rights are summarised above, and there are no restrictions on voting rights nor any agreement between holders of securities that result in restrictions on the transfer of securities or on voting rights
- There exist no securities carrying special rights with regard to the control of the Company

# Directors' Report continued

## Companies Act 2006 disclosures continued

- The rules concerning the appointment and replacement of Directors, amendment of the Articles of Association and powers to issue or buy back the Company's shares are contained in the Articles of Association of the Company and the Companies Act 2006
- The Company does not have any employee share scheme
- There exist no agreements to which the Company is party that may affect its control following a takeover bid
- There exist no agreements between the Company and its Directors providing for compensation for loss of office that may occur following a takeover bid or for any other reason

## Conflicts of interest

The Directors have declared any conflicts or potential conflicts of interest to the Board which has the authority to approve such conflicts. The Company Secretary maintains the Register of Directors' Conflicts of Interest which is reviewed quarterly by the Board and when changes are notified. The Directors advise the Company Secretary and Board as soon as they become aware of any conflicts of interest. Directors who have conflicts of interest do not take part in discussions concerning their own conflicts.

## Whistleblowing

The Board has been informed that the Manager has arrangements in place in accordance with the UK Corporate Governance Code's recommendations by which staff may, in confidence, raise concerns within their respective organisations about possible improprieties in matters of financial reporting or other matters.

On the basis of that information, adequate arrangements are in place for the proportionate and independent investigation of such matters and, where necessary, for appropriate follow-up action to be taken.

## 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. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are referred to in the Chair's Statement, Strategic Report and Notes to the Accounts. In addition, the Annual Report and Accounts include the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

The Company has adequate financial resources together with investments and income generated therefrom across a variety of industries and sectors. As a consequence, the Board believes that the Company is able to manage its business risks.

Three-year cash flow projections to 31 December 2027 have been reviewed and show that the Company has sufficient funds to meet both its contracted expenditure and its discretionary cash outflows in the form of share buybacks and dividends. The Company has no external loan finance in place and therefore is not exposed to any gearing covenants, although its underlying investments may have external loan finance.

The Directors have considered the impact of the difficult economic outlook, inflationary pressures, energy costs and ongoing geopolitical tensions during their assessment of going concern and have reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of approval of these financial statements. Thus they continue to adopt the going concern basis of accounting in preparing the annual accounts.

Post-balance sheet events are disclosed in note 20.

## Directors' remuneration

Following changes to the Companies Act 2006, UK investment companies must comply with new regulations in relation to Directors' remuneration. Directors' fees can only be paid in accordance with a remuneration policy which has been approved by Shareholders. The Company must also publish a Directors' Remuneration Report that complies with a new set of disclosure requirements. See pages 68 to 72.

# Directors' Report continued

## Directors' indemnification and insurance

To the extent permitted by law, the Directors have the benefit of indemnities under the Articles of Association of the Company against liabilities they may incur acting in their capacity as Directors of the Company.

An insurance policy is maintained by the Company which indemnifies the Directors of the Company against certain liabilities that may arise in the conduct of their duties. There is no cover against fraudulent or dishonest actions. These indemnities were made during the year and remain in force at the date of this report.

## Annual General Meeting

A formal notice convening the Annual General Meeting on 10 June 2025 can be found on pages 104 to 107.

Resolutions 1 to 9 will be proposed as ordinary resolutions, meaning that for each resolution to be passed more than 50% of the votes cast at the meeting must be in favour of the resolution. Resolutions 10 and 11 will be proposed as special resolutions, meaning that for each resolution to be passed at least 75% of the votes cast at the meeting must be in favour of the resolution. Resolutions 9 to 11 renew share issue and buyback authorities granted at previous general meetings of the Company and are explained in further detail below. The Directors believe that the proposed resolutions are in the interests of Shareholders and accordingly recommend Shareholders to vote in favour of each resolution.

## Resolution 9

Resolution 9 will authorise the Directors to allot relevant securities generally, in accordance with Section 551 of the Companies Act 2006, up to an aggregate nominal amount of £1,450,000 (representing 45.8% of the issued share capital of the Company as at the date of this Annual Report). This authority will be used for the purposes listed under the authority requested under Resolution 10. This includes authority to issue shares pursuant to the dividend reinvestment scheme operated by the Company, performance incentive fee arrangements with Foresight Group LLP and relevant individuals of the Foresight Group LLP investment team and further top-up offers for subscription to raise new funds for the Company if the Board believes this to be in the best interests of the Company. All new offers are intended to be at an offer price linked to NAV.

The authority conferred by Resolution 9 is in substitution for all existing authorities and will expire (unless renewed, varied or revoked by the Company in a general meeting) on the conclusion of the Annual General Meeting of the Company to be held in the year 2026, or, if earlier, on the date falling 15 months after the passing of the resolution, save that the Company may allot equity shares after such date in pursuance of a contract or contracts made prior to the expiration of this authority.

## Resolution 10

Resolution 10 will sanction, in a limited manner, the disapplication of pre-emption rights in respect of the allotment of equity securities (i) with an aggregate nominal amount of up to £700,000 pursuant to offer(s) for subscription, (ii) with an aggregate nominal amount of up to 10% of the issued share capital pursuant to the dividend reinvestment scheme operated by the Company at a subscription price per share which may be less than the Net Asset Value per share, as may be prescribed by the scheme terms, (iii) with an aggregate nominal amount of up to £100,000 pursuant to performance incentive arrangements with Foresight Group LLP and relevant individuals of the Foresight Group LLP investment team at a subscription price which may be less than the Net Asset Value per share and (iv) with an aggregate nominal amount of up to 10% of the issued share capital from time to time for general purposes, in each case where the proceeds of such issue may be used in whole or part to purchase the Company's shares. The authority conferred by Resolution 10 is in substitution for all existing authorities and will expire (unless renewed, varied or revoked by the Company in a general meeting) at the conclusion of the Annual General Meeting to be held in 2026 or, if earlier, on the date falling 15 months after the passing of the resolution, save that the Company shall be entitled to make offers or agreements before the expiry of such authority which would or might require equity securities to be allotted after such expiry and Directors shall be entitled to allot equity securities pursuant to any such offers or agreements as if the authority conferred hereby had not expired.

# Directors' Report continued

## Annual General Meeting continued

### Resolution 11

It is proposed by Resolution 11 that the Company be authorised to make market purchases of the Company's own shares. Under this authority the Directors may purchase up to 47,448,079 shares (representing approximately 14.99% of the Company's shares in issue at the date of this Annual Report) or, if lower, such number of shares (rounded down to the nearest whole share) as shall equal 14.99% of the issued share capital at the date the resolution is passed. When buying shares, the Company cannot pay a price per share which is more than 105% of the average of the middle market quotation for a share taken from the London Stock Exchange daily official list on the five business days immediately before the day on which shares are purchased or, if greater, the amount stipulated by Article 5(6) of the Market Abuse Regulation (EU) 596/2014 (as such Regulation forms part of UK law and as amended).

The authority conferred by Resolution 11 is in substitution for all existing authorities and will expire (unless renewed, varied or revoked by the Company in a general meeting) at the conclusion of the Annual General Meeting to be held in 2026 or, if earlier, on the date falling 15 months after the passing of the resolution, save that the Company may purchase its shares after such date in pursuance of a contract or contracts made prior to the expiration of this authority.

Front-end VCT income tax relief is only obtainable by an investor who makes an investment in new shares issued by the Company. This means that investors may be willing to pay more for new shares issued by the Company than they would pay to buy shares from an existing Shareholder. Therefore, in the interest of Shareholders who may wish to sell shares from time to time, the Company proposes to renew the authority to buy-in shares, as it enables the Board to provide a degree of liquidity in the Company's shares.

Whilst, generally, the Company does not expect that Shareholders will want to sell their shares within five years of subscribing for them because this would lead to a loss of tax relief, the Directors anticipate that from time to time a Shareholder may need to sell shares within this period. In making purchases the Company will deal only with member firms of the London Stock Exchange and at a discount to the then prevailing Net Asset Value per share of the Company's shares to ensure that existing Shareholders' interests are protected.

This report has been approved for issue by the Board.

## Foresight Group LLP

### Company Secretary

23 April 2025



# Corporate Governance



“The introduction of the new AIC Code in 2024, with effect from 1 January 2025, will be a focus for the Board in the coming year to ensure that it continues to comply with provisions of the Code.”

**Michael Gray**  
Chair

The AIC Code addresses the Principles and Provisions set out in the UK Corporate Governance Code (the “AIC Code”) issued by the Financial Reporting Council, as well as setting out additional Provisions on issues that are of specific relevance to the Company.

The introduction of the new AIC Code in 2024, with effect from 1 January 2025, will be a focus for the Board in the coming year to ensure that it continues to comply with provisions of the Code.

The Board considers that reporting against the Principles and Provisions of the AIC Code, which has been endorsed by the Financial Reporting Council, provides more relevant information to Shareholders.

The Company has complied with the Principles and Provisions of the AIC Code for the year ended 31 December 2024.

## The Board

The Board comprises four Directors, all of whom are non-executive and the majority of whom are independent in accordance with AIC guidelines and Listing Rules. The Board actively encourages Directors to hold shares in the Company, ensuring that their personal interests are aligned with the interests of Shareholders. The Board does not feel that such holdings call into question Directors’ independence.

The Chair has served on the Board for less than nine years from the date of his appointment in February 2017. The Board therefore considers the Chair independent in character and judgement and his re-election is sought every year. The Nomination Committee meets annually to discuss the appropriateness of the Board appointments and considers there to be no circumstances which are likely to impair the Chair’s independence.

Kavita Patel was, until 31 July 2024, a partner at Shakespeare Martineau, before becoming a consultant to Shakespeare Martineau from 1 August 2024.

Shakespeare Martineau offers legal and VCT status advice to the Company, as well as legal advice to Foresight. Historically, Kavita was responsible for these services to the Company, however, she ceased to have any role in respect of services to the Company prior to her appointment and no longer provides advice to the Company in this capacity.

During the year, the Board conducted a thorough review of the independence of Kavita Patel. It was determined that she would not be considered independent under the UK Listing Rules or the AIC Code whilst her consultancy with Shakespeare Martineau continues on the basis that she would be considered a “professional adviser” by virtue of ongoing services being provided to Foresight.

The majority of the Board is nonetheless independent for the purpose of the UK Listing Rules and the AIC Code. Kavita Patel will also become independent for the purpose of the UK Listing Rules once her consultancy arrangement with Shakespeare Martineau has ended (anticipated on 30 April 2025).

Furthermore, the Board recognised in its assessment the distinction between “independence” as defined by the AIC Code and the UK Listing Rules, and independence from a conflicts of interest perspective. In this regard, on the basis that Kavita has not provided services to the Company since her appointment, the Board concluded in its assessment that the former does not compromise the latter.

In compliance with the AIC Code, and the UK Listing Rule 9.8.6, the Board remains committed to maintaining high standards of governance and transparency. This includes ensuring that all reviews and assessments are conducted with the utmost diligence and integrity.

The Directors have significant relevant experience of similar investment funds to VCTs, regulatory organisations, corporate governance of listed companies, the private equity sector and investing in small companies.

# Corporate Governance continued

## Disclosure of conflicts of interest

In accordance with Principle 5 of the AIC Code of Corporate Governance, the Board has established procedures to manage conflicts of interest. Directors are required to disclose any potential conflicts at the outset of each Board meeting and as they arise. The Board maintains a register of interests and ensures that any conflicts are managed in a manner that upholds the integrity and independence of the Board's decision-making processes. This approach ensures that the influence of third parties does not compromise or override independent judgement.

## Diversity and Inclusion Statement

In compliance with DTR 7.2.8A, the Board remains committed to fostering diversity and inclusion. The Board consists of four Directors: two female and two male members, one of whom is from an ethnic minority background. The positions of Deputy Chair and Chair of the Audit Committee are held by the two female directors. This composition demonstrates the Board's belief that a diverse board brings a range of perspectives and experiences, which are vital for effective governance and informed decision-making.

## Relationship with the Manager

The Board maintains a close and constructive relationship with the Manager, which is essential for the effective operation of the Company. Regular meetings are held to discuss the Company's performance, strategic direction, and any issues that may arise. The Manager provides comprehensive reports on portfolio performance, market conditions, and investment opportunities, enabling the Board to make informed decisions. This collaborative relationship ensures that the Company's long-term objectives are aligned with the interests of Shareholders.

## Board effectiveness and evaluation

The Board conducts a formal annual evaluation of its performance and that of its committees, in line with the AIC Code recommendations. This process begins with a questionnaire completed by the Chair and individual Directors. The Chair then reviews the results with the Board and its committees, and takes appropriate action to address any issues identified. The Board is dedicated to maintaining high standards of effectiveness, regularly evaluating its performance and implementing best practices to ensure robust governance and strategic oversight.

To further this commitment, the Board is undertaking an external evaluation of its performance and that of its committees during 2025. This external evaluation will be carried out by an independent third party to provide an objective assessment. The aim is to gain deeper insights into the Board's effectiveness, identify areas for improvement, and benchmark against best practices in corporate governance. This initiative reflects our commitment to maintaining the highest standards of governance and continuous improvement.

The Chair leads the Board in formulating its strategic direction and achieving its objectives. The Chair is responsible for organising the Board's activities, ensuring its effectiveness, and setting its agenda. Additionally, the Chair facilitates the effective contribution of the Directors, ensures they receive accurate, timely and clear information, and promotes effective communication with Shareholders.

## Board leadership

The leadership of the Board is instrumental in guiding the Company towards achieving its strategic objectives. The Chair, along with the Directors, provides strong and effective leadership, fostering a culture of accountability, transparency and ethical conduct.

The Board's leadership ensures that the Company adheres to its core objectives and principles, while also driving innovation and consistent growth. Through proactive engagement with stakeholders, the Board demonstrates its commitment to delivering long-term value for Shareholders and other stakeholders.

## Culture

To ensure that the culture at the Manager aligns with the Company's purpose, values and strategy, the Board has implemented several oversight mechanisms:

- i. **Regular communication and reporting:** We ensure consistent and structured communication channels between the Board and the Manager. This includes regular reports and updates on how the Manager's activities and culture align with the Company's strategic objectives and values.
- ii. **Performance reviews and evaluations:** Periodic performance reviews and evaluations of the Manager are conducted. These reviews assess not only financial performance but also cultural alignment and adherence to the Company's strategic goals.
- iii. **Site visits:** Board members visit the Manager's offices on a regular basis, along with the offices of portfolio investment companies annually. These visits can provide first-hand insights into the working environment, cultural practices and overall alignment with the Company's ethos.
- iv. **Training and development programmes:** The Manager engages in training and development initiatives to foster the desired culture and ensure consistency across both organisations.
- v. **Stakeholder feedback:** Feedback is obtained from key stakeholders, to gauge the cultural alignment of the Manager. This feedback can provide valuable insights into areas of strength and opportunities for improvement.

# Corporate Governance continued

## Director Tenure

In alignment with Principle 7 of the AIC Code of Corporate Governance 2019, the Board has established guidelines regarding the tenure of its directors. It is generally expected that directors will not serve on the Board for more than nine years. This policy is designed to ensure the Board remains dynamic and refreshed with new perspectives, while maintaining a balance of experience and continuity.

However, the Board recognises that there may be exceptional circumstances where it is in the best interests of the Company for a director to serve beyond this period. Such circumstances will be considered on a case-by-case basis, taking into account the director’s contribution, performance, and the needs of the Company at that time.

## Division of responsibilities

The Board is responsible to Shareholders for the proper management of the Company and meets at least quarterly and on an ad hoc basis as required. It has formally adopted a schedule of matters that are required to be brought to it for decision, thus ensuring that it maintains full and effective control over appropriate strategic, financial, operational and compliance issues.

A management agreement between the Company and the Manager sets out the matters over which the Manager has authority, including monitoring and managing the existing investment portfolio and the limits above which Board approval must be sought. All other matters are reserved for the approval of the Board of Directors. The Manager, in the absence of explicit instruction from the Board, is empowered to exercise discretion in the use of the Company’s voting rights.

Individual Directors may, at the expense of the Company, seek independent professional advice on any matter that concerns them in the furtherance of their duties.

The Board has access to the Manager’s company secretarial team who act on behalf of the Manager as Company Secretary to the Company and who also attend Board meetings. The Company Secretary plays a crucial role in ensuring effective governance by providing comprehensive support to the Board and its committees, facilitating clear communication, and ensuring compliance with statutory and regulatory requirements.

Representatives of the Manager attend all formal Board meetings although the Directors may on occasion meet without representatives of the Manager being present. Informal meetings with the Manager are also held between Board meetings as required. Attendance by Directors at Board and Committee meetings is detailed in the table on the following page. The Company Secretary provides full information on the Company’s assets, liabilities and other relevant information to the Board in advance of each Board meeting.

In addition to the meetings below, 14 further meetings were held in relation to the publication of corporate documents, fundraising, share issues, investments and Company strategy.

|                             | Board | Audit | Nomination | Management<br>Engagement &<br>Remuneration |
|-----------------------------|-------|-------|------------|--------------------------------------------|
| Gaynor Coley                | 4/4   | 2/2   | 1/1        | 1/1                                        |
| Michael Gray <sup>1</sup>   | 4/4   | 1/2   | 1/1        | 1/1                                        |
| Ian Harris                  | 3/4   | 2/2   | 1/1        | 1/1                                        |
| Kavita Patel                | 4/4   | 2/2   | 1/1        | 1/1                                        |
| Raymond Abbott <sup>2</sup> | 2/4   | 1/2   | 1/1        | 1/1                                        |

1. On 11 April 2024, the Audit Committee agreed that it was best practice for Michael Gray as the Chair of the Board to attend the Audit Committee meetings as an observer moving forward.  
2. Raymond Abbott resigned on 11 June 2024.

In light of the responsibilities retained by the Board and its committees and of the responsibilities delegated to the Manager, Shakespeare Martineau LLP and other service providers, the Company has not appointed a chief executive officer or a senior independent non-executive director as recommended by the AIC Code. The provisions of the AIC Code which relate to the division of responsibilities between a chair and a chief executive officer are, accordingly, not applicable to the Company.

# Corporate Governance continued

## Board committees

The Board has adopted formal terms of reference, which are available to view on the website (<https://www.foresight-group/products/foresight-enterprise-vct-plc>), for three standing committees which make recommendations to the Board in specific areas.

The Audit Committee comprises Gaynor Coley (Chair), Kavita Patel and Ian Harris (with Michael Gray in attendance), all of whom are considered to have sufficient recent and relevant financial experience to discharge the role, and meets at least twice a year to consider, amongst other things, the following:

- Review the valuation of unquoted investments
- Monitor the integrity of the Annual and Half-Yearly Reports of the Company and recommend the accounts to the Board for approval
- Review the Company's internal control and risk management systems
- Make recommendations to the Board in relation to the appointment of the external auditor
- Review and monitor the external auditor's independence
- Implement and review the Company's policy on the engagement of the external auditor to supply non-audit services

In the prior year, the Shareholders reappointed Deloitte LLP as the Company's auditor as proposed by the Board.

The Audit Committee has performed an assessment of the audit process and the Auditor's Report in the Audit Committee Report. The Directors have decided to recommend the reappointment of Deloitte LLP as auditor and a resolution concerning this will be proposed at the Annual General Meeting.

Blick Rothenberg Limited provides the Company's taxation services. The Company's Chair, Michael Gray, is no longer a member of the Audit Committee following FRC best practice.

The Management Engagement & Remuneration Committee comprises Kavita Patel (Chair), Gaynor Coley, Michael Gray and Ian Harris and meets at least annually to consider the levels of remuneration of the Directors. More details can be found in the Directors' Remuneration Report. The Management Engagement & Remuneration Committee also reviews the appointment and terms of engagement of the Manager. The Board has decided that the entire Board of Directors should fulfil the role of the Management Engagement & Remuneration Committee due to its size

The Nomination Committee comprises Kavita Patel (Chair), Gaynor Coley, Michael Gray and Ian Harris and meets at least annually to consider the composition and balance of skills, knowledge and experience of the Board and to make nominations to the Board in the event of a vacancy. The Board has decided that the entire Board of Directors should fulfil the role of the Nomination Committee due to its size.

The Board believes that, as a whole, it has an appropriate balance of skills, experience and knowledge. The Board believes that diversity of experience and approach, including gender diversity and ethnic minority representation, amongst Board members is important and it is the Company's policy to give careful consideration to issues of Board balance, diversity and culture when making new appointments. The Board currently comprises two male Directors and two female Directors, as well as one Director with ethnic minority background. There is no formal diversity policy in place, however the Board is conscious of the need for diversity and will consider both male and female candidates from all ethnic backgrounds when making new appointments.

The Board also recognises the importance of fostering a positive and inclusive culture that aligns with the Company's values and strategic objectives.

The Nomination Committee makes recommendations to the Board on the Company's succession plans and also considers the resolutions for the re-election of Directors.

The Directors have overall responsibility for the Company's system of internal control, which includes service providers, and for reviewing its effectiveness.

The internal controls system is designed to manage rather than eliminate the risks of failure to achieve the Company's business objectives. The system is designed to meet the particular needs of the Company and the risks to which it is exposed and by its nature can provide reasonable, but not absolute, assurance against misstatement or loss.

## Internal controls

The Manager has an established system of financial control, including internal financial controls, to ensure that proper accounting records are maintained and that financial information for use within the business and for reporting to Shareholders is accurate and reliable and that the Company's assets are safeguarded.

The Manager was appointed as Company Secretary in 2017 with responsibilities relating to the administration of the non-financial systems of internal control. All Directors have access to the advice and services of the officers of the Company Secretary, who is responsible to the Board for ensuring that Board procedures and applicable rules and regulations are complied with. Pursuant to the terms of its appointment, the Manager invests the Company's assets and has physical custody of documents of title relating to equity investments.



# Corporate Governance continued

## Internal controls continued

There is a continuous process for identifying, evaluating and managing the significant risks faced by the Company, that has been in place for the year under review and up to the date of approval of the Annual Report and Accounts, and this process is regularly reviewed by the Board and accords with the guidance. The process is based principally on the Manager's existing risk-based approach to internal control whereby a risk register is created that identifies the key functions carried out by the Manager and other service providers, the individual activities undertaken within those functions, the risks associated with each activity and the controls employed to counter those risks. A residual risk rating is then applied.

The Board is provided with reports highlighting all changes to the risk ratings and confirming the action that has been, or is being, taken. This process covers consideration of the key business, operational, compliance and financial risks facing the Company and includes consideration of the risks associated with the Company's arrangements with the Manager, Shakespeare Martineau LLP and other service providers. The Audit Committee has carried out a review of the effectiveness of the system of internal control, together with a review of the operational and compliance controls and risk management, as it operated during the year, and reported its conclusions to the Board (which was satisfied with the outcome of the review).

Such review procedures have been in place throughout the full financial year and up to the date of approval of the accounts, and the Board is satisfied with their effectiveness. These procedures are designed to manage, rather than eliminate, risk and, by their nature, can only provide reasonable, but not absolute, assurance against material misstatement or loss.

The Board monitors the investment performance of the Company against its objectives at each Board meeting.

The Board also reviews the Company's activities since the last Board meeting to ensure that the Manager adheres to the agreed investment policy and approved investment guidelines and, if necessary, approves changes to such policy and guidelines.

The Board has reviewed the need for an internal audit function. It has decided that the systems and procedures employed by the Manager, the Audit Committee and other third-party advisers provide sufficient assurance that a sound system of internal control, which safeguards Shareholders' investments and the Company's assets, is maintained. In addition, the Company's financial statements are audited by external auditors. The Board has therefore concluded that it is not necessary to establish an internal audit function at present, but this policy will be kept under review.

## UK Stewardship Code

While the Manager supports the aims and objectives of the FRC's Stewardship Code, it is not currently a signatory. It is, however, working to ensure alignment with the Stewardship Code, and will periodically review its position regarding becoming a signatory in future. A statement to that effect is noted on the Manager's website and can be found at: [www.foresightgroup.eu/stewardship](http://www.foresightgroup.eu/stewardship).

## Relations with Shareholders

The Company communicates with Shareholders and solicits their views where it considers it is appropriate to do so. The Manager hosts regular investor forums for Shareholders and publishes quarterly factsheets, as well as information on new investments, on the Company's website.

In accordance with AIC Code Provision 4, the Board is committed to transparency and accountability. We highly value the feedback received from our Shareholders and consider it integral to our decision-making process.

During the past year, Shareholder feedback has significantly influenced several key decisions. For example, we have enhanced our governance practices to ensure greater oversight, and introduced new measures to improve communication with our investors at investor days.

We believe that this ongoing dialogue with our Shareholders helps us to better align our strategies with their expectations and enhances the overall governance of the Company. This collaborative approach ensures that we remain responsive to Shareholder needs and continue to drive sustainable growth.

Individual Shareholders are welcomed to the Annual General Meeting, where they have the opportunity to ask questions of the Directors, including the Chair, as well as the Chairs of the Audit, Nomination and Management Engagement & Remuneration Committees. There is also an open invitation for Shareholders to meet the Manager. For more information on the Directors' relations with Shareholders please refer to the Section 172(1) statement in the Strategic Report on pages 39 to 42.

**Michael Gray**

Chair

23 April 2025

# Audit Committee Report



**Gaynor Coley**  
Chair of the Audit Committee

The Audit Committee has identified and considered the following key areas of risk in relation to the business activities and financial statements of the Company:

- Valuation of unquoted investments
- Existence of unquoted investments
- Venture Capital Trust status

These issues were discussed with the Manager and the auditor at the conclusion of the audit of the financial statements, as explained below:

## Valuation of unquoted investments

The Directors have met quarterly to assess the appropriateness of the estimates and judgements made by the Manager, and approve, the investment valuations. As a VCT, the Company's investments are all in unquoted securities, which can be difficult to value and require the application of skill, knowledge and judgement by the Board and Audit Committee. During the valuation process the Manager follows the valuation methodologies for unlisted investments as set out in the IPEV Valuation Guidelines and appropriate industry valuation benchmarks. These valuation policies are set out in note 1 of the accounts. These were then further audited by the auditor and reviewed and challenged by the Audit Committee. The Manager confirmed to the Audit Committee that the investment valuations had been calculated consistently with prior years and in accordance with published industry guidelines, taking account of the latest available information about investee companies and current market data.

## Existence of unquoted investments

For all investments made, both share certificates and loan stock documentation are held by the Manager in the Company's own name and regular reconciliations are carried out by the Manager to ensure that valid documents of title are held.

## Venture Capital Trust status

Maintaining VCT status and adhering to the tax rules of Section 274 of ITA 2007 is critical to both the Company and its Shareholders for them to retain their VCT tax benefits.

The Manager confirmed to the Audit Committee that the conditions for maintaining the Company's status as an approved VCT had been met throughout the year. The Manager seeks legal advice in advance for all qualifying investments and reviews the Company's qualifying status in advance of realisations being made and throughout the year. The Audit Committee is in regular contact with the Manager and any potential issues with VCT status would be discussed at or between formal meetings. In addition, an external third-party review of VCT status is conducted by Shakespeare Martineau LLP on a quarterly basis and this is reported to both the Board, Audit Committee and the Manager.

# Audit Committee Report continued

## Auditor's assessment

The Manager and auditor confirmed to the Audit Committee that they were not aware of any material misstatements. Having reviewed the reports received from the Manager and the auditor, the Audit Committee is satisfied that the key areas of risk and judgement have been addressed appropriately in the financial statements and that the significant assumptions used in determining the value of assets and liabilities have been properly appraised and are sufficiently robust. The Audit Committee considers that Deloitte LLP has carried out its duties as auditor in a diligent and professional manner. During the year, the Audit Committee assessed the effectiveness and quality of the current external audit process by assessing and discussing specific audit documentation presented to it in accordance with guidance issued by the Auditing Practices Board. The audit partner is rotated every five years, ensuring that objectivity and independence is not impaired.

In accordance with the AIC Code's recommended tenure guidelines, Chris Hunter concluded his five-year term as audit partner at the end of 2023. Consequently, John Clacy has been appointed as the audit partner for the 2024 financial year, as previously noted in last year's Annual Report. No tender for the audit of the Company has been undertaken since this date and the Audit Committee does not intend to put the audit out to tender during the current financial year. As part of its review of the continuing appointment of the auditor, the Audit Committee considers the need to put the audit out to tender, its fees and independence from the Manager along with any matters raised during each audit. Deloitte LLP is not engaged for non-audit services.

The Audit Committee considered the performance of the auditor during the year and agreed that Deloitte LLP continued to provide a good level of service and maintained a good knowledge of the VCT market, making sure audit effectiveness and quality continued to be maintained.

The Audit Committee met in April 2024 to review the Annual Report and Accounts for the year ended 31 December 2023 and the Company's risk register, and in September 2024 to review the Half-Yearly Report, the audit plan for the year ended 31 December 2024 and the Company's risk register. The Audit Committee also met in April 2025 to review the Annual Report and Accounts for the year ended 31 December 2024.

## Gaynor Coley

Chair of the Audit Committee

23 April 2025

# Directors' Remuneration Report



**Kavita Patel**

Chair of the Management Engagement  
& Remuneration Committee

## Introduction

The Board has prepared this report in accordance with the requirements of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. An ordinary resolution to approve this report, in particular the level of remuneration payable, and proposed to be paid, to the directors will be put to the members for approval at the forthcoming Annual General Meeting.

The law requires the Company's auditor, Deloitte LLP, to audit certain areas of the disclosures provided. Where disclosures have been audited, they are indicated as such. The auditor's opinion is included in the Independent Auditor's Report.

## Annual Statement from the Chair of the Management Engagement & Remuneration Committee

The Board, which is profiled on pages 53 and 54, consists solely of Non-Executive Directors and considers at least annually the level of the Directors' fees.

During the year, as agreed by the Committee and as set out in the Directors' Remuneration Report for the financial year ended 31 December 2023, which received Shareholder approval at the Annual General Meeting on 11 June 2024, the base fees of Directors were increased by 4.0%, effective 1 July 2024.

In April 2025, the Committee concluded, following a review of the level of Directors' fees, there would, subject to the approval by Shareholders of this report at the Annual General Meeting to be held on 10 June 2025, be an increase of 3.0% to the base fee of Directors effective 1 July 2025.

## Consideration by the Directors of matters relating to Directors' remuneration

The Management Engagement & Remuneration Committee comprises four Directors: Kavita Patel (Chair), Gaynor Coley, Michael Gray and Ian Harris.

The Management Engagement & Remuneration Committee meets at least annually to consider the levels of remuneration of the Directors, specifically reflecting the time commitment and responsibilities of the role.

The Management Engagement & Remuneration Committee also undertakes external comparisons and reviews to ensure that the levels of remuneration paid are broadly in line with industry standards and members have access to independent advice where they consider it appropriate. During the year neither the Board nor the Management Engagement & Remuneration Committee has been provided with external advice or services by any person, but has received industry comparison information from the Manager and industry research carried out by third parties in respect of Directors' remuneration.

The remuneration policy set by the Board is described on the following page. Individual remuneration packages are determined by the Management Engagement & Remuneration Committee within the framework of this policy.

Directors are not involved in deciding their own individual remuneration.



# Directors' Remuneration Report continued

## Remuneration policy

The Board's policy is that the remuneration of Non-Executive Directors should reflect time spent and the responsibilities borne by the Directors for the Company's affairs and should be sufficient to enable candidates of high calibre to be recruited. The levels of Directors' fees paid by the Company for the year ended 31 December 2024 were agreed on 11 April 2024.

It is considered appropriate that no aspect of Directors' remuneration should be performance related in light of the Directors' non-executive status, and Directors are not eligible for bonuses or other benefits. The Company's policy is to pay the Directors monthly in arrears, to the Directors personally (or to a third party if requested by any Director, although no such request has been made). None of the Directors have a service contract but, under letters of appointment dated 1 December 2023 for Ian Harris, 1 September 2023 for Kavita Patel, 10 September 2020 for Gaynor Coley and 14 February 2017 for Michael Gray, they may resign at any time, by giving notice in writing to the Board or by mutual consent. No compensation is payable to Directors on leaving office.

The above remuneration policy was last approved by Shareholders at the Annual General Meeting on 11 June 2024 and it is the intention of the Board that the above remuneration policy will, subject to Shareholder approval, come into effect immediately following the Annual General Meeting of the Company on 10 June 2025.

Shareholders' views in respect of Directors' remuneration may be communicated at the Company's Annual General Meeting and are taken into account in formulating the Directors' remuneration policy. At the last Annual General Meeting, 96.9% of Shareholders voted for the resolution approving the Directors' Remuneration Report, showing significant Shareholder support.

Please refer to page 71 for the Directors' remuneration tables.

## Retirement by rotation

All Directors retire and may offer themselves for re-election every year.

## Details of individual emoluments and compensation

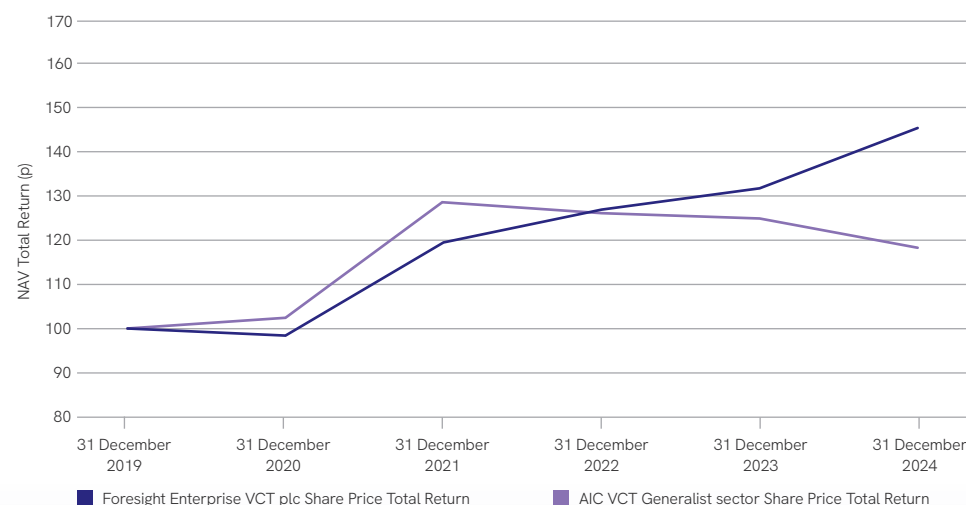
The emoluments in respect of qualifying services of each person who served as a Director during the year are shown on page 71. No Director has waived or agreed to waive any emoluments from the Company in either the current or previous year.

No other remuneration was paid or is payable by the Company during the current or previous year, nor were any expenses claimed by or paid to them other than for expenses incurred wholly, necessarily and exclusively in furtherance of their duties as Directors of the Company.

Directors' liability insurance is held by the Company in respect of the Directors.

## Share Price Total Return

The graph below charts the total Shareholder return to 31 December 2024, on the hypothetical value of £100 invested on 1 January 2019. The return is compared to the total Shareholder return on a notional investment of £100 in the AIC VCT Generalist sector.



# Directors' Remuneration Report continued

## Directors

The Directors who held office during the year or up to the date of signing the Annual Report and their interests in the issued shares of 1p each of the Company were as follows:

|                                                     | 31 December<br>2024<br>Shares | 31 December<br>2023<br>Shares |
|-----------------------------------------------------|-------------------------------|-------------------------------|
| Raymond Abbott <sup>1</sup> (resigned 11 June 2024) | n/a                           | 60,818                        |
| Gaynor Coley                                        | 15,267                        | —                             |
| Michael Gray                                        | 28,448                        | 28,448                        |
| Ian Harris                                          | 19,704                        | 15,267                        |
| Kavita Patel <sup>2</sup>                           | 38,645                        | 38,645                        |
| <b>Total</b>                                        | <b>102,064</b>                | <b>143,178</b>                |

1. 2023 amount includes 10,744 shares held by Raymond Abbott's wife and 32,237 shares held through an interactive investor account.

2. Includes 8,239 shares held by Kavita Patel's mother.

All the Directors' share interests shown above were held beneficially.

In accordance with the UK Corporate Governance Code and the Board's policy, Ms Coley, Mr Gray, Ms Patel and Mr Harris retire annually and, being eligible, offer themselves for re-election. Biographical notes on the Directors are given on pages 53 and 54.

The Board believes that Ms Coley, Mr Gray, Ms Patel and Mr Harris's skills, experience and knowledge continue to complement each other and benefit the Company and recommends their re-election to the Board. It is also noteworthy that none of the Directors have a contract of service with the Company, underscoring their commitment and dedication to serving the best interests of the Company and its stakeholders.

The Board unanimously recommends the re-election of these Directors, confident that their continued service will drive the Company towards greater success.

# Directors' Remuneration Report continued

## Audited information

The information below has been audited. See the Independent Auditor's Report on pages 75 to 81.

|                                           | Directors' fees<br>year ended<br>31 December<br>2024<br>(£) | Directors' taxable benefits <sup>1</sup><br>year ended<br>31 December<br>2024<br>(£) | Total remuneration<br>year ended<br>31 December<br>2024<br>(£) | Total remuneration<br>year ended<br>31 December<br>2023<br>(£) |
|-------------------------------------------|-------------------------------------------------------------|--------------------------------------------------------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------|
| Gaynor Coley                              | 32,750                                                      | 3,781                                                                                | 36,531                                                         | 34,772                                                         |
| Michael Gray                              | 36,150                                                      | 575                                                                                  | 36,725                                                         | 28,048                                                         |
| Ian Harris (appointed 1 December 2023)    | 26,825                                                      | 2,971                                                                                | 29,796                                                         | 2,192                                                          |
| Kavita Patel (appointed 1 September 2023) | 28,150                                                      | —                                                                                    | 28,150                                                         | 8,767                                                          |
| Raymond Abbott (resigned 11 June 2024)    | 11,666                                                      | —                                                                                    | 11,666                                                         | 36,653                                                         |
| Simon Jamieson (resigned 8 June 2023)     | —                                                           | —                                                                                    | —                                                              | 11,279                                                         |
| <b>Total</b>                              | <b>135,541</b>                                              | <b>7,327</b>                                                                         | <b>142,868</b>                                                 | <b>121,711</b>                                                 |

1. Relates to expenses incurred for attending meetings at the Company's principal place of business.

The Directors are not eligible for pension benefits, share options or long-term incentive schemes. Directors' fees are reviewed annually, and fees were last increased on 1 July 2024 after consideration of fees paid to other VCT directors and available independent research.

## Votes cast For and Against the Directors' Remuneration Report for the year ended 31 December 2023:

| Shares and percentage of votes cast<br>For | Shares and percentage of votes cast<br>Against | Number of<br>votes withheld |
|--------------------------------------------|------------------------------------------------|-----------------------------|
| 96.9%                                      | 3.1%                                           |                             |
| 8,556,993 votes                            | 272,684 votes                                  | 1,039,452 votes             |

# Directors' Remuneration Report continued

## Audited information continued

In accordance with Companies Act 2006 legislation, the table below sets out the relative importance of spend on pay when compared to distributions to Shareholders in the form of dividends and share buybacks.

|                                                                       | Year ended<br>31 December<br>2024 | Year ended<br>31 December<br>2023 |
|-----------------------------------------------------------------------|-----------------------------------|-----------------------------------|
| Dividends                                                             | £40,887,000                       | £7,692,000                        |
| Share buybacks                                                        | £9,399,000                        | £6,480,000                        |
| Total Shareholder distributions                                       | £50,286,000                       | £14,172,000                       |
| Directors' fees excluding employer's National Insurance contributions | £135,541                          | £116,188                          |
| Directors' fees % of Shareholder distributions                        | 0.3%                              | 0.8%                              |

## Approval of report

An ordinary resolution for the approval of this Directors' Remuneration Report will be put to Shareholders at the forthcoming Annual General Meeting.

This Directors' Remuneration Report was approved by the Board on 23 April 2025 and is signed on its behalf by Kavita Patel (Director).

On behalf of the Board

## Kavita Patel

Chair of the Management Engagement & Remuneration Committee

23 April 2025



# Statement of Directors' Responsibilities

## Statement of Directors' responsibilities in respect of the Annual Report and Accounts

The Directors are responsible for preparing the Annual Report and Accounts in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and its profit or loss for that year. In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern
- Use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Statement of the Directors in respect of the Annual Report

We confirm that to the best of our knowledge:

- The financial statements, prepared in accordance with the applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company
- The Directors' Report and the Strategic Report include a fair review of the development and performance of the business and the position of the issuer, together with a description of the principal risks and uncertainties that they face

We consider the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for Shareholders to assess the Company's position and performance, business model and strategy.

On behalf of the Board

**Michael Gray**

Chair

23 April 2025

# Financial Statements

## What's in this section

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# Independent Auditor's Report

To the members of Foresight Enterprise VCT plc

## Report on the audit of the financial statements

### 1. Opinion

In our opinion the financial statements of Foresight Enterprise VCT PLC (the "Company"):

- Give a true and fair view of the state of the Company's affairs as at 31 December 2024 and of its return for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"
- Have been prepared in accordance with the requirements of the Companies Act 2006

We have audited the financial statements which comprise:

- The Income Statement
- The Balance Sheet
- The Reconciliation of Movements in Shareholders' Funds
- The Cash Flow Statement
- The related Notes 1 to 20

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

### 2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the "FRC's") Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 3. Summary of our audit approach

|                                     |                                                                                                                                                                                                                                                                                                                                                              |
|-------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Key audit matter                    | <p>The key audit matter that we identified in the current year was the valuation of unquoted investments.</p> <p>Within this report, key audit matters are identified as follows:</p> <ul style="list-style-type: none"><li>⚠ Newly identified</li><li>⬆ Increased level of risk</li><li>↔ Similar level of risk</li><li>⬇ Decreased level of risk</li></ul> |
| Materiality                         | <p>The materiality that we used in the current year was £3.25 million, which was determined on the basis of 2% of the Net Asset Value ("NAV") of the Company at year end.</p>                                                                                                                                                                                |
| Scoping                             | <p>Audit work to respond to the risks of material misstatement was performed directly by the engagement team.</p>                                                                                                                                                                                                                                            |
| Significant changes in our approach | <p>There were no significant changes to our audit approach in the current year.</p>                                                                                                                                                                                                                                                                          |

### 4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Considering as part of our risk assessment the nature of the Company, its business model and related risks including where relevant the impact of the evolving economic landscape, the requirements of the applicable financial reporting framework and the system of internal control
- Challenging the underlying data and key assumptions through assessing the forecasted cash flows and the impact of external market forces, and evaluating the Directors' plans for future actions in relation to their going concern assessment
- Assessing the relevant disclosures about whether the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements



# Independent Auditor's Report continued

To the members of Foresight Enterprise VCT plc

## 4. Conclusions relating to going concern continued

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

In relation to the reporting on how the Company has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

## 5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## 5.1. Valuation of unquoted investments

### Key audit matter description

The Company holds unquoted investments of £109.11 million representing 67.0% of the entity's net assets (2023: £119.59 million, 71.0%).

The valuation of the investments held by the Company, due to materiality in the context of the financial statements as a whole, is considered to be one of the areas which has the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit. The unquoted investments are valued in line with the International Private Equity and Venture Capital Valuation ("IPEV") Guidelines and carry a higher degree of judgement. We have identified current economic conditions as being a factor potentially impacting the valuation of certain investments. Current economic conditions, particularly high interest rates and geopolitical conflicts, pose a potential risk to the valuation of certain investments. Therefore, we have pinpointed the key audit matter to the valuation of unquoted investments which have been particularly impacted by one or more of these factors with the valuation of the remaining portfolio being classified as normal risk. Other factors considered in our scoping of investments was the size and change in value of investment compared to prior year, the trends in Company performance over past years and the complexity of the valuation method.

Refer to note 1b to the financial statements for the accounting policy on unquoted investments and details of the investments are disclosed in note 8 to the financial statements. Critical accounting judgements and key sources of estimation uncertainty is disclosed in note 11. The valuation of investment risk is included within the Audit Committee Report on pages 66 and 67.



# Independent Auditor’s Report continued

To the members of Foresight Enterprise VCT plc

5. Key audit matters continued

5.1. Valuation of unquoted investments continued

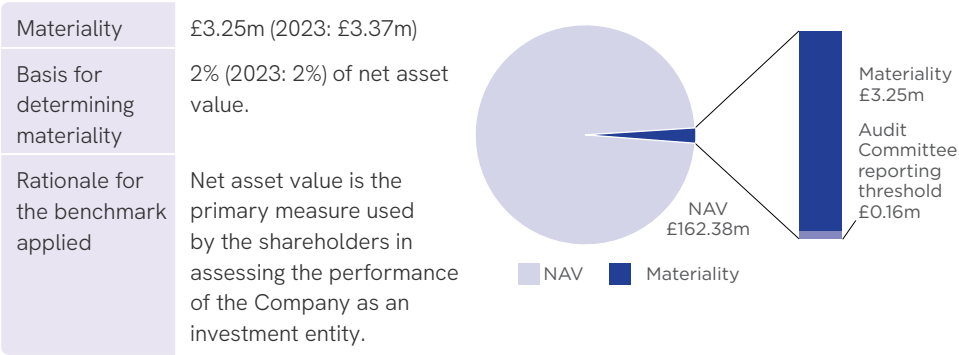
|                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|--------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| How the scope of our audit responded to the key audit matter | <p>We have performed the following audit testing procedures to address the key audit matter:</p> <ul style="list-style-type: none"><li>• Obtained an understanding of the relevant controls in place over the valuation of unquoted investments</li><li>• Assessed the valuation methodology applied for compliance with the IPEV Guidelines and assessed the assumptions adopted, enquired and challenged the assumptions where appropriate</li><li>• On a sample of investments, we tested the judgemental inputs around maintainable Revenue/EBITDA against management accounts</li><li>• On a sample of investments, we performed back testing of management estimates against latest financial information and historical performance where available, to assess and evaluate the appropriateness of the assumption on those inputs</li><li>• On a sample basis, we evaluated any adjustments made in relation to the impact of inflation and other market risks on the performance of the investee companies, scrutinising cash position and forecasts as relevant</li><li>• For a sample of investments, we assessed the suitability and accuracy of the multiple from a basket of comparable transactions/quoted companies</li><li>• For a sample of investments, we tested unquoted investee Company data (e.g. financial information and capital structures) to supporting documentation</li><li>• Assessed whether any critical judgement or sources of estimation uncertainty are applied and appropriately disclosed</li></ul> |
| Key observations                                             | <p>Based on our testing, we concluded that the valuation of the unquoted investments is reasonable.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:



6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 70% of materiality for the 2024 audit (2023: 70%). In determining performance materiality, we considered the quality of the Company’s overall control environment and management’s willingness to correct errors identified in previous audits.

6.3. Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £162k (2023: £168k), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

# Independent Auditor's Report continued

To the members of Foresight Enterprise VCT plc

## 7. An overview of the scope of our audit

### 7.1. Scoping

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

### 7.2. Our consideration of the control environment

The investment management, accounting and reporting operations were undertaken by the Manager. We have obtained an understanding of the Manager's systems of internal controls and considered in our risk assessment the overall control environment. We have not relied on controls in our audit approach.

### 7.3. Our consideration of climate-related risks

As part of our risk assessment, we have considered the potential impact of climate change on the Company's business and its financial statements. We obtained an understanding of the process for identifying climate-related risks, the process and controls in place, as well as the determination of any mitigating actions.

The Company continues to develop its assessment of the potential impact of environmental, social and governance ("ESG") related risks, including climate change. As outlined in the Strategic Report on page 47, the Board considers climate change to be an emerging risk within the business.

Details of the Board's climate change considerations are provided in the Climate change statement in the Responsible Investment section on page 45. We have assessed whether the risks identified by the entity are consistent with our understanding of the business and read the disclosures in the Annual Report to consider whether they are materially consistent with the financial statements and our knowledge obtained in the audit.

We have nothing to report in this regard.

## 8. Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## 9. Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

# Independent Auditor's Report continued

To the members of Foresight Enterprise VCT plc

## 10. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## 11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

### 11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the industry and sector, control environment and business performance including the design of the Company's remuneration policies, key drivers for Directors' remuneration, bonus levels and performance targets
- Results of our enquiries of management and the Audit Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the Company's sector
- Any matters we identified having obtained and reviewed the Company's documentation of their policies and procedures relating to:
  - Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
  - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud
  - The internal controls established to mitigate risks of fraud or non-compliance with laws and regulations
- The matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the valuation of unquoted investments. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Financial Conduct Authority ("FCA") and Listing Rules.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty. These included the Company's compliance with VCT regulations.

# Independent Auditor's Report continued

To the members of Foresight Enterprise VCT plc

## 11. Extent to which the audit was considered capable of detecting irregularities, including fraud continued

### 11.2. Audit response to risks identified

As a result of performing the above, we identified the valuation of unquoted investments is a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements
- Enquiring of management and the Audit Committee and concerning actual and potential litigation and claims
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and the FCA
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias, and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

## Report on other legal and regulatory requirements

### 12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Directors' Report.

### 13. Corporate Governance Statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 58
- The Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 51
- The Directors' statement on fair, balanced and understandable set out on page 73
- The Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 47 to 50
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on pages 64 and 65
- The section describing the work of the Audit Committee set out on pages 66 and 67



# Independent Auditor's Report continued

To the members of Foresight Enterprise VCT plc

## 14. Matters on which we are required to report by exception

### 14.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- We have not received all the information and explanations we require for our audit
- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us
- The financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

### 14.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of Directors' remuneration have not been made or the part of the Directors' Remuneration Report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

## 15. Other matters which we are required to address

### 15.1. Auditor tenure

Following the recommendation of the Audit Committee, we were appointed by the Board of Directors on 30 August 2019 to audit the financial statements for the year ending 31 December 2024 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is six years, covering the years ending 31 March 2019 to 31 December 2024.

### 15.2. Consistency of the audit report with the additional report to the Audit Committee

Our audit opinion is consistent with the additional report to the Audit Committee we are required to provide in accordance with ISAs (UK).

## 16. Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**John Clacy (Senior statutory auditor)**

For and on behalf of Deloitte LLP

Statutory Auditor  
London

23 April 2025

# Statement of Comprehensive Income

For the year ended 31 December 2024

|                                                      | Notes | Year ended 31 December 2024 |                  |                | Year ended 31 December 2023 |                  |                |
|------------------------------------------------------|-------|-----------------------------|------------------|----------------|-----------------------------|------------------|----------------|
|                                                      |       | Revenue<br>£'000            | Capital<br>£'000 | Total<br>£'000 | Revenue<br>£'000            | Capital<br>£'000 | Total<br>£'000 |
| Realised gains on investments                        | 8     | —                           | 28,500           | 28,500         | —                           | 5,366            | 5,366          |
| Investment holding (losses)/gains                    | 8     | —                           | (14,006)         | (14,006)       | —                           | 6,405            | 6,405          |
| Income                                               | 2     | 3,249                       | —                | 3,249          | 2,683                       | —                | 2,683          |
| Investment management fees                           | 3     | (888)                       | (4,629)          | (5,517)        | (759)                       | (3,845)          | (4,604)        |
| Other expenses                                       | 4     | (817)                       | —                | (817)          | (790)                       | —                | (790)          |
| <b>Return on ordinary activities before taxation</b> |       | <b>1,544</b>                | <b>9,865</b>     | <b>11,409</b>  | <b>1,134</b>                | <b>7,926</b>     | <b>9,060</b>   |
| Taxation                                             | 5     | (345)                       | 345              | —              | (225)                       | 225              | —              |
| <b>Return on ordinary activities after taxation</b>  |       | <b>1,199</b>                | <b>10,210</b>    | <b>11,409</b>  | <b>909</b>                  | <b>8,151</b>     | <b>9,060</b>   |
| <b>Return per share</b>                              | 7     | <b>0.4p</b>                 | <b>3.8p</b>      | <b>4.2p</b>    | <b>0.4p</b>                 | <b>3.5p</b>      | <b>3.9p</b>    |

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 Statement of Comprehensive Income are derived from continuing operations. No operations were acquired or discontinued in the year.

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

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

The notes on pages 87 to 103 form part of these financial statements.

# Reconciliation of Movements in Shareholders' Funds

| Year ended 31 December 2024                       | Notes | Called-up<br>share capital<br>£'000 | Share<br>premium<br>account<br>£'000 | Capital<br>redemption<br>reserve<br>£'000 | Distributable<br>reserve <sup>1</sup><br>£'000 | Capital<br>reserve <sup>1</sup><br>£'000 | Revaluation<br>reserve<br>£'000 | Total<br>£'000 |
|---------------------------------------------------|-------|-------------------------------------|--------------------------------------|-------------------------------------------|------------------------------------------------|------------------------------------------|---------------------------------|----------------|
| As at 1 January 2024                              |       | 2,567                               | 102,801                              | 679                                       | 44,046                                         | (31,047)                                 | 49,430                          | 168,476        |
| Share issues in the year <sup>2</sup>             | 11    | 586                                 | 33,791                               | —                                         | —                                              | —                                        | —                               | 34,377         |
| Expenses in relation to share issues <sup>3</sup> |       | —                                   | (1,132)                              | —                                         | —                                              | —                                        | —                               | (1,132)        |
| Repurchase of shares                              | 11    | (165)                               | —                                    | 165                                       | (9,399)                                        | —                                        | —                               | (9,399)        |
| Realised gains on disposal of investments         | 8     | —                                   | —                                    | —                                         | —                                              | 28,500                                   | —                               | 28,500         |
| Investment holding losses                         | 8     | —                                   | —                                    | —                                         | —                                              | —                                        | (14,006)                        | (14,006)       |
| Dividends paid                                    | 6     | —                                   | —                                    | —                                         | (40,887)                                       | —                                        | —                               | (40,887)       |
| Cancellation of share premium                     |       | —                                   | (102,801)                            | (680)                                     | 103,481                                        | —                                        | —                               | —              |
| Management fees charged to capital                | 3     | —                                   | —                                    | —                                         | —                                              | (4,629)                                  | —                               | (4,629)        |
| Revenue return for the year before taxation       |       | —                                   | —                                    | —                                         | 1,544                                          | —                                        | —                               | 1,544          |
| Taxation for the year                             | 5     | —                                   | —                                    | —                                         | (345)                                          | 345                                      | —                               | —              |
| <b>As at 31 December 2024</b>                     |       | <b>2,988</b>                        | <b>32,659</b>                        | <b>164</b>                                | <b>98,440</b>                                  | <b>(6,831)</b>                           | <b>35,424</b>                   | <b>162,844</b> |

1. Distributable reserve accounts at 31 December 2024 total £91,609,000 (2023: £12,999,000). Share premium cancelled during the year included amounts arising on share allotments less than three years old, which comprise protected capital under VCT regulations. Amounts available for distribution at 31 December 2024 are therefore £41,673,000 (2023: £12,999,000). The remaining cancelled share premium will become distributable on the third anniversary of the share allotment on which it arose.

2. Includes the dividend reinvestment scheme.

3. Expenses in relation to share issues includes trail commission for prior years' fundraising.

The notes on pages 87 to 103 form part of these financial statements.

# Reconciliation of Movements in Shareholders' Funds continued

| Year ended 31 December 2023                       | Notes | Called-up<br>share capital<br>£'000 | Share premium<br>account<br>£'000 | Capital<br>redemption<br>reserve<br>£'000 | Distributable<br>reserve <sup>1</sup><br>£'000 | Capital<br>reserve <sup>1</sup><br>£'000 | Revaluation<br>reserve<br>£'000 | Total<br>£'000 |
|---------------------------------------------------|-------|-------------------------------------|-----------------------------------|-------------------------------------------|------------------------------------------------|------------------------------------------|---------------------------------|----------------|
| As at 1 January 2023                              |       | 2,133                               | 68,203                            | 573                                       | 57,309                                         | (32,793)                                 | 43,025                          | 138,450        |
| Share issues in the year <sup>2</sup>             |       | 540                                 | 36,127                            | —                                         | —                                              | —                                        | —                               | 36,667         |
| Expenses in relation to share issues <sup>3</sup> |       | —                                   | (1,529)                           | —                                         | —                                              | —                                        | —                               | (1,529)        |
| Repurchase of shares                              |       | (106)                               | —                                 | 106                                       | (6,480)                                        | —                                        | —                               | (6,480)        |
| Realised gains on disposal of investments         |       | —                                   | —                                 | —                                         | —                                              | 5,366                                    | —                               | 5,366          |
| Investment holding gains                          |       | —                                   | —                                 | —                                         | —                                              | —                                        | 6,405                           | 6,405          |
| Dividends paid                                    | 6     | —                                   | —                                 | —                                         | (7,692)                                        | —                                        | —                               | (7,692)        |
| Management fees charged to capital                |       | —                                   | —                                 | —                                         | —                                              | (3,845)                                  | —                               | (3,845)        |
| Revenue return for the year before taxation       |       | —                                   | —                                 | —                                         | 1,134                                          | —                                        | —                               | 1,134          |
| Taxation for the year                             | 5     | —                                   | —                                 | —                                         | (225)                                          | 225                                      | —                               | —              |
| As at 31 December 2023                            |       | 2,567                               | 102,801                           | 679                                       | 44,046                                         | (31,047)                                 | 49,430                          | 168,476        |

1. Reserve is available for distribution; total distributable reserves at 31 December 2023 total £12,999,000 (2022: £24,516,000).

2. Includes the dividend reinvestment scheme.

3. Expenses in relation to share issues includes trail commission for prior years' fundraising.

The notes on pages 87 to 103 form part of these financial statements.



# Balance Sheet

At 31 December 2024

|                                                       | Notes | As at<br>31 December<br>2024<br>£'000 | As at<br>31 December<br>2023<br>£'000 |
|-------------------------------------------------------|-------|---------------------------------------|---------------------------------------|
| <b>Fixed assets</b>                                   |       |                                       |                                       |
| Investments held at fair value through profit or loss | 8     | 109,110                               | 119,587                               |
| <b>Current assets</b>                                 |       |                                       |                                       |
| Debtors                                               | 9     | 3,206                                 | 2,726                                 |
| Cash and cash equivalents                             |       | 50,859                                | 47,843                                |
|                                                       |       | 54,065                                | 50,569                                |
| <b>Creditors</b>                                      |       |                                       |                                       |
| Amounts falling due within one year                   | 10    | (331)                                 | (1,680)                               |
| <b>Net current assets</b>                             |       | 53,734                                | 48,889                                |
| <b>Net assets</b>                                     |       | 162,844                               | 168,476                               |

|                                   | Notes | As at<br>31 December<br>2024<br>£'000 | As at<br>31 December<br>2023<br>£'000 |
|-----------------------------------|-------|---------------------------------------|---------------------------------------|
| <b>Capital and reserves</b>       |       |                                       |                                       |
| Called-up share capital           | 11    | 2,988                                 | 2,567                                 |
| Share premium account             |       | 32,659                                | 102,801                               |
| Capital redemption reserve        |       | 164                                   | 679                                   |
| Distributable reserve             |       | 98,440                                | 44,046                                |
| Capital reserve                   |       | (6,831)                               | (31,047)                              |
| Revaluation reserve               |       | 35,424                                | 49,430                                |
| <b>Equity Shareholders' funds</b> |       | 162,844                               | 168,476                               |
| <b>Net Asset Value per share</b>  | 12    | 54.5p                                 | 65.6p                                 |

The financial statements were approved by the Board of Directors and authorised for issue on 23 April 2025 and were signed on its behalf by:

**Michael Gray**

Chair

Registered number: 03506579

# Cash Flow Statement

For the year ended 31 December 2024

|                                                                 | Notes | Year ended<br>31 December<br>2024<br>£'000 | Year ended<br>31 December<br>2023<br>£'000 |
|-----------------------------------------------------------------|-------|--------------------------------------------|--------------------------------------------|
| <b>Cash flow from operating activities</b>                      |       |                                            |                                            |
| Loan interest received from investments                         |       | 932                                        | 1,238                                      |
| Dividends received from investments                             | 2     | 165                                        | 175                                        |
| Other income received from investments                          | 2     | —                                          | 71                                         |
| Deposit and similar interest received                           | 2     | 2,174                                      | 1,190                                      |
| Investment management fees paid                                 |       | (3,483)                                    | (3,029)                                    |
| Performance incentive fee paid                                  | 13    | (3,079)                                    | (734)                                      |
| Secretarial fees paid                                           | 4     | (207)                                      | (197)                                      |
| Other cash payments                                             |       | (591)                                      | (549)                                      |
| <b>Net cash outflow from operating activities</b>               |       | <b>(4,089)</b>                             | <b>(1,835)</b>                             |
| <b>Cash flow from investing activities</b>                      |       |                                            |                                            |
| Purchase of investments                                         | 8     | (14,444)                                   | (17,652)                                   |
| Proceeds on sale of investments                                 | 8     | 34,611                                     | 20,572                                     |
| Proceeds on deferred consideration                              | 8     | 4,257                                      | 669                                        |
| <b>Net cash inflow from investing activities</b>                |       | <b>24,424</b>                              | <b>3,589</b>                               |
| <b>Cash flow from financing activities</b>                      |       |                                            |                                            |
| Proceeds of fundraising                                         |       | 28,787                                     | 34,910                                     |
| Expenses of fundraising                                         |       | (856)                                      | (474)                                      |
| Repurchase of own shares                                        |       | (9,418)                                    | (6,504)                                    |
| Equity dividends paid                                           | 6     | (35,832)                                   | (6,657)                                    |
| <b>Net cash (outflow)/inflow from financing activities</b>      |       | <b>(17,319)</b>                            | <b>21,275</b>                              |
| <b>Net inflow of cash for the year</b>                          |       | <b>3,016</b>                               | <b>23,029</b>                              |
| <b>Reconciliation of net cash flow to movement in net funds</b> |       |                                            |                                            |
| Increase in cash and cash equivalents for the year              |       | 3,016                                      | 23,029                                     |
| <b>Net cash and cash equivalents at start of year</b>           |       | <b>47,843</b>                              | <b>24,814</b>                              |
| <b>Net cash and cash equivalents at end of year</b>             |       | <b>50,859</b>                              | <b>47,843</b>                              |

The notes on pages 87 to 103 form part of these financial statements.

# Notes to the Accounts

For the year ended 31 December 2024

## 1 Accounting policies

Foresight Enterprise VCT plc is a public limited company incorporated in England and Wales and its registered office is at The Shard, 32 London Bridge Street, London, United Kingdom, SE1 9SG.

The Company has been approved as a Venture Capital Trust by HMRC under Section 259 of the Income Taxes Act 2007. The shares of the Company were first admitted to the Official List of the UK Listing Authority and trading on the London Stock Exchange on 3 February 1998.

The Company's principal activity is to provide private investors with regular dividends and capital growth from a portfolio of investments in fast-growing unquoted companies in the UK.

A summary of the principal accounting policies, all of which have been applied consistently throughout the year, is set out below:

### a) Basis of accounting

The financial statements have been prepared under the Companies Act 2006, and in accordance with United Kingdom Generally Accepted Accounting Practice ("UK GAAP") including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice ("SORP"): Financial Statements of Investment Trust Companies and Venture Capital Trusts issued in November 2014 and updated in October 2019 and July 2022.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investments.

The Company presents its Statement of Comprehensive Income in a three-column format to give Shareholders additional detail of the performance of the Company split between items of a revenue or capital nature.

As permitted by FRS 102, paragraph 14.4, investments are held as part of an investment portfolio, and their value to the Company is through their marketable value as part of a portfolio of investments, rather than as a medium through which the Company carries out its business. Therefore, the investments are not considered to be associated undertakings.

Where the Company's interest in an investment is greater than 50% of the investee company's total equity, specific clauses are included in the investee company's articles of association to prevent the Company from exercising control. Therefore, these investments are not considered to be subsidiary undertakings. As all investee companies are held exclusively with a view to subsequent resale, they are excluded from consolidation.

## 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.

The financial position of the Company, its cash flows, liquidity position and borrowing facilities are referred to in the Chair's Statement, Strategic Report and Notes to the Accounts. In addition, the Annual Report and Accounts include the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

The Company has sufficient financial resources together with investments and income generated therefrom across a variety of industries and sectors.

Cash flow projections have been reviewed and show that the Company has sufficient funds to meet both its contracted expenditure and its discretionary cash outflows in the form of share buybacks and dividends. The Company has no external loan finance in place and therefore is not exposed to any gearing covenants, although its underlying investments may have external loan finance.

The Directors have considered the impact of the difficult economic outlook, inflationary pressures, energy prices and geopolitical tensions during their assessment of going concern and have reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of approval of these financial statements. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

### b) Assets held at fair value through profit or loss – investments

All investments held by the Company are classified as "fair value through profit or loss" and the Company has adopted sections 11 and 12 of FRS 102. The Board values investments in accordance with the International Private Equity and Venture Capital ("IPEV") Valuation Guidelines, as updated in December 2022, including COVID-19 guidance in March 2020. This classification is followed as the Company's business is to invest in financial assets with a view to profiting from the total return in the form of capital growth and income.

Purchases and sales of unlisted investments are recognised when the contract for acquisition or sale becomes unconditional.

# Notes to the Accounts continued

For the year ended 31 December 2024

## 1 Accounting policies continued

### b) Assets held at fair value through profit or loss – investments continued

Unquoted investments are stated at fair value by the Board in accordance with the following rules, which are consistent with the IPEV Valuation Guidelines. When valuing an unquoted investment at fair value the following factors will be considered:

- i. Where a value is indicated by a recent material arms-length transaction by an independent third party in the shares of a company, this value will be used
- ii. In the absence of (i), and depending upon both the subsequent trading performance and investment structure of an investee company, the valuation basis will usually move to either:
  - a) An earnings multiple basis. The shares may be valued by applying a suitable price-earnings ratio to that company's historic, current or forecast earnings before interest, tax, depreciation and amortisation ("EBITDA") (the ratio used being based on a comparable sector but the resulting value being adjusted to reflect points of difference identified by the Manager compared to the sector including, inter alia, illiquidity); or
  - b) Where a company's under-performance against plan indicates a diminution in the value of the investment, a write down against cost is made, as appropriate. Where the value of an investment has fallen permanently below cost, the loss is treated as a permanent write down and as a realised loss, even though the investment is still held. The Board assesses the portfolio for such investments and, after agreement with the Manager, will agree the values that represent the extent to which a realised loss should be recognised. This is based upon an assessment of observable evidence of that investment's prospects, to determine whether there is potential for the investment to recover in value
- iii. Premiums on loan stock investments are accrued at fair value when the Company receives the right to the premium and when considered recoverable
- iv. Where an earnings multiple or cost less impairment basis is not appropriate and overriding factors apply, discounted cash flow, a net asset valuation, a price of a recent or the last funding round, venture capital method or industry-specific valuation benchmarks may be applied. An example of an industry-specific valuation benchmark would be the application of a multiple to that company's historic, current or forecast revenue (the multiple being based on a comparable sector but with the resulting value being adjusted to reflect points of difference including, inter alia, illiquidity). The venture capital method ("VC method") of valuation calculates and discounts the present value of the expected exit proceeds from an investment, taking account of both time and risk

- v. In estimating the fair value of the investments held, the Manager has considered the conflict in the Middle East, the Russian invasion of Ukraine, inflationary pressures and the difficult economic outlook which may impact the fair value of the investments and the sectors in which they operate. The conflict in the Middle East and the Russian invasion of Ukraine have had a significant impact in many sectors across the globe. The Manager has applied assumptions based on a best estimate of likely outcome for each individual investment and applied discounts where it is considered necessary

### c) Income

Dividends receivable on unquoted equity shares are brought into account when the Company's rights to receive payment are established and there is no reasonable doubt that payment will be received. Other income such as interest is included on an accruals basis. Loan interest income is calculated using the effective interest method and recognised on an accruals basis.

### d) Expenses

All expenses (inclusive of VAT) are accounted for on an accruals basis. Expenses are charged through the revenue column of the Statement of Comprehensive Income, with the exception that 75% of the fees payable to the Manager for management fees are allocated against the capital column of the Statement of Comprehensive Income. The basis of the allocation of management fees is expected to reflect the revenue and capital split of long-term returns in the portfolio.

### e) Share-based payments

The Manager is entitled to a performance incentive fee equal to 15% of dividends paid to Shareholders, subject to the total return (Net Asset Value plus cumulative dividends paid per share) exceeding a High Watermark, both immediately before and after the performance incentive fee is paid.

The performance incentive fee may be satisfied by either a cash payment or the issue of shares (or by a combination of both) ultimately at the Board's discretion, and therefore falls within the definition of a share-based payment under FRS 102.26. However, the Board considers that the incentive fee arrangement should be accounted for as a cash-settled transaction; with the option of settling in shares in the event of any cash flow restrictions.

# Notes to the Accounts continued

For the year ended 31 December 2024

## 1 Accounting policies continued

### e) Share-based payments continued

The fair value of the amount payable to the Manager is recognised as an expense, with a corresponding increase in liabilities (or equity if the share-based payment is settled by the issue of shares) over the year in which the Manager becomes unconditionally entitled to payment or when the Board considers it likely such payment will become due over the medium term.

The liability (or equity) is remeasured at each balance sheet date and at settlement date. Any changes in the fair value of the liability (or equity) are recognised as a performance incentive fee in the Statement of Comprehensive Income.

### f) Basic financial instruments

#### Trade and other debtors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost less any impairment losses. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

#### Trade and other creditors

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

### Investments in preference and Ordinary Shares

Investments in preference and Ordinary Shares are measured initially at transaction price less attributable transaction costs. Subsequent to initial recognition, investments that can be measured reliably are measured at fair value with changes recognised in profit or loss. Other investments are measured at cost less impairment through profit or loss.

### Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits, money market funds and fixed-term funds.

### g) Other financial instruments

Other financial instruments not meeting the definition of basic financial instruments include non-current investments and are recognised initially at fair value. Subsequent to initial recognition, other financial instruments are measured at fair value with changes recognised through profit or loss except investments in equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably shall be measured at cost less impairment.

### h) Taxation

Any tax relief obtained in respect of management fees allocated to capital is reflected in the capital column of the Statement of Comprehensive Income and a corresponding amount is charged against the revenue column. The tax relief is the amount by which corporation tax payable is reduced as a result of these capital expenses.

### i) Deferred taxation

Provision is made for corporation tax at the current rates on the excess of taxable income over allowable expenses. A provision is made on all material timing differences arising from the different treatment of items for accounting and tax purposes. A deferred tax asset is recognised only to the extent that there will be taxable profits in the future against which the asset can be offset. It is considered too uncertain that this will occur and, therefore, no deferred tax asset has been recognised.

### j) Reserves

Reserves are comprised of the following elements:

#### i. Capital reserve

The following are accounted for in this reserve:

- Gains and losses on realisation of investments, including the reversal of prior year revaluation reserves
- Permanent diminution in value of investments
- 75% of management fee expense, together with the related tax effect to this reserve in accordance with the policies
- Income and costs for the year (capital items)



# Notes to the Accounts continued

For the year ended 31 December 2024

## 1 Accounting policies continued

### j) Reserves continued

#### ii. Revaluation reserve (unrealised capital reserve)

Increases and decreases in the valuation of investments held at the year end are accounted for in this reserve, except to the extent that any diminution is deemed permanent.

In accordance with stating all investments at fair value through profit and loss, all such movements through both the revaluation and capital reserves are shown within the Statement of Comprehensive Income for the year.

#### iii. Distributable reserve

The following are accounted for in this reserve:

- Repurchase of shares
- Cancellation of share premium and capital redemption reserve
- Dividends paid
- Income and costs for the year (revenue items)

#### iv. Capital redemption reserve

This reserve accounts for the nominal value of shares repurchased and cancelled by the Company, less any amounts transferred to the distributable reserve.

#### v. Share premium account

The share premium account represents the amount received by the Company for share issued above their nominal value, less issue costs and amounts transferred to the distributable reserve.

#### vi. Called-up share capital

This accounts for the nominal value of the Company's shares.

### k) Investment recognition and derecognition

Investments are recognised at the trade date, being the date that the risks and rewards of ownership are transferred to the Company. Upon initial recognition, investments are held at the fair value of the consideration payable. Transaction costs in respect of acquisitions made are recognised directly in the Statement of Comprehensive Income. Investments are derecognised when the risks and rewards of ownership are deemed to have transferred to a third party.

Upon realisation, the gain or loss on disposal is recognised in the Statement of Comprehensive Income.

### l) Critical accounting judgement and key sources of estimation uncertainty

The preparation of the financial statements requires the Board to make judgements and estimates that affect the application of policies and reported amounts of assets, liabilities, income and expenses. In the Board's opinion, there was no critical accounting judgement applied. The Board considers that the only area where the Board and the Manager make critical estimates and assumptions that may have a significant effect on the financial statements relates to the fair valuation of unquoted investments. Trading results of investee companies may differ from the estimates made. The underlying assumptions are reviewed and approved on each valuation date.

The Board considers that the fair value of investments not quoted in an active market involves critical estimates and assumptions because they are determined by the Manager, using valuation methods and techniques generally recognised as standard within the industry. Valuations use observable data to the extent practicable. However, they also rely on significant unobservable inputs about the maintainable earnings; comparable multiples and discounts. Furthermore, changes in these inputs and assumptions could affect the reported fair value of unquoted investments. The determination of what constitutes "observable" requires significant judgement by the Manager. The Manager considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. Both the Audit Committee and the auditor review the Manager's valuations in detail. Sensitivity analysis is performed on the portfolio as a whole and for more detail on this please refer to note 15.

The Board notes that the Manager also makes estimates relating to the share-based payment expense and liability but does not consider this to have a significant effect on the financial statements.

The Board and the Manager have assessed the impact of climate-related risks on the financial statements, and do not consider there to be a material impact on the judgements and estimates from the physical and transition climate-related risks.

# Notes to the Accounts continued

For the year ended 31 December 2024

## 2 Income

|                                       | Year ended<br>31 December<br>2024<br>£'000 | Year ended<br>31 December<br>2023<br>£'000 |
|---------------------------------------|--------------------------------------------|--------------------------------------------|
| Deposit and similar interest received | 2,174                                      | 1,190                                      |
| Loan stock interest                   | 910                                        | 1,247                                      |
| Dividends receivable                  | 165                                        | 175                                        |
| Other income                          | —                                          | 71                                         |
|                                       | <b>3,249</b>                               | <b>2,683</b>                               |

## 3 Investment management fees

|                                                                        | Year ended<br>31 December<br>2024<br>£'000 | Year ended<br>31 December<br>2023<br>£'000 |
|------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------|
| Investment management fees charged to the revenue account              | 888                                        | 759                                        |
| Investment management fees charged to the capital account <sup>1</sup> | 4,629                                      | 3,845                                      |
|                                                                        | <b>5,517</b>                               | <b>4,604</b>                               |

1. Included within investment management fees is an amount of £1,964,000 (2023: £1,569,000) relating to performance incentive fees charged to the capital account.

The Manager advises the Company on investments under an agreement dated 30 July 2004.

The Manager receives an annual investment management fee, paid quarterly in advance, of an amount equal to 2% of net assets of the Company. If the normal ongoing expenses of the Company exceed 2.35% of the Company's annual net assets, the excess is borne by the Manager through a reduction in its fees. The excess at 31 December 2024 was £nil (2023: £nil).

This agreement may be terminated by either party giving to the other not less than 12 months' notice.

Details of the performance incentive fees are given in note 13.

## 4 Other expenses

|                                                                               | Year ended<br>31 December<br>2024<br>£'000 | Year ended<br>31 December<br>2023<br>£'000 |
|-------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------|
| Accounting and secretarial services (excluding VAT)                           | 207                                        | 197                                        |
| Directors' remuneration including employer's National Insurance contributions | 141                                        | 120                                        |
| Auditor's remuneration (excluding VAT) <sup>1</sup>                           | 62                                         | 58                                         |
| Other                                                                         | 407                                        | 415                                        |
|                                                                               | <b>817</b>                                 | <b>790</b>                                 |

1. The auditor's remuneration relates to the audit of the financial statements. There were no non-audit fees paid to the Company's auditor during the year (2023: £nil).

The Manager is responsible for external costs such as legal and accounting fees incurred on transactions that do not proceed to completion ("abort expenses"). In line with common practice, the Manager retains the right to charge arrangement and syndication fees and Directors' or monitoring fees to companies in which the Company invests.

The Manager is the Company Secretary and received annual fees, paid quarterly in advance, for administration services provided of £207,000 (2023: £197,000). The annual administration fee is adjusted annually in line with the UK Retail Prices Index.

The normal annual running costs of the Company are capped at an amount equal to 2.35% of the net assets of the Company as at the end of each financial year, with any excess being borne by the Manager.

The Company did not have employees in the current or prior year.

# Notes to the Accounts continued

For the year ended 31 December 2024

## 5 Tax on ordinary activities

|                   | Year ended 31 December 2024 |                  |                | Year ended 31 December 2023 |                  |                |
|-------------------|-----------------------------|------------------|----------------|-----------------------------|------------------|----------------|
|                   | Revenue<br>£'000            | Capital<br>£'000 | Total<br>£'000 | Revenue<br>£'000            | Capital<br>£'000 | Total<br>£'000 |
| Current tax       |                             |                  |                |                             |                  |                |
| Corporation tax   | (345)                       | 345              | —              | (225)                       | 225              | —              |
| Total current tax | (345)                       | 345              | —              | (225)                       | 225              | —              |
| Deferred tax      | —                           | —                | —              | —                           | —                | —              |
| <b>Total tax</b>  | <b>(345)</b>                | <b>345</b>       | <b>—</b>       | <b>(225)</b>                | <b>225</b>       | <b>—</b>       |

### Factors affecting the total tax charge for the year:

The tax assessed for the year is lower (2023: lower) than the standard rate of corporation tax in the UK of 25.0% (2023: 23.5%).

The differences are explained below:

|                                               | Year ended<br>31 December<br>2024<br>£'000 | Year ended<br>31 December<br>2023<br>£'000 |
|-----------------------------------------------|--------------------------------------------|--------------------------------------------|
| Return on ordinary activities before taxation | 11,409                                     | 9,060                                      |
| Corporation tax at 25.0% (2023: 23.5%)        | 2,853                                      | 2,129                                      |
| <b>Effect of:</b>                             |                                            |                                            |
| Realised capital gains not allowable          | (7,125)                                    | (1,261)                                    |
| Unrealised capital losses/(gains) not taxable | 3,502                                      | (1,505)                                    |
| Unutilised management expenses                | 811                                        | 678                                        |
| Dividend income not taxable                   | (41)                                       | (41)                                       |
| <b>Total tax charge for the year</b>          | <b>—</b>                                   | <b>—</b>                                   |

# Notes to the Accounts continued

For the year ended 31 December 2024

## 5 Tax on ordinary activities continued

### Factors affecting the total tax charge for the year continued

As a qualifying VCT, the Company is exempt from tax on capital gains; therefore, no provision for deferred tax has been recognised in respect of any capital gains or losses arising on the revaluation or disposal of investments.

A deferred tax asset is recognised only to the extent that there will be taxable profits in the future against which the asset can be offset. It is considered too uncertain that this will occur and, therefore, no deferred tax asset has been recognised for surplus management expenses. At year end, there is an unrecognised deferred tax asset of approximately £7,157,000 (2023: £6,345,000).

## 6 Dividends

|                              | Year ended<br>31 December<br>2024<br>£'000 | Year ended<br>31 December<br>2023<br>£'000 |
|------------------------------|--------------------------------------------|--------------------------------------------|
| Dividends – paid in the year | 40,887                                     | 7,692                                      |

Of the total dividends paid in the year, £5,055,000 (2023: £1,035,000) was reinvested under the Company's dividend reinvestment scheme. Total dividends are offset by the receipt of historic unclaimed dividends from the registrar, which remained unclaimed for at least 12 years and hence are automatically forfeited pursuant to the Articles of Association, totalling £nil in the year (2023: £nil). Post year-end, the Board declared a special dividend of 3.1p per share, to be paid on 16 May 2025.

As at 31 December 2024, reserves available for dividend distribution totalled £41,673,000 (2023: £12,999,000).

In accordance with Section 259 of the Income Tax Act 2007, a VCT may not retain more than 15% of its qualifying income in any one accounting year. The payment of the dividends noted above satisfies this requirement.

## 7 Return per share

|                                                                 | Year ended<br>31 December<br>2024<br>£'000 | Year ended<br>31 December<br>2023<br>£'000 |
|-----------------------------------------------------------------|--------------------------------------------|--------------------------------------------|
| Total return after taxation                                     | 11,409                                     | 9,060                                      |
| Total return per share (note a)                                 | 4.2p                                       | 3.9p                                       |
| Revenue return from ordinary activities after taxation          | 1,199                                      | 909                                        |
| Revenue return per share (note b)                               | 0.4p                                       | 0.4p                                       |
| Capital return from ordinary activities after taxation          | 10,210                                     | 8,151                                      |
| Capital return per share (note c)                               | 3.8p                                       | 3.5p                                       |
| Weighted average number of shares in issue in the year (note d) | 271,803,550                                | 230,692,970                                |

Notes:

- Total return per share is total return after taxation divided by the weighted average number of shares in issue during the year.
- Revenue return per share is revenue return after taxation divided by the weighted average number of shares in issue during the year.
- Capital return per share is capital return after taxation divided by the weighted average number of shares in issue during the year.
- The weighted average number of shares is calculated by taking the number of shares issued and bought back during the year, multiplying each by the percentage of the year for which that share number applies and then totalling with the number of shares in issue at the beginning of the year.

# Notes to the Accounts continued

For the year ended 31 December 2024

## 8 Investments held at fair value through profit or loss

|                                        | 31 December<br>2024<br>£'000 | 31 December<br>2023<br>£'000 |
|----------------------------------------|------------------------------|------------------------------|
| Unquoted investments                   | 109,110                      | 119,587                      |
|                                        |                              | £'000                        |
| Book cost at 1 January 2024            |                              | 72,698                       |
| Investment holding gains               |                              | 46,889                       |
| <b>Valuation at 1 January 2024</b>     |                              | 119,587                      |
| Movements in the year:                 |                              |                              |
| Purchases at cost                      |                              | 14,444                       |
| Disposal proceeds <sup>1</sup>         |                              | (34,611)                     |
| Realised gains <sup>2</sup>            |                              | 24,243                       |
| Investment holding losses <sup>3</sup> |                              | (14,553)                     |
| <b>Valuation at 31 December 2024</b>   | <b>109,110</b>               |                              |
| <b>Book cost at 31 December 2024</b>   | <b>76,774</b>                |                              |
| Investment holding gains               |                              | 32,336                       |
| <b>Valuation at 31 December 2024</b>   | <b>109,110</b>               |                              |

1. The Company received £34,611,000 from the disposal of investments during the year. The book cost of these investments when they were purchased was £10,368,000. 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 Statement of Comprehensive Income include deferred consideration receipts from Callen-Lenz Associates Limited (£2,568,000), Datapath Group Limited (£1,167,000), Codeplay Software Limited (£478,000), Ixaris Systems Limited (£23,000), So-Sure Limited (£11,000) and Mologic Ltd (£10,000).
3. Investment holding losses in the Statement of Comprehensive Income include the deferred consideration debtor increase of £547,000. The debtor movement reflects the recognition of amounts receivable from Callen-Lenz Associates Limited (£1,417,000), Specac International Limited (£704,000) and Hospital Services Group Limited (£183,000) offset by receipts from Datapath Group Limited (£1,167,000), Codeplay Software Limited (£463,000), Ixaris Systems Limited (£23,000) and Mologic Ltd (£10,000) and provisions made against the balances due from Mologic Ltd (£52,000), FFX Group Limited (£36,000) and Ixaris Systems Limited (£6,000).

## 9 Debtors

|                        | 31 December<br>2024<br>£'000 | 31 December<br>2023<br>£'000 |
|------------------------|------------------------------|------------------------------|
| Deferred consideration | 3,088                        | 2,541                        |
| Prepayments            | 20                           | 63                           |
| Accrued interest       | 11                           | 33                           |
| Other debtors          | 87                           | 89                           |
|                        | <b>3,206</b>                 | <b>2,726</b>                 |

## 10 Creditors: amounts falling due within one year

|                                             | 31 December<br>2024<br>£'000 | 31 December<br>2023<br>£'000 |
|---------------------------------------------|------------------------------|------------------------------|
| Accruals                                    | 331                          | 565                          |
| Provision for performance incentive payment | —                            | 1,115                        |
|                                             | <b>331</b>                   | <b>1,680</b>                 |

## 11 Called-up share capital

|                                                   | 31 December<br>2024<br>£'000 | 31 December<br>2023<br>£'000 |
|---------------------------------------------------|------------------------------|------------------------------|
| Allotted, called-up and fully paid:               |                              |                              |
| 298,828,254 shares of 1p each (2023: 256,728,468) | 2,988                        | 2,567                        |



# Notes to the Accounts continued

For the year ended 31 December 2024

## 11 Called-up share capital continued

### Share issues and share buybacks

During the year 49,802,894 shares and 8,770,397 shares were issued pursuant to an offer for subscription and the dividend reinvestment scheme respectively. Shares were issued at issue prices ranging from 54.1p to 65.5p per share.

This share issue was under the VCT provisions that commenced on 6 April 2006, namely: 30% upfront income tax relief which can be retained by qualifying investors if the shares are held for the minimum five-year holding period.

As part of the Company's buyback programme, during the year, 16,473,505 shares were purchased for cancellation at a cost of £9,399,000.

|                                          | Shares No.         |
|------------------------------------------|--------------------|
| Share capital at 1 January 2024          | 256,728,468        |
| Shares allotted                          | 49,802,894         |
| Dividend reinvestment                    | 8,770,397          |
| Share buybacks                           | (16,473,505)       |
| <b>Share capital at 31 December 2024</b> | <b>298,828,254</b> |

## 12 Net Asset Value per share

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

|                           | 31 December<br>2024 | 31 December<br>2023 |
|---------------------------|---------------------|---------------------|
| Net assets                | <b>£162,844,000</b> | £168,476,000        |
| No. of shares at year end | <b>298,828,254</b>  | 256,728,468         |
| Net Asset Value per share | <b>54.5p</b>        | 65.6p               |

## 13 Share-based payments

The Manager is entitled to a performance incentive fee, designated a share-based payment due to its nature, equal to 15% of dividends paid to Shareholders, subject to the total return (Net Asset Value plus cumulative dividends paid per share on or after 11 January 2011) exceeding 100p ("High Watermark"), both immediately before and after the performance incentive fee is paid.

After each distribution is made to Shareholders where a performance incentive is paid, the High Watermark required to be achieved by the Company to trigger a further performance incentive fee will be amended to take account of the dividend paid.

A £3,079,000 performance incentive fee was paid during the year (2023: £734,000) following the 19 January, 12 July and 15 November dividends.

As a result of performance incentive fee payments made in the current and previous years, the High Watermark as at 31 December 2024 was 116.8p (2023: 110.3p). The total return as at 31 December 2024 was 117.5p (2023: 113.1p).

At 31 December 2024, the Company has accrued an amount of £nil in relation to future performance incentive fees (2023: £1,115,000).

The terms and conditions of the grant are as follows:

**Grant date:** Date that the total return is greater than the High Watermark.

**Vesting conditions:** Expected total return is greater than the High Watermark both before and after the performance incentive fee. Vesting period: 24 February 2012-31 December 2025.

**Method of settlement accounting:** Cash (with the option of settling in shares at the sole discretion of the Board).

The expected volatility is based on the historical performance and dividends of the Company, adjusted for any expected changes to future performance and dividends of the Company.

The vesting period applied is three years from the balance sheet date as the Directors do not consider that the future performance of the Company and the future dividends to be paid by the Company can be accurately estimated beyond that date.

# Notes to the Accounts continued

For the year ended 31 December 2024

## 13 Share-based payments continued

The Directors have prepared a calculation incorporating estimated future dividends over the vesting period and, as at 31 December 2024, did not expect a performance incentive fee to become payable during the vesting period. Therefore, no expense or liability has been recognised as at 31 December 2024 (2023: £1,115,000).

## 14 Contingent assets and liabilities

The Company had no contingent assets or contingent liabilities at 31 December 2024 (2023: £nil).

## 15 Financial instrument risk management

The Company's financial instruments comprise:

- Equity shares, debt securities and fixed interest securities that are held in accordance with the Company's investment objective as set out in the Directors' Report
- Cash, liquid resources, short-term debtors and creditors that arise directly from the Company's operations

### Classification of financial instruments

The Company held the following categories of financial instruments as at 31 December 2024:

|                           | 31 December<br>2024<br>£'000 | 31 December<br>2023<br>£'000 |
|---------------------------|------------------------------|------------------------------|
| Investment portfolio      | 109,110                      | 119,587                      |
| Cash and cash equivalents | 50,859                       | 47,843                       |
| <b>Total</b>              | <b>159,969</b>               | <b>167,430</b>               |

The investment portfolio consists of unquoted investments. Unquoted investments consist of equity in and loans to investee companies and are valued at fair value through profit or loss.

The main financial risks arising from the Company's financial instruments are market price risk, interest rate risk, credit risk and liquidity risk. The Board regularly reviews and agrees policies for managing each of these risks which are summarised below.

## Market price risk

Market price risk arises from uncertainty about the future prices of financial instruments held in accordance with the Company's investment objectives. It represents the potential loss that the Company might suffer through holding investments in the face of adverse market movements. The Board manages market price risk through the application of venture capital disciplines and investment structuring delegated to the Manager.

The investments in equity and loan stocks of unquoted companies are rarely traded, and as such, the prices are more difficult to determine than those of more widely traded securities. In addition, the ability of the Company to realise the investments at their carrying value will at times not be possible if there are no willing purchasers. The ability of the Company to purchase or sell investments is also constrained by the requirements set down for VCTs. The potential maximum exposure to market price risk, being the value of the investment portfolio as at 31 December 2024, was £109,110,000 (2023: £119,587,000). Market price risk sensitivity analysis can be found on pages 98 and 99.

## Interest rate risk

The fair value of the Company's fixed rate securities and the net revenue generated from the Company's floating rate securities may be affected by interest rate movements. Investments are often in early-stage businesses, which are relatively high-risk investments sensitive to interest rate fluctuations. Due to the short time to maturity of some of the Company's fixed rate investments, it may not be possible to reinvest in assets which provide the same rates as those currently held. When making investments of an equity and debt nature, consideration is given during the structuring process to the potential implications of interest rate risk and the resulting investment is structured accordingly. The maximum exposure to interest rate risk was £64,836,000, being the total value of the loan stock investments and cash as at 31 December 2024 (2023: £61,136,000). Floating rate investments relate to the interest-bearing deposit accounts and money market funds which earn interest related to the prevailing Bank of England base rate. As at 31 December 2024, if the interest rate increased or decreased by ten basis points the interest earned would increase or decrease by £50,859.

# Notes to the Accounts continued

For the year ended 31 December 2024

## 15 Financial instrument risk management continued

### Interest rate risk continued

|                                                     | Total portfolio           |                           | Weighted average interest rate |                       | Weighted average time for which rate is fixed |                          |
|-----------------------------------------------------|---------------------------|---------------------------|--------------------------------|-----------------------|-----------------------------------------------|--------------------------|
|                                                     | 31 December 2024<br>£'000 | 31 December 2023<br>£'000 | 31 December 2024<br>%          | 31 December 2023<br>% | 31 December 2024<br>Days                      | 31 December 2023<br>Days |
| Loan stock – exposed to fixed interest rate risk    | 13,697                    | 13,013                    | 8.9                            | 8.8                   | 602                                           | 478                      |
| Loan stock – exposed to variable interest rate risk | 280                       | 280                       | 12.0                           | 12.0                  | —                                             | —                        |
| Cash                                                | 50,859                    | 47,843                    | 4.3                            | 4.9                   | —                                             | —                        |
| <b>Total exposed to interest rate risk</b>          | <b>64,836</b>             | <b>61,136</b>             |                                |                       |                                               |                          |

### Credit risk

Credit risk is the risk of failure by counterparties to deliver securities or cash to which the Company is entitled. The Company has exposure to credit risk in respect of the loan stock investments it has made in investee companies, most of which have no security attached to them, and where they do, such security ranks beneath any bank debt that an investee company may owe. The Board manages credit risk in respect of cash and cash equivalents by ensuring there is a spread of cash balances such that none exceed 15% of the Company's total investment assets by VCT value. These cash and cash equivalents are in investment grade funds, and so credit risk is considered to be low. The Manager receives management accounts from portfolio companies, and members of the Manager's investment management team often sit on the boards of unquoted portfolio companies; this enables the close identification, monitoring and management of investment-specific credit risk. The maximum exposure to credit risk at 31 December 2024 was £68,022,000 (2023: £63,799,000) based on cash and cash equivalents and other receivables (amounts due on investments, dividends and interest). As at 31 December 2024, the Company's assets are held in its own name in certificated form and therefore custodian default risk is negligible.

An analysis of the Company's asset exposed to credit risk is provided in the table below:

|                           | 31 December 2024<br>£'000 | 31 December 2023<br>£'000 |
|---------------------------|---------------------------|---------------------------|
| Loan stock investments    | 13,977                    | 13,293                    |
| Deferred consideration    | 3,088                     | 2,541                     |
| Other debtors             | 98                        | 122                       |
| Cash and cash equivalents | 50,859                    | 47,843                    |
| <b>Total</b>              | <b>68,022</b>             | <b>63,799</b>             |

# Notes to the Accounts continued

For the year ended 31 December 2024

## 15 Financial instrument risk management continued

### Liquidity risk

The investments in equity and fixed interest stocks of unquoted companies that the Company holds are not traded and they are not readily realisable. The Company may not be able to realise the investments at their carrying value if there are no willing purchasers. The Company's ability to sell investments may also be constrained by the qualification requirements set down for VCTs. The maturity profile of the Company's loan stock investments disclosed below indicates the time frame in which they become realisable.

To counter these risks to the Company's liquidity, the Manager maintains sufficient cash and money market funds to meet running costs and other commitments. The Company typically deposits its surplus funds in high-quality money market and fixed-term funds which are all accessible within seven days, in line with VCT rules.

|                                                        | 31 December<br>2024<br>£'000 | 31 December<br>2023<br>£'000 |
|--------------------------------------------------------|------------------------------|------------------------------|
| Maturity analysis:                                     |                              |                              |
| – in one year or less                                  | 59,257                       | 55,435                       |
| – in more than one year but no more than two years     | 100                          | 1,894                        |
| – in more than two years but no more than three years  | —                            | 800                          |
| – in more than three years but no more than four years | 2,750                        | 257                          |
| – in more than four years but no more than five years  | 2,729                        | 2,750                        |
| <b>Total</b>                                           | <b>64,836</b>                | <b>61,136</b>                |

## Sensitivity analysis

### Equity price sensitivity

The Board believes the Company's investments are mainly exposed to equity price risk, as the Company holds all but one of its investments in the form of sterling-denominated investments in small companies.

All of the investments made in unquoted companies, irrespective of the instruments the Company holds (whether shares or loan stock), carry a full equity risk, even though some of the loan stocks may be secured on assets (as they will be behind any prior ranking bank debt in the investee company).

The Board considers that even the loan stocks are "quasi-equity" in nature, as the value of the loan stocks is determined by reference to the enterprise value of the investee company. Such value is considered to be sensitive to changes in quoted share prices, in so far as such changes eventually affect the enterprise value of unquoted companies. The table on the following page shows the impact on profit and net assets if there were to be a 15% (2023: 15%) movement in overall share prices, which might in part be caused by changes in interest rate levels, but it is not considered practical to evaluate separately the impact of changes in interest rates upon the value of the Company's portfolio of investments in unquoted companies.

The sensitivity analysis below assumes that each of these sub-categories of investments (shares and loan stocks) held by the Company produces an overall movement of 15%, and that the portfolio of investments held by the Company is perfectly correlated to this overall movement in share prices. This percentage reflects a number of factors, including the performance of the underlying investee companies as well as the wider market uncertainties associated with the difficult economic outlook and geopolitical concerns. However, Shareholders should note that this level of correlation would not be the case in reality. Movements may occur in the value of both quoted and unquoted companies and result from changes in the market or alternatively as a result of assumptions made when valuing the portfolio or a combination of the two.

# Notes to the Accounts continued

For the year ended 31 December 2024

## 15 Financial instrument risk management continued

### Sensitivity analysis continued

#### Equity price sensitivity continued

|                                                                                                            | 31 December<br>2024<br>Return and<br>net assets | 31 December<br>2023<br>Return and<br>net assets |
|------------------------------------------------------------------------------------------------------------|-------------------------------------------------|-------------------------------------------------|
| If overall share prices fell by 15% (2023: 15%), with all other variables held constant – decrease (£'000) | (16,367)                                        | (17,938)                                        |
| Decrease in Net Asset Value per share (in pence)                                                           | (5.48)p                                         | (6.99)p                                         |
|                                                                                                            | 31 December<br>2024<br>Return and<br>net assets | 31 December<br>2023<br>Return and<br>net assets |
| If overall share prices rise by 15% (2023: 15%), with all other variables held constant – increase (£'000) | 16,367                                          | 17,938                                          |
| Increase in Net Asset Value per share (in pence)                                                           | 5.48p                                           | 6.99p                                           |

The impact of a change of 15% has been selected as this is considered reasonable given the current level of volatility observed both on a historical basis and market expectations for future movement. The range in equity prices is considered reasonable given the historic changes that have been observed.

#### Interest rate sensitivity

Although the Company holds investments in loan stocks that pay interest, the Board does not believe that the value of these instruments is interest rate sensitive. This is because most of the interest is fixed, so not at risk of interest rate movements (2023: no interest rate risk).

## Fair value hierarchy

The following table shows financial instruments recognised at fair value, analysed between those whose fair value is based on:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2)
- Inputs for the instrument that are not based on observable market data (unobservable inputs) (Level 3)

| As at 31 December 2024 | Level 1<br>£'000 | Level 2<br>£'000 | Level 3<br>£'000 | Total<br>£'000 |
|------------------------|------------------|------------------|------------------|----------------|
| Unquoted investments   | —                | —                | 109,110          | 109,110        |
| Financial assets       | —                | —                | 109,110          | 109,110        |
| As at 31 December 2023 | Level 1<br>£'000 | Level 2<br>£'000 | Level 3<br>£'000 | Total<br>£'000 |
| Unquoted investments   | —                | —                | 119,587          | 119,587        |
| Financial assets       | —                | —                | 119,587          | 119,587        |

## Transfers

During the year there were no transfers between Levels 1, 2 or 3.



# Notes to the Accounts continued

For the year ended 31 December 2024

## 16 Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can provide an adequate return to Shareholders.

In accordance with VCT requirements, the Company must have at least 80% of its total assets (as measured under VCT rules) in qualifying holdings (these being investments in a relatively high-risk asset class of small UK companies meeting VCT requirements). Effective 6 April 2018, where new funds are raised, the Company must invest 30% of such funds in qualifying holdings within 12 months following the end of the accounting year in which that capital was subscribed, with the balance being invested within approximately three years of that capital being subscribed. The Company accordingly has limited scope to manage its capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. Subject to this overall constraint upon changing the capital structure, the Company may adjust the amount of dividends paid to Shareholders, issue new shares, or sell assets if so required to maintain a level of liquidity to remain a going concern.

Although, as the investment policy implies, the Board may consider borrowing, there are no current plans to do so. It regards the net assets of the Company as the Company's capital, as the level of liabilities is small and the management of them is not directly related to managing the return to Shareholders. There has been no change in this approach from the previous year.

## 17 Related party transactions

No Director has an interest in any material contract to which the Company is a party other than their appointment and remuneration as Directors. Please refer to page 71 for the Directors' remuneration tables.

## 18 Transactions with the Manager

Foresight Group LLP earned fees of £3,553,000 in the year ended 31 December 2024 (2023: £3,035,000). Additionally, a performance fee of £3,079,000 was paid in the year (2023: £734,000), and a liability of £nil has been recognised as at 31 December 2024 (2023: £1,115,000).

Foresight Group LLP is the Company Secretary and received accounting and company secretarial services fees of £207,000 during the year (2023: £197,000). Foresight Promoter LLP, a related party to the Manager, earned fees of £554,000 (2023: £770,000) in respect of costs incurred related to share allotments in the year.

As at 31 December 2024, the amount due to Foresight Group LLP was £34,000 (2023: £8,000).

No amounts have been written off in the year in respect of debts due to or from the Manager.

## 19 Related undertakings

Under Section 409 of the Companies Act 2006, the Company is required to disclose details of all its related undertakings, which are defined as undertakings where the Company owns 20% or more of the nominal value of any class of shares as at 31 December 2024. These are listed on the following pages. The percentage holdings do not necessarily reflect the percentage voting rights in the undertakings as a whole, as they may have two or more classes of shares with differing rights. All holdings are direct.

Please note that where holdings stated are above 50%, this is as a result of (i) holding 50% or more of a particular share class as opposed to the entire share capital, (ii) holding 50% or more of the share capital but with restricted rights, or (iii) is a legacy, historic, permitted non-qualifying holding and, therefore, not in breach of VCT rules.

# Notes to the Accounts continued

For the year ended 31 December 2024

## 19 Related undertakings continued

| Investee company name                 | Latest accounts<br>year end | Profit/(loss)<br>after tax<br>for year<br>£'000 | Aggregate<br>capital<br>and reserves<br>£'000 | Class and percentage<br>of shares held                      |
|---------------------------------------|-----------------------------|-------------------------------------------------|-----------------------------------------------|-------------------------------------------------------------|
| ABL Investments Limited               | 31/12/2023                  | N/A <sup>1</sup>                                | (1,859)                                       | A Ordinary 34.9%                                            |
| Aerospace Tooling Corporation Limited | 30/06/2023                  | 155                                             | 2,792                                         | A Ordinary 57.1%                                            |
| Biotherapy Services Limited           | 31/03/2023                  | N/A <sup>1</sup>                                | (1,034)                                       | A Ordinary 47.9%                                            |
| Clubspark Group Ltd                   | 31/03/2024                  | N/A <sup>1</sup>                                | 1,001                                         | A1 Ordinary 40.0%<br>A2 Ordinary 40.0%<br>AA Ordinary 40.0% |
| Cole Henry PE 2 Limited               | 31/03/2024                  | (1)                                             | 460                                           | Ordinary 50.0%                                              |
| Coptech UK Limited                    | 31/12/2022                  | (2,959)                                         | 18,532                                        | B Ordinary 29.8%                                            |
| Evolve Dynamics Limited               | 31/12/2023                  | N/A <sup>1</sup>                                | (283)                                         | B Ordinary 24.7%                                            |
| Family Adventures Group Ltd           | 31/12/2023                  | N/A <sup>1</sup>                                | (65)                                          | PP Ordinary 50.0%<br>A Ordinary 50.0%                       |
| Firefish Software Limited             | 31/12/2023                  | N/A <sup>1</sup>                                | 2,895                                         | A Ordinary 37.5%                                            |
| Fourth Wall Creative Limited          | 30/09/2023                  | N/A <sup>1</sup>                                | 5,028                                         | A Ordinary 40.0%                                            |
| Hexarad Group Limited                 | 30/06/2023                  | N/A <sup>1</sup>                                | 2,876                                         | AD Ordinary 44.9%                                           |
| HomeLink Healthcare Limited           | 31/12/2023                  | N/A <sup>1</sup>                                | 76                                            | A Ordinary 42.3%                                            |
| Hospital Services Group Limited       | 30/09/2023                  | 2,056                                           | 10,276                                        | A Ordinary 26.5%                                            |
| I-Mist Group Limited                  | 31/12/2023                  | N/A <sup>1</sup>                                | 2,495                                         | A Ordinary 35.8%                                            |
| Itad (2015) Limited                   | 31/03/2024                  | N/A <sup>1</sup>                                | 154                                           | A Ordinary 31.2%                                            |
| Kingsclere PE 3 Limited               | 31/01/2024                  | 59                                              | 679                                           | Ordinary 50.0%                                              |
| Lepide Group Holding Company Ltd      | N/A <sup>2</sup>            | N/A <sup>2</sup>                                | N/A <sup>2</sup>                              | A Ordinary 50.0%                                            |
| Live Group Limited                    | 31/03/2023                  | N/A <sup>1</sup>                                | 522                                           | A Ordinary 49.8%                                            |

# Notes to the Accounts continued

For the year ended 31 December 2024

## 19 Related undertakings continued

| Investee company name                            | Latest accounts<br>year end | Profit/(loss)<br>after tax<br>for year<br>£'000 | Aggregate<br>capital<br>and reserves<br>£'000 | Class and percentage<br>of shares held |
|--------------------------------------------------|-----------------------------|-------------------------------------------------|-----------------------------------------------|----------------------------------------|
| Loopr Limited                                    | 31/12/2023                  | N/A <sup>1</sup>                                | 4,344                                         | D Ordinary 38.9%<br>P Ordinary 38.8%   |
| Mizaic Ltd                                       | 31/03/2024                  | N/A <sup>1</sup>                                | (5,954)                                       | A Ordinary 50.0%<br>A2 Ordinary 36.5%  |
| Newsflare Limited                                | 31/07/2023                  | N/A <sup>1</sup>                                | 1,064                                         | B Ordinary 38.2%                       |
| NorthWest EHealth Limited                        | 31/12/2023                  | (2,969)                                         | 1,604                                         | AB Ordinary 50.0%                      |
| PH Realisations 2020 Limited (in administration) | 31/12/2018                  | (1,522)                                         | (3,361)                                       | A Ordinary 50.0%                       |
| Positive Response Corporation Ltd                | 31/03/2024                  | N/A <sup>1</sup>                                | 271                                           | A Ordinary 50.0%                       |
| Professionals At Play Ltd                        | 31/12/2023                  | 1,185                                           | 3,970                                         | A Ordinary 50.0%                       |
| Red Flag Alert Technology Group Limited          | 31/03/2024                  | N/A <sup>1</sup>                                | (2,772)                                       | A Ordinary 37.6%                       |
| Resi Design Limited                              | 30/11/2023                  | N/A <sup>1</sup>                                | (3,768)                                       | A Ordinary 50.0%                       |
| Rovco Limited                                    | 31/12/2023                  | N/A <sup>1</sup>                                | (8,131)                                       | A Ordinary 24.3%                       |
| Sprintroom Limited                               | 31/10/2023                  | N/A <sup>1</sup>                                | (70)                                          | A Ordinary 40.0%                       |
| Spektrix Limited                                 | 31/12/2023                  | (2,484)                                         | 9,396                                         | B Ordinary 30.0%                       |
| Steamforged Holdings Limited                     | 31/03/2023                  | N/A <sup>1</sup>                                | 1,498                                         | A Ordinary 32.0%                       |
| Strategic Software Applications Ltd              | 31/03/2024                  | N/A <sup>1</sup>                                | 998                                           | A Ordinary 50.0%                       |
| Ten Health & Fitness Limited                     | 31/12/2023                  | N/A <sup>1</sup>                                | (3,496)                                       | A Ordinary 40.0%<br>AA Ordinary 40.0%  |
| Titania Group Limited                            | 30/04/2024                  | N/A <sup>1</sup>                                | 2,551                                         | A Ordinary 50.0%                       |
| TLS Holdco Limited                               | 31/12/2023                  | 931                                             | 4,901                                         | A Ordinary 100.0%                      |
| viO HealthTech Limited                           | 31/12/2023                  | N/A <sup>1</sup>                                | (1,282)                                       | C Ordinary 49.8%<br>D Ordinary 27.6%   |

# Notes to the Accounts continued

For the year ended 31 December 2024

## 19 Related undertakings continued

| Investee company name   | Latest accounts<br>year end | Profit/(loss)<br>after tax<br>for year<br>£'000 | Aggregate<br>capital<br>and reserves<br>£'000 | Class and percentage<br>of shares held                     |
|-------------------------|-----------------------------|-------------------------------------------------|-----------------------------------------------|------------------------------------------------------------|
| Weduc Holdings Limited  | 31/03/2024                  | N/A <sup>1</sup>                                | 2,282                                         | A Ordinary 30.0%<br>AA Ordinary 24.1%<br>AB Ordinary 30.0% |
| Whitchurch PE 1 Limited | 31/03/2024                  | (1)                                             | 625                                           | Ordinary 50.0%                                             |

1. In accordance with Section 444 of the Companies Act 2006, a statement of income has not been delivered in the financial statements available on Companies House.

2. The company is yet to deliver financial statements to Companies House.

## 20 Post-balance sheet events

The Company announced a £20 million Prospectus offer on 1 November 2024, implemented the use of the £10 million over-allotment facility on 15 November 2024 and made the following issues of Ordinary Shares post year end:

| Date             | Ordinary<br>Shares | NAV to<br>calculate issue<br>price |
|------------------|--------------------|------------------------------------|
| 9 January 2025   | 15,105,477         | 54.3p                              |
| 27 January 2025  | 2,101,398          | 54.3p                              |
| 21 February 2025 | 35,714             | 54.3p                              |
| 10 April 2025    | 460,707            | 54.5p                              |
|                  | <b>17,703,296</b>  |                                    |

The offer was closed to new applications on 6 December 2024 and the final allotment was made on 10 April 2025, having raised gross proceeds of £30.0 million, £28.8 million after expenses.

Post year end, the Company completed investments into Loopr Limited (£1.5 million), Fourth Wall Creative Limited (£0.7 million), Evolve Dynamics Limited (£0.6 million), Ten Health & Fitness Limited (£0.6 million), NorthWest EHealth Limited (£0.3 million) and Ad Signal Limited (£1.5 million). The Company exited its investments in Hospital Services Group Limited, returning £9.3 million, and Biotherapy Services Limited for a nominal value.

The Board has considered the effect of trade tariffs, introduced by the Trump administration in April 2025. These events have had a significant effect on international markets and share price volatility. The Board does not expect there to be a significant direct effect on our portfolio companies due to their unquoted nature and their minimal exposure to US exports. Valuation benchmarks may be impacted and the Board will keep this under close review but the impact is difficult to predict at this point in time.

# Notice of Annual General Meeting

10 June 2025

## Order of events

|                                                |                                               |
|------------------------------------------------|-----------------------------------------------|
| 1.00pm                                         | Manager presentation                          |
| Immediately following the Manager presentation | Formal business of the Annual General Meeting |

Notice is hereby given that the Annual General Meeting of Foresight Enterprise VCT plc (the “Company”) will be held on 10 June 2025 at 1.00pm at the offices of Foresight Group LLP, The Shard, 32 London Bridge Street, London SE1 9SG, for the purpose of considering and, if thought fit, passing the following resolutions, of which Resolutions 1 to 9 will be proposed as ordinary resolutions and Resolutions 10 and 11 will be proposed as special resolutions.

### Resolution 1

To receive the Report and Accounts for the year ended 31 December 2024.

### Resolution 2

To approve the Directors’ Remuneration Report.

### Resolution 3

To approve the Directors’ Remuneration Policy.

### Resolution 4

To re-elect Gaynor Coley as a Director.

### Resolution 5

To re-elect Michael Gray as a Director.

### Resolution 6

To re-elect Ian Harris as a Director.

### Resolution 7

To re-elect Kavita Patel as a Director.

### Resolution 8

To reappoint Deloitte LLP as auditor and to authorise the Directors to fix the auditor’s remuneration.

### Resolution 9

That, in substitution for all existing authorities, the Directors be and they are generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares of 1p each in the capital of the Company (“Shares”) and to grant rights to subscribe for, or to convert any security into, Shares (“Rights”), up to an aggregate nominal amount of £1,450,000, provided that this authority shall expire (unless renewed, varied or revoked by the Company in a general meeting) on the conclusion of the Annual General Meeting of the Company to be held in the year 2026, or, if earlier, on the date falling 15 months after the date of the passing of this resolution, save that the Company shall be entitled to make offers or agreements before the expiry of such authority which would or might require Shares to be allotted or Rights to be granted after such expiry and the Directors shall be entitled to allot Shares and grant Rights pursuant to any such offers or agreements as if this authority had not expired.



# Notice of Annual General Meeting continued

10 June 2025

## Resolution 10

That, in substitution for all existing authorities, the Directors be and they are empowered pursuant to Section 570 and Section 573 of the Companies Act 2006 to allot equity securities (within the meaning of Section 560 of that Act) for cash either pursuant to the authority conferred by Resolution 9 above or by way of a sale of treasury shares as if Section 561(1) of that Act did not apply to any such allotment, provided that this power shall be limited to:

- a) the allotment of equity securities with an aggregate nominal amount of up to, but not exceeding, £700,000 pursuant to offer(s) for subscription;
- b) the allotment of equity securities with an aggregate nominal amount of up to, but not exceeding, an amount equal to 10% of the issued share capital from time to time pursuant to the dividend reinvestment scheme operated by the Company at a subscription price per Share which may be less than the Net Asset Value per Share, as may be prescribed by the scheme terms;
- c) the allotment of equity securities with an aggregate nominal amount of up to, but not exceeding, £100,000 by way of an issue of Shares (which may be at a subscription price per Share which is less than the Net Asset Value per Share) pursuant to performance incentive arrangements with Foresight Group LLP and relevant individuals of the Foresight Group LLP investment team; and
- d) the allotment (otherwise than pursuant to sub-paragraphs (a) to (c) of this resolution) to any person or persons of equity securities with an aggregate nominal amount of up to, but not exceeding, an amount equal to 10% of the issued share capital from time to time,

in each case where the proceeds may be used in whole or part to purchase shares in the capital of the Company, and shall expire (unless renewed, varied or revoked by the Company in a general meeting) on the conclusion of the Annual General Meeting of the Company to be held in the year 2026, or, if earlier, on the date falling 15 months after the passing of this resolution, save that the Company shall be entitled to make offers or agreements before the expiry of such authority which would or might require equity securities to be allotted after such expiry and the Directors shall be entitled to allot equity securities pursuant to any such offers or agreements as if the authority conferred hereby had not expired.

## Resolution 11

That, in substitution for all existing authorities, the Company be empowered to make market purchases (within the meaning of Section 693(4) of the Companies Act 2006) of its own shares on such terms and in such manner as the Directors shall from time to time determine, provided that:

- a) the aggregate number of Shares to be purchased shall not exceed 47,448,079 or, if lower, such number of Shares (rounded down to the nearest whole Share) as shall equal 14.99% of the Company's Shares in issue at the date of passing of this resolution;
- b) the minimum price which may be paid for a Share is 1p (the nominal value thereof);
- c) the maximum price which may be paid for a Share is the higher of (1) an amount equal to 105% of the average of the middle market quotation for a Share taken from the London Stock Exchange official daily list for the five business days immediately preceding the day on which the Shares are purchased, and (2) the amount stipulated by Article 5(6) of the Market Abuse Regulation (EU) 596/2014 (as such Regulation forms part of UK law and as amended);
- d) the authority conferred by this resolution shall expire (unless renewed, varied or revoked by the Company in a general meeting) on the conclusion of the Annual General Meeting of the Company to be held in the year 2026 or, if earlier, on the date falling 15 months after the passing of this resolution; and
- e) the Company may make a contract to purchase Shares under the authority conferred by this resolution prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Shares pursuant to such contract.

By order of the Board

## Foresight Group LLP

Company Secretary

23 April 2025

The Shard  
32 London Bridge Street  
London  
SE1 9SG

# Notes

1. No Director has a service contract with the Company. Directors' appointment letters with the Company will be available for inspection at the registered office of the Company until the time of the meeting and from 15 minutes before the meeting at the location of the meeting, as well as at the meeting.
2. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, entitlement to attend and vote at the meeting and the number of votes which may be cast thereat will be determined by reference to the Register of Members of the Company at the close of business on the day which is two days (excluding non-working days) before the day of the meeting or adjourned meeting. Changes to the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.
3. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend, speak and vote on their behalf. A proxy need not also be a member but must attend the meeting to represent you. Details of how to appoint the Chair of the meeting or another person as your proxy using the form of proxy are set out in the notes on the form of proxy which is enclosed. If you wish your proxy to speak on your behalf at the meeting, you will need to appoint your own choice of proxy (not the Chair) and give your instructions directly to them.
4. You may appoint more than one proxy, provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, (an) additional form(s) of proxy may be obtained by contacting Computershare Investor Services plc on 0370 703 6385. Please indicate in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and returned together in the same envelope.
5. As at 22 April 2025 (being the last business day prior to the publication of this notice), the Company's issued share capital was 316,531,550 Ordinary Shares of 1p each in the capital of the Company, carrying one vote each. Therefore, the total voting rights in the Company as at 22 April 2025 was 316,531,550.
6. Any person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between them and the member by whom they were nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, they may, under any such agreement, have a right to give instructions to the Shareholder as to the exercise of voting rights.
7. The statement of the rights of members in relation to the appointment of proxies in paragraphs 3 and 4 above does not apply to Nominated Persons. The rights described in those paragraphs can only be exercised by members of the Company.
8. Appointment of a proxy will not preclude a member from subsequently attending and voting at the meeting should they subsequently decide to do so. You can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy.
9. The Register of Directors' Interests will be available for inspection at the meeting. Where the Company holds a virtual meeting, the Register of Directors' Interests will be available for inspection on the Company's website [www.foresightenterprisevct.com](http://www.foresightenterprisevct.com).
10. Information regarding the meeting, including the information required by Section 311A of the Companies Act 2006, is available from [www.foresightenterprisevct.com](http://www.foresightenterprisevct.com).
11. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If you either select the "Discretionary" option or if no voting indication is given, your proxy will vote or abstain from voting at their discretion. Your proxy will vote (or abstain from voting) as they think fit in relation to any other matter which is put before the meeting.

## Notes continued

12. A form of proxy and reply paid envelope is enclosed. To be valid, it should be lodged with the Company's registrar, Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZY or the proxy must be registered electronically at [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy), in each case so as to be received no later than 48 hours (excluding non-working days) before the time appointed for holding the meeting or any adjourned meeting. To vote electronically, you will be asked to provide your Control Number, Shareholder Reference Number and PIN, which are detailed on your proxy form. This is the only acceptable means by which proxy instructions may be submitted electronically.

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting (and any adjournment of the meeting) by following the procedures described in the CREST Manual (available via [www.euroclear.com](http://www.euroclear.com)). CREST personal members or other CREST sponsored members (and those CREST members who have appointed a voting service provider) should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & International Limited's ("EUI") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message (regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 3RA50) by the latest time(s) for receipt of proxy appointments specified above in this note 12. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to a proxy appointed through CREST should be communicated to them by other means.

CREST members (and, where applicable, their CREST sponsors or voting service providers) should note that EUI does not take available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that their CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time.

In this connection, CREST members (and, where applicable, their CREST sponsors or voting service providers) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

13. Under Section 319A of the Companies Act 2006, the Company must answer any question you ask relating to the business being dealt with at the meeting unless answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information or the answer has already been given on a website in the form of an answer to a question or it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
14. Pursuant to Chapter 5 of Part 16 of the Companies Act 2006 (Sections 527 to 531), where requested by a member or members meeting the qualification criteria, the Company must publish on its website, a statement setting out any matter that such members propose to raise at the meeting relating to the audit of the Company's accounts (including the Auditor's Report and the conduct of the audit) that are to be laid before the meeting. Where the Company is required to publish such a statement on its website it may not require the members making the request to pay any expenses incurred by the Company in complying with the request, it must forward the statement to the Company's auditor no later than the time the statement is made available on the Company's website and the statement may be dealt with as part of the business of the meeting.

# Glossary of Terms

|                                                       |                                                                                                                                                                                                                                                               |
|-------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>AIC</b>                                            | The Association of Investment Companies is the United Kingdom trade association for the closed-ended investment company industry.                                                                                                                             |
| <b>VCT</b>                                            | A Venture Capital Trust as defined in the Income Tax Act 2007.                                                                                                                                                                                                |
| <b>Net Asset Value or NAV</b>                         | 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.              |
| <b>Net Asset Value per share or NAV per share</b>     | Net Asset Value expressed as an amount per share.                                                                                                                                                                                                             |
| <b>NAV Total Return since the share consolidation</b> | The NAV per share at the end of the year of 54.5p (2023: 65.6p) plus all dividends paid per share since the share consolidation in 2005 being 85.5p (2023: 70.1p). This giving NAV Total Return of 140.0p (2023: 135.7p).                                     |
| <b>NAV Total Return per share</b>                     | The NAV per share at the end of the year being 54.5p (2023: 65.6p) plus all dividends paid per share in the year being 15.4p (2023: 3.3p). As such, NAV Total Return per share was 69.9p (2023: 68.9p).                                                       |
| <b>Movement in NAV Total Return per share</b>         | This is the percentage change in the NAV per share at the start of the year being 65.6p (2023: 64.9p), to the NAV Total Return per share being 69.9p (2023: 68.9p). Therefore, the movement in Net Asset Value Total Return in the year is 6.6% (2023: 6.2%). |
| <b>Share Price Total Return</b>                       | The sum of the current share price of 50.5p (2023: 57.5p) plus all dividends paid per share since the share consolidation in 2005 being 85.5p (2023: 70.1p). This giving a Share Price Total Return of 136.0p (2023: 127.6p).                                 |
| <b>Discount to NAV</b>                                | A discount to NAV is the percentage by which the mid-market share price of the Company of 50.5p (2023: 57.5p) is lower than the Net Asset Value per share of 54.5p (2023: 65.6p). This giving a discount to NAV of 7.3% (2023: 12.3%).                        |
| <b>Dividends paid in the year</b>                     | The total dividends paid in the year per share of 15.4p (2023: 3.3p).                                                                                                                                                                                         |
| <b>Dividend yield</b>                                 | The sum of dividends paid during the year of 15.4p (2023: 3.3p) expressed as a percentage of the mid-market share price at the year-end date of 50.5p (2023: 57.5p). This giving a dividend yield of 30.5% (2023: 5.7%).                                      |

|                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|---------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Shares bought back in the year</b> | The total number of shares which were bought back in the year, being 16,473,505 (2023: 10,576,192).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Average discount on buybacks</b>   | 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Ongoing charges ratio</b>          | The sum of expenditure incurred in the ordinary course of business after adding back the performance incentive provision to total expenses in the year being £4.3 million (2023: £3.8 million) expressed as a percentage of the Net Asset Value at the end of the year after adding back special dividends paid during the year to the year-end net assets being £191.0 million (2023: £168.5 million).                                                                                                                                                                                                                                                                                                                                                                            |
| <b>IRR</b>                            | The internal rate of return on an investment, calculated as the discount rate that makes the net present value of all cash flows equal to zero for a specific investment.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Qualifying Company</b>             | 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 or AQUIS can qualify), have a permanent establishment in the UK, apply the money raised for the purposes of growth and development of 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. |
| <b>Qualifying investment</b>          | 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Manager</b>                        | Foresight Group LLP.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Foresight Group</b>                | Foresight Group Holdings Limited and its subsidiary companies and undertakings (which includes the Manager).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

# 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](http://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](http://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](http://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





# Shareholder Information

Foresight Enterprise VCT plc is a Venture Capital Trust aiming to provide 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.

[www.foresightenterprisevct.com](http://www.foresightenterprisevct.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 Enterprise VCT plc, please contact the Investor Relations team:

020 3667 8181

[InvestorRelations@Foresightgroup.eu](mailto:InvestorRelations@Foresightgroup.eu)

[www.foresightgroup.eu](http://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, Shareholders can 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
- Overseas holders can have their dividend payments paid in local currency into their local bank

[www.investorcentre.co.uk](http://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** for Dividend mandates | Stock transfer | Dividend reinvestment | Change of address

**Alternatively, you can contact Computershare by phone on 0370 703 6385**

## Key dates

|                        |              |
|------------------------|--------------|
| Annual General Meeting | 10 June 2025 |
|------------------------|--------------|

|                                     |                |
|-------------------------------------|----------------|
| Half-yearly results to 30 June 2025 | September 2025 |
|-------------------------------------|----------------|

|                                    |            |
|------------------------------------|------------|
| Annual results to 31 December 2025 | April 2026 |
|------------------------------------|------------|

# 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](http://www.foresightgroup.eu/privacy-policy).



## Trading shares

The Company's shares are listed on the London Stock Exchange. Share price information is available on the Manager'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 Enterprise VCT plc is Panmure Liberum Limited.

You can contact Panmure Liberum Limited 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 Enterprise 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.

# Corporate Information

## Company number

03506579

## Directors

Michael Gray (Chair)  
Kavita Patel (Deputy Chair)  
Gaynor Coley  
Ian Harris  
Raymond Abbott (resigned 11 June 2024)

## Company Secretary

### Foresight Group LLP

The Shard  
32 London Bridge Street  
London  
SE1 9SG

## Manager

### Foresight Group LLP

The Shard  
32 London Bridge Street  
London  
SE1 9SG

## Auditor

### Deloitte LLP

20 Castle Terrace  
Edinburgh  
EH1 2DB

## Solicitors and VCT Status Advisers

### Shakespeare Martineau LLP

No. 1 Colmore Square  
Birmingham  
B4 6AA

and

60 Gracechurch Street  
London  
EC3V 0HR

## Registrar

### Computershare Investor Services plc

The Pavilions  
Bridgwater Road  
Bristol  
BS99 6ZZ

## Market Maker

### Panmure Liberum Limited

Level 12, Ropemaker Place  
25 Ropemaker Street  
London  
EC2Y 9LY

## Banker

### Lloyds Bank plc

1 Churchill Place  
Leicester  
LE87 2BB



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