Foresight VCT plc

Unaudited Half-Yearly Financial Report
for the six month period ended 30 June 2015

Foresight VCT plc
Company number: 03421340

Contents

Important information: the Company currently conducts its affairs so that the shares issued by Foresight VCT plc can be recommended by IFAs to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream 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 investment products because they are shares in a VCT.

Foresight VCT plc

Investment Objective

Ordinary Shares

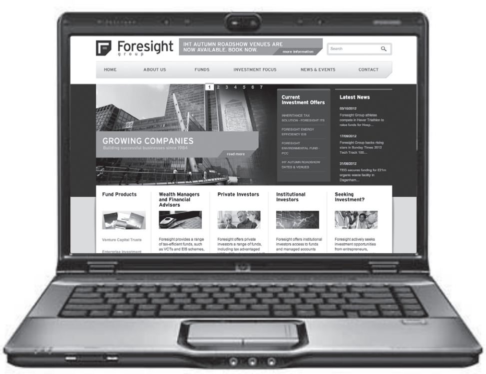
To provide private investors with attractive returns from a portfolio of investments in fast growing, unquoted companies based in the United Kingdom.

Planned Exit Shares

To combine greater security of capital than is normal within a VCT with the enhancement of investor returns created by the VCT tax benefits — income tax relief of 30% of the amount invested, and tax-free distribution of income and capital gains. The key objective of the Planned Exit Shares fund is to distribute a minimum of 110p per share through a combination of tax-free income, buybacks and tender offers before the sixth anniversary of the closing date of the original offer.

Infrastructure Shares

To invest in companies which own and operate essential assets and services which enjoy long-term contracts with strong counterparties or government concessions. To ensure VCT qualification, Foresight Group will focus on companies where the provision of services is the primary activity and which generate long-term contractual revenues, thereby facilitating the payment of regular predictable dividends to investors.



For further information go to
www.foresightgroup.eu

1

Summary Financial Highlights

Financial Highlights

- Net asset value per Ordinary Share at 30 June 2015 was 91.7p after a payment of 6.0p in dividends (31 December 2014: 99.4p).
- Net asset value per Planned Exit Share at 30 June 2015 was 52.4p after a payment of 15.0p in dividends (31 December 2014: 65.0p).
- Net asset value per Infrastructure Share at 30 June 2015 was 92.0p after a payment of 2.5p in dividends (31 December 2014: 92.4p).

Ordinary Shares Fund

- An interim dividend for the year ended 31 December 2014 of 6.0p per Ordinary Share was paid on 13 March 2015.
- The fund provided follow-on funding totalling £1.1 million to six portfolio companies and invested £1.3 million in one new company.
- A further £15.1 million was raised through the issue of shares and the Offer was closed on 8 June 2015.

Planned Exit Shares Fund

- A second interim dividend for the year ended 31 December 2014 of 15.0p per Planned Exit Share was paid on 22 May 2015.
- The fund realised £1.5 million from the sales of three portfolio companies.
- The Board is pleased to declare an interim dividend for the year ended 31 December 2015 of 7.5p per Planned Exit Share, to be paid on 25 September 2015.

Infrastructure Shares Fund

- A second interim dividend for the year ended 31 December 2014 of 2.5p per Infrastructure Share was paid on 22 May 2015.
- The fund's management fee was reduced from 1.75% to 1.0% from 1 January 2015.

Chairman's Statement

Performance – Ordinary Shares Fund

i. Movement in Net Asset Value of the Ordinary Shares Fund

During the period, the net assets of the Ordinary Shares fund increased to £54.2 million at 30 June 2015 from £44.2 million at 31 December 2014.

Of this net increase, amounting to £10.0 million, the principal contributing factors were a total of £15.1 million raised from the issue of new shares, less issue costs of £0.6 million, investment income of £0.3 million and a net decrease of £0.8 million from the investment performance of the Ordinary Shares fund portfolio. The payment of dividends totalled £3.0 million, management fees and other expenses totalled £0.6 million, and share buybacks totalled £0.4 million.

The successful performance of the private equity investments in the Ordinary Shares portfolio over the medium term, together with cash receipts from deferred consideration, the refinancing of investments and the success of recent fund-raisings, has generated significant cash balances.

It is the Board's ambition that the size of the Ordinary Shares fund should be increased further in order that it can better sustain our commitment to Shareholders in relation to providing a regular flow of significant dividends, maintaining sufficient cash capacity for new investments to be made over the medium term and operating an active share buyback programme.

In that regard, the Boards of Foresight VCT plc and Foresight 2 VCT plc announced on 8 June 2015 that they were in discussions about a potential merger that would create an enlarged VCT with net assets in excess of £100 million. Good progress has been made with these discussions, however, both Boards have agreed that before finalising terms they should wait until the regulatory changes affecting Venture Capital Trusts recently announced by HM Revenue & Customs have been clarified. In particular, this includes the timing of implementation and the impact they are likely to have on the future management of Venture Capital Trusts. Further details on the proposed regulatory changes are included later in my statement.

ii. Movement in Net Asset Value per Share of the Ordinary Shares Fund

During the period, the net asset value of the Ordinary Shares fund decreased to 91.7p per share at 30 June 2015 from 99.4p per Share at 31 December 2014. The performance of the investment portfolio, in particular the private equity investments was satisfactory albeit some portfolio companies suffered from weaker than expected trading, and, after adding back the dividend payment of 6.0p per Ordinary Share, represented a fall in total return of 1.7%.

The investments that contributed significantly to this overall fall were as follows:

Ordinary Shares Fund	£
Blackstar Amplification Holdings Limited	1,283,252
Industrial Efficiency II Limited	324,596
Thermotech Solutions Limited	143,583
Procam Television Holdings Limited	87,885
alwaysON Group Limited	(392,150)
Autologic Diagnostics Group Limited	(528,432)
Aerospace Tooling Holdings Limited	(1,834,198)
Other movements	67,666
Total	**(847,798)**

iii. Cash & Deal Flow

During the period the Ordinary Shares fund made the following new private equity and follow-on investments:

New Investments

Ordinary Shares Fund	£
Specac International Limited	1,345,000
Total	**1,345,000**

Follow-on funding

Ordinary Shares Fund	£
AtFutsal Group Limited	25,170
Autologic Diagnostics Group Limited*	78,820
Biofortuna Limited	128,002
Closed Loop Recycling Limited	7,193
Industrial Efficiency II Limited	562,500
Procam Television Holdings Limited	333,339
Total	**1,135,024**

*includes capitalised interest

Disposal Proceeds, Deferred Consideration & Loan Repayments

Ordinary Shares Fund	£
AtFutsal Group Limited	1,000
Total	**1,000**

Cash Availability

The Ordinary Shares fund had cash and liquid resources of £26.5 million at 30 June 2015, which had decreased to £24.0 million at the time of writing. It is anticipated that these funds will be used to make several new private equity investments arising from Foresight Group's deal flow pipeline of new opportunities.

The sum of £2.3 million was invested in Protean Software Limited in July 2015 and several further transactions are expected to be made before the end of September. Additionally, a proportion of cash and liquidity will be for dividends to shareholders, paying annual running expenses and share buybacks.

Chairman's Statement continued

iv. Investment Gains & Losses
During the period the Ordinary Shares fund realised losses amounting to £1.6 million, which had already been provided for in full, following the liquidation of Aigis Blast Protection Limited and DSM GeoData Limited.

v. Running Costs
The annual management fee of the Ordinary Shares fund is 2.0%. During the period the management fees totalled £508,000, of which £127,000 was charged to the revenue account and £381,000 was charged to the capital account. The average ongoing charges ratio of the Ordinary Shares fund for the period to 30 June 2015, at 2.3%, compares favourably with its VCT peer group.

vi. Ordinary Share Dividends
It continues to be the Company's policy to provide a flow of tax-free dividends, generated from income and from capital profits realised on the sale of investments. Distributions, however, will inevitably be dependent on cash being generated from portfolio investments and successful realisations.

Based on this policy an interim dividend of 6.0p was paid on 13 March 2015 based on an ex-dividend date of 26 February 2015 and a record date of 27 February 2015.

vii. Ordinary Shares Issues & Buybacks
A prospectus offer to raise £20 million was launched on 31 October 2014. During the period under review £15.1 million was raised through the issue of 15,080,040 Ordinary Shares, allotted at prices ranging from 93.4p to 100.1p per share.

The Company allotted 106,287 Ordinary Shares under the Company's Dividend Reinvestment Scheme at 99.4p per share.

During the period, 530,891 Ordinary Shares were repurchased for cancellation at a cost of £446,000 at an average discount to NAV of 10.6%. The Board and the Manager consider share buybacks to be a benefit to shareholders as a whole and an appropriate way to manage the share price discount to NAV at which the Ordinary Shares trade.

viii. Summary Post Period End Update
The sum of £2.3 million was invested into one new investment, Protean, in July 2015.

Outlook – Ordinary Shares Fund

The performance of the Ordinary Shares portfolio over the medium term, including cash receipts from the refinancing of investments and deferred consideration and the success of the recent fund-raising, has generated significant cash balances for the Ordinary Shares fund. This continues to underpin the Board's dividend commitment to Shareholders and provides sufficient capacity for several new investments to be made over the medium term in addition to those made in this period, which we anticipate will further enhance shareholder returns.

Performance – Planned Exit Shares Fund

i. Movement in Net Asset Value of the Planned Exit Shares Fund
During the period, the net assets of the Planned Exit Shares fund decreased to £3,157,000 at 30 June 2015 from £3,943,000 at 31 December 2014. Of this net decrease, the Planned Exit Shares fund paid out dividends totalling £910,000, management fees and expenses of £40,000 and share buybacks totalled £21,000 during the period. Income for the period totalled £76,000.

ii. Movement in Net Asset Value per share of the Planned Exit Shares Fund
Over the period, the net asset value of the Planned Exit Shares fund decreased to 52.4p per share at 30 June 2015 from 65.0p per Share at 31 December 2014, after payment of a 15.0p per Planned Exit Share dividend during the period.

iii. Cash & Deal Flow
There were no new investments made during the period.
During the period the Planned Exit Shares fund made the following follow-on investments:

Follow-on funding

Planned Exit Shares Fund	£
Closed Loop Recycling Limited	2,865
Total	**2,865**

Disposal Proceeds, Deferred Consideration & Loan Repayments

Planned Exit Shares Fund	£
Channel Safety Systems Group Limited	480,724
Industrial Efficiency Limited	205,500
Leisure Efficiency Limited	793,000
Total	**1,479,224**

The Planned Exit Shares fund had cash and liquid resources of £806,000 at 30 June 2015, which had decreased to £775,000 at the time of writing. The Planned Exit Shares fund is considered fully invested and its investments generate a running yield, which is principally utilised for the payment of expenses and dividends every year.

iv. Investment Gains & Losses
During the period the Planned Exit Shares fund realised gains amounting to £673,000 from the sales of Industrial Efficiency Limited (£50,000), Leisure Efficiency Limited (£218,000) and Channel Safety Systems Limited (£405,000). Further details of these sales are contained in the Manager's Report.

v. Running Costs
The annual management fee of the Planned Exit Shares fund is 1.0%. During the period management fees totalled £21,000, of which £5,000 was charged to the revenue account and £16,000 was charged to the capital account. The ongoing charges ratio of the Planned Exit Shares fund, for the period ended 30 June 2015 was 2.0%.

vi. Planned Exit Share Dividends

A second interim dividend of 15.0p per Planned Exit Share was paid on 22 May 2015. The shares were quoted ex-dividend on 7 May 2015 with a record date of 8 May 2015.

An interim dividend for the year ended 31 December 2015 of 7.5p per Planned Exit Share will be paid on 25 September 2015. The shares will be quoted ex-dividend on 10 September 2015 with a record date of 11 September 2015.

It continues to be the Company's policy to provide a flow of tax-free dividends, generated from income and from capital profits realised on the sale of investments. Distributions, however, will inevitably be dependent on cash being generated from portfolio investments and successful realisations.

vii. Planned Exit Shares Issues & Buybacks

There were no Planned Exit Shares issued during the period.

During the period under review 38,016 Planned Exit Shares were repurchased for cancellation at a cost of £21,000 at an average discount to NAV of 0.6%. The Board and the Manager consider share buybacks to be an effective way to manage the share price discount to NAV at which the Planned Exit Shares trade.

viii. Summary Post Period End Update

There were no material post period end items at the time of writing.

Outlook – Planned Exit Shares Fund

The Planned Exit Shares Fund is considered fully invested and Foresight Group is working hard to manage the portfolio with a view to maximising the return per Planned Exit Share to investors between the fifth and sixth anniversary of the final allotment i.e. by no later than 30 June 2016.

Performance – Infrastructure Shares Fund

i. Movement in Net Asset Value of the Infrastructure Shares Fund

During the period, the net assets of the Infrastructure Shares fund decreased to £15,224,000 at 30 June 2015 from £15,304,000 at 31 December 2014. Of this net decrease, the Infrastructure Shares fund paid out dividends totalling £414,000, management fees and expenses of £151,000 and share buybacks totalled £18,000 during the period. Income for the period totalled £361,000.

ii. Movement in Net Asset Value per share of the Infrastructure Shares Fund

During the period, the net asset value of the Infrastructure Shares fund decreased to 92.0p per share at 30 June 2015 from 92.4p per Share at 31 December 2014.

iii. Cash & Deal Flow

There were no new or follow-on investments made during the period.

In April 2015, HMRC clearance was received to merge York Infrastructure 3 Limited and Zagreb Solar Limited and utilise their combined cash resources to repay £1.6 million of the senior debt early at a discount to par on the Drumglass PFI project, which will be value accretive to the fund.

The Infrastructure Shares fund had cash and liquid resources of £31,000 at 30 June 2015, which had increased to £113,000 at the time of writing.

iv. Investment Gains & Losses

There were no realised gains or losses during the period.

v. Running Costs

The annual management fee of the Infrastructure Shares fund, which was 1.75% until 31 December 2014, was reduced to 1% from 1 January 2015. The Board agreed with Foresight Group to make this change following the impact of the delay in investing the original amounts raised in qualifying infrastructure investments, which may impact the fund's returns. During the period the management fees totalled £76,000, of which £19,000 was charged to the revenue account and £57,000 was charged to the capital account. The ongoing charges ratio of the Infrastructure Shares fund, for the period ended 30 June 2015 was 1.5%, which compares favourably with its VCT peer group.

vi. Infrastructure Share Dividends

A second interim dividend of 2.5p per Infrastructure Share was paid on 22 May 2015. The shares were quoted ex-dividend on 7 May 2015 with a record date of 8 May 2015.

It continues to be the Company's policy to provide a flow of tax-free dividends, generated from income and from capital profits realised on the sale of investments. Distributions, however, will inevitably be dependent on cash being generated from portfolio investments and successful realisations and the ability to continue generating future cashflows to satisfy an annual 5.0p per share dividend is not guaranteed.

vii. Infrastructure Shares Issues & Buybacks

There were no Infrastructure Shares issued during the period.

During the period under review 20,020 Infrastructure Shares were repurchased for cancellation at a cost of £18,000 at an average premium to NAV of 2.1%. The Board and the Manager consider share buybacks to be an effective way to help manage the share price discount to NAV at which the Infrastructure Shares trade.

viii. Summary Post Period End Update

There were no material post period end items at the time of writing.

1

Chairman's Statement continued

Outlook – Infrastructure Shares Fund

The Infrastructure portfolio is now fully invested in appropriate qualifying investments, including several significant investments in solar infrastructure.

VCT Legislation

The Budget in March this year announced that some further amendments would be introduced to the VCT legislation, most of which were specifically aimed at enabling the scheme to maintain approval under the European Commission's State Aid guidelines. The Summer Budget 2015 has proposed additional new rules to prevent VCT investment being used to acquire existing shares or the principal trade or assets of businesses. It is expected that VCTs will no longer be permitted to finance management buyouts ("MBOs").

The key aspects of the proposed new rules are as follows:

- Introducing an 'age of company' restriction of a maximum of seven years at the time of first investment;
- Introducing a lifetime investment limit of £12 million; and
- Prohibiting VCT investment to finance acquisitions (as mentioned above).

The proposals remain subject to approval by the European Commission so the date when these proposals become legislation is uncertain, but currently the new rules are expected to apply to investments made by VCTs from October 2015. The precise details and implications for the VCT's future investment programme will only be fully clear once the legislation is enacted. However, in the longer term, the Investment Manager anticipates a reduction in the range of companies that the VCT could consider as potential investments, together with changes in the Company's investment strategy. In the meantime, the Investment Manager, along with others in the industry, is in discussions with HM Treasury about the restrictive nature of the proposed regulations, the impact on unquoted company funding, and the way in which these changes are being introduced.

Outlook

The effect of the improvement in the economy has been noticeable in the performance of the private equity part of the Ordinary Shares portfolio, albeit the sharp reduction in oil prices is now having an impact on wider business and support services and this is filtering through to the valuations of investee companies. Despite this short term volatility, a series of refinancings and loan repayments and the success of the current fundraising has generated significant cash balances for that fund. This cash generation, along with the longer term prospects for the Ordinary Shares portfolio underpins the Board's dividend commitment to Shareholders and provides sufficient capacity for several new investments to be made over the medium term, which we anticipate will further enhance Shareholder returns.

The investment phase of the Infrastructure Shares fund and the transition of part of the fund from non-qualifying PFI investments into VCT qualifying Solar Infrastructure has now been completed. Both the Board and the Manager are optimistic that the portfolio will now produce a steady income flow for future dividends, as originally planned.

John Gregory
Chairman
Telephone: 01296 682751
Email: j.greg@btconnect.com
27 August 2015

Manager's Report

Manager's Commentary

The overall performance of the Ordinary Shares fund during the period under review was broadly satisfactory. Several of the investments performed well, including Blackstar Amplification, Industrial Efficiency II, Procam Television Holdings and Thermotech Solutions, supporting an increase in their aggregate valuations of over £1.8 million. This was counterbalanced by the performances of Aerospace Tooling Corporation (ATL), Autologic Diagnostics Group and AlwaysOn. Although ATL's sales and profitability were expected to be lower in the year to 30 June 2015 after its exceptional performance in the previous financial year and successful recapitalisation, the actual trading results were weaker than budgeted, reflecting reduced sales in the final quarter of the financial year. Transition to a new business model has slowed trade for Autologic in recent months. A provision of £392,150 was made against the investment in AlwaysOn Group, due to continuing weak trading.

Reflecting the above, the net asset value per Ordinary Share decreased by 1.7% to 91.7p per share as at 30 June 2015 from 99.4p per Ordinary Share as at 31 December 2014 (after adding back the interim dividend of 6.0p per Ordinary Share paid on 13 March 2015).

Having realised a significant number of investments over recent years and raised £19 million through the issue of new Ordinary Shares through the Offer which closed in June 2015, we are now focussing on making new investments and achieving further exits to facilitate dividend payments.

After adding back the second interim dividend of 15.0p paid on 22 May 2015 to the net asset value per Planned Exit Share of 52.4p per share as at 30 June 2015 this represented an increase of 3.7% in total return compared to the net asset value of 65.0p as at 31 December 2014. This increase was due principally to the successful sale of Channel Safety Systems Group and progress made in the turnaround of Industrial Engineering Plastics during the period. In January 2015, the investments in Industrial Efficiency and Leisure Efficiency were sold to another Foresight managed fund for a total of £998,500, realising a combined profit of £556,190, after including interest received. In April 2015, the investment in Channel Safety Systems Group was successfully sold, realising £518,937 for the Planned Exit Shares fund which compares with the remaining equity cost of £75,750. This followed the sale of its subsidiary, Channel Technical Services, in October 2014 for which the Planned Exit Shares fund received £641,647. In aggregate, the Planned Exit Shares fund's investment in Channel Safety Systems Group returned 2.0 times cost and an IRR of 22%.

During the period, the net asset value per Infrastructure Share increased by 2.3% to 92.0p per share as at 30 June 2015 from 92.4p as at 31 December 2014 (after adjusting for the 2.5p second interim dividend paid on 22 May 2015).

As previously indicated, to increase the VCT qualifying proportion of the Infrastructure Shares fund, action was taken in 2014 to refinance £4.5 million of non-qualifying loans in PFI investments and reinvest the proceeds in suitably qualifying solar infrastructure companies. In late 2014, the Infrastructure Shares fund formally completed investments committed in July 2014 totalling £6.0 million in three solar projects. These three investments share many of the characteristics of PFI assets, including RPI-linked revenues, low correlation to economic conditions and low counterparty risk, although there is an element of exposure to commercial electricity prices. This action has resulted in a diversified infrastructure risk and return profile as well as yield benefits to the portfolio while reducing the portion of non-qualifying investments to 30% of the Infrastructure Shares fund.

Reflecting increased competition, higher prices than expected had to be paid for such PFI and solar assets, resulting in correspondingly lower yields. Depending on the prices obtained on the ultimate sale of these assets, this may impact overall ultimate returns to investors.

A sum of £800,000 was invested in Zagreb Solar Limited in July 2014 on a qualifying basis. On 1 April 2015, HMRC clearance was received to merge Zagreb with York Infrastructure 3 Limited and utilise their cash resources to refinance £1.6 million of the senior debt in the Drumglass PFI project.

Fund raising for the Ordinary Shares Fund

Foresight Group continue to see a number of high quality private equity investment opportunities, similar to the recent investments made in Positive Response Corporation, Specac, Thermotech Solutions and Procam Television referred to below. On 31 October 2014, the Board launched a full prospectus to raise up to £20 million by the issue of new Ordinary Shares. The issue was well received by both new and existing investors, with £19 million raised by the closing date of 8 June 2015 by the issue of 19.4 million new Ordinary Shares during the offer period.

Foresight Group believes that, with the UK and US economies showing signs of continuing recovery, investing in growing, well managed private companies in this phase of the economic cycle should, based on past experience, generate attractive returns over the longer term. Based on its current deal flow, Foresight Group believes that attractive deals are currently available and is already utilising the funds raised to take advantage of these opportunities.

Planned Changes to VCT Rules – Finance Bill 2015

On July 2015, the Government published the draft Finance Bill which, subject to EU State Aid approval, introduced certain changes to the Venture Capital Scheme to encourage VCTs to support smaller companies with development capital and finance such companies' organic growth. These regulatory changes will take effect from the date of Royal Assent, which is expected in late September or early October this year. Two of these changes in particular are expected to impact the future management of VCTs, namely restrictions on the age of a company that is eligible for investment by a VCT (generally, no more than seven years from the date of the company's first commercial

Manager's Report continued

sale) and restrictions on VCT funds being used in acquiring an interest in another company or existing business. The latter restrictions are likely to impact replacement capital transactions, such as shareholder recapitalisations and management buy-outs and buy-ins, and so encourage more development capital transactions. The draft legislation is currently being finalised and legal advice is being obtained to understand the impact of these changes more clearly. The Foresight VCTs already invest in all these types of transactions so the proposed changes are not expected to have as great a consequential impact as may be experienced by other VCTs.

Portfolio Review: Ordinary Shares Fund

1. New Investments

In April 2015, the Ordinary Shares fund invested £1.3 million in shares and loan notes, alongside a further £1.3 million invested equally by Foresight 3 VCT and Foresight 4 VCT C Share class, in **Specac International Limited** ("Specac") to finance a £2.775 million management buy-out of Specac Limited from Smiths Group plc. The three Foresight VCTs together acquired a majority equity shareholding with the management team holding the remaining equity.

Specac, based in Orpington, Kent, is a long established, leading scientific instrumentation accessories business, manufacturing high specification sample analysis and sample preparation equipment used across a broad range of applications in testing, research and quality control laboratories and other end markets Worldwide. The company's products are primarily focused on supporting IR Spectroscopy, an important analytical technique widely used in research and commercial/industrial laboratories.

In July 2015, after the period end, the Ordinary Shares fund invested £2.254 million as part of a £4 million round alongside other Foresight VCTs to finance a management buy-in buy-out of Coventry-based **Protean Software Limited** ("Protean") and fund planned growth.

Protean develops and sells business management and field service management software for organisations involved in the supply, installation and maintenance of equipment, across sectors including facilities management, HVAC and elevator installation. In addition to the fully featured software suite and associated training, data conversion and integration services, Protean provides ongoing support and maintenance to its customer base. The software solution comprises both desktop software and a mobile variant used on engineers' Android devices. Foresight has introduced two experienced software executives as CEO and Chairman respectively who will work alongside three of the current directors to drive the business forward and execute their growth plans.

2. Follow-on funding

Company	£
AtFutsal Group Limited	25,170
Autologic Diagnostics Holdings Limited*	78,820
Biofortuna Limited	128,002
Closed Loop Recycling Limited	7,193
Industrial Efficiency II Limited	562,500
Procam Television Holdings Limited	333,339
Total	**1,135,024**

*Representing capitalised interest.

3. Realisations

£1,000 was received from the administrators of a subsidiary of AtFutsal during the period.

4. Material Provisions to a level below cost in the period

Company	£
AlwaysOn Group Limited	392,150
Autologic Diagnostics Holdings Limited	528,432
Trilogy Communications Limited	11,516
Total	**932,098**

5. Performance Summary

The overall performance of the Ordinary Shares fund during the period under review was broadly satisfactory. Blackstar Amplification, Industrial Efficiency II, Procam Television Holdings and Thermotech Solutions all performed well, supporting an increase in their aggregate valuations of over £1.8 million. Blackstar Amplification improved efficiency and margins while Thermotech enjoyed strong organic growth. Procam similarly enjoyed good organic growth as well as benefitting from three recent acquisitions, all of which are being successfully integrated into the enlarged Group. The most recent acquisition, Hotcam New York, partially funded by the Ordinary Share fund in March 2015, was made to service the US requirements of existing UK customers and enter the large US market for TV camera rentals.

This was counterbalanced by the performances of Aerospace Tooling Corporation (ATL), Autologic Diagnostics Group and AlwaysOn Group. Although ATL's sales and profitability were expected to be lower in the year to 30 June 2015 after its exceptional performance in the previous financial year and successful £3.5 million recapitalisation, the actual trading results were weaker than budget, reflecting reduced sales in the final quarter of the financial year to two major customers. The valuation was, in consequence, reduced by £1.8 million during the period.
To change its business model towards a recurring revenue model, Autologic Diagnostics Group has recently launched its new, service oriented product, which, depending on the level of new customer sales, is likely to impact EBITDA in 2015 and 2016 while helping to drive longer term shareholder value. Trading in recent months has, as expected, been affected by the start of the transition to the new business model and the valuation has been reduced accordingly. Initial signs are promising with largely positive feedback from both new and

existing customers. A provision of £392,150 was made against the investment in AlwaysOn Group, due to continuing weak trading.

Reflecting the above, the net asset value per Ordinary Share decreased by 1.7% to 91.7p per share as at 30 June 2015 from 99.4p per Ordinary Share as at 31 December 2014 (after adding back the interim dividend of 6.0p per Ordinary Share paid on 13 March 2015).

Having realised a significant number of investments over recent years, we are now focussing on both making new investments and also achieving further exits to facilitate dividend payments. The M&A market continues to be particularly active, providing opportunities for future realisations.

Several of the portfolio companies are displaying good order books and revenue and profit growth, creating potential for further value increases. With an encouraging economic background, and the proceeds from the recent fund raising, Foresight Group is now well placed to take advantage of its current deal flow and is actively pursuing new investment opportunities. Several transactions with well established, profitable companies are in due dilligence or legal stages at present and a number of these are expected to close shortly.

Portfolio Review: Planned Exit Shares Fund

1. New Investments

No new investments were made during the period.

2. Follow-on funding

Company	£
Closed Loop Recycling Limited	2,865
Total	**2,865**

3. Realisations

Company	£
Channel Safety Systems Group Limited	480,724*
Industrial Efficiency Limited	205,500
Leisure Efficiency Limited	793,000
Total	**1,479,224**

*Plus deferred consideration of £19,107.

4. Material Provisions to a level below cost in the period

Company	£
AlwaysOn Group Limited	28,147
Trilogy Communications Limited	22,605
Total	**50,752**

5. Performance Summary

The net asset value per Planned Exit Share decreased during the period to 52.4p per share as at 30 June 2015 from 65.0p as at 31 December 2014 after deducting the 15.0p per share dividend paid on 22 May 2015. Overall, therefore, the total return in the period was 3.7%. This was principally due to the successful sale of Channel Safety Systems Group and progress made in the turnaround of Industrial Engineering Plastics during the period.

In January 2015, the investments in Industrial Efficiency and Leisure Efficiency were sold to another Foresight managed fund, based on an independent third party valuation. The investment in Industrial Efficiency was sold for £205,500, realising a profit of £85,215 and generating a total return of 1.5 times original cost of £180,000 after including interest received. The investment in Leisure Efficiency was sold for £793,000, realising a profit of £470,975 and generating a total return of 1.7 times original cost of £690,000 after including interest received.

In April 2015, Channel Safety Systems Group was sold to Newbury Investments (UK) Limited, realising £518,937 for the Planned Exit Shares fund, which compares with the remaining equity cost of £75,750. This followed the earlier sale of its subsidiary, Channel Technical Services, in October 2014 for £1.6 million of which the Planned Exit Shares fund received £641,647, comprising a loan repayment of £614,250 and interest of £27,397. The Planned Exit Shares fund's investment in Channel Safety Systems Group returned in aggregate 2.0 times cost and an IRR of 22%.

Following cost reductions and some recovery in defence orders, Trilogy Communications had been operating at or near EBITDA breakeven on a monthly basis in early 2015 but recent trading has been weaker than expected owing to delays in expected defence orders. Management are focussed on improving performance with costs having been reduced further and cash being managed closely. A corporate finance adviser has been appointed to review the company's strategic options, including joint ventures, licensing technology and possibly a trade sale.

A second interim dividend of 15.0p per Planned Exit Share was paid on 22 May 2015, following the previous interim dividend of 7.5p per Planned Exit Share paid on 12 December 2014.

An interim dividend for the year ended 31 December 2015 of 7.5p per Planned Exit Share will be paid on 25 September 2015. The shares will be quoted ex-dividend on 10 September 2015 with a record date of 11 September 2015.

Foresight Group is working to realise investments and is monitoring the performance and likely returns from each investment to ensure that sufficient cash is generated to meet investors' yield expectations and the planned capital repayment profile.

Portfolio Review: Infrastructure Shares Fund

Background

By the closing date of 18 July 2012, a total of £33,295,716 had been raised for the Infrastructure Shares fund jointly with Foresight 2 VCT's Infrastructure Shares fund (i.e. some £16.6 million for each fund). The strategy of both funds is to invest in infrastructure assets on a pari passu basis in the secondary PFI, solar infrastructure, energy efficiency and on-site power generation markets.

Manager's Report continued

The two funds acquired shareholdings in eight operating PFI companies, four in the education sector holding interests in 13 schools and four in the health sector, comprising three acute hospitals and one forensic psychiatry unit. All of the projects are contracted under UK PFI standard form and the counterparties are various Local Authorities and NHS Trusts. These investments have strong operating records and have remaining contract terms ranging from 12 to 27 years. All have project finance debt in place with long term interest rate hedging contracts and also long term facilities management subcontracts which pass all operational risks through to major well established companies.

While some progress was made in investing the majority of the Infrastructure Shares fund in secondary PFI investments within 12 months of the closing date, yields fell significantly, reflecting increased competition from new and established PFI infrastructure funds. This was driven by increasing investor appetite for PFI investments and a contraction in the supply of new infrastructure assets. This yield compression meant that assets were acquired at yields lower than originally forecast. The total return will, however, depend on the prices achieved on an ultimate sale or refinancing (with suitable debt finance) of the assets. Foresight Group agreed with the Board to reduce its management fee to 1% per annum from 1 January 2015 on the Infrastructure Shares fund in order to help reduce costs and help improve investor returns.

Portfolio Developments

Although advance VCT clearances were received from HMRC in respect of four of the PFI investments, only one is VCT qualifying because the co-shareholders in the other three would not agree to change the structure. Action was then taken to increase the VCT qualifying proportion of the Infrastructure Shares fund to 70% by July 2014 to meet the VCT qualification test. This action included the refinancing of £4.5 million of non-qualifying PFI assets with loans from the Foresight Inheritance Tax Service to reduce the non-qualifying holdings and then using these proceeds to complete five qualifying investments into four operating solar projects and a top-up into the Drumglass PFI project to fund the early repayment of senior debt.

In late 2014, the Infrastructure Shares fund formally completed investments committed in July 2014 totalling £6.0 million in three solar projects: £2 million in Rovinj Solar Limited (to acquire a shareholding in the 5.5MW Ford Farm solar project); £2 million in FS Hayford Farm Limited (to acquire a shareholding in the 9.8MW Hayford Farm solar project); and £2 million in Krk Solar Limited (to acquire the 3.3MW Tope Farm solar project). These solar assets share many of the characteristics of PFI assets, including RPI-linked revenues, low correlation to economic conditions and low counterparty risk, although there is an element of exposure to commercial electricity prices.

£800,000 was invested in Drumglass HoldCo Limited (formerly Zagreb Solar Limited) in July 2014 on a qualifying basis. On 1 April 2015, a merger was completed between Zagreb and York Infrastructure 3 Limited with their combined cash resources utilised to repay £1.6 million of the senior debt in the Drumglass PFI project.

New and Follow-on Investments

There were no new or follow-on investments made during the period.

Outlook

The Infrastructure Shares fund has been successfully deployed into a combination of yielding, qualifying PFI and solar investments.

Reflecting progress in yield from these investments, a second interim dividend of 2.5p per Infrastructure Share was paid on 22 May 2015. We are optimistic for the prospects of the restructured portfolio over the coming years, although forecasts indicate that the original target total return of 130.0p per share will be challenging to achieve.

Portfolio Company Highlights

In June 2013, the Ordinary Shares fund invested £1.5 million alongside other Foresight VCTs in a £3.5 million investment in Dundee based **Aerospace Tooling Corporation** ("ATL"), a well established specialist engineering company. ATL provides repair, refurbishment and remanufacturing services to large international companies for components in high-specification aerospace and turbine engines. With a heavy focus on quality assurance, the company enjoys strong relationships with companies serving the aerospace, military, marine and industrial markets. In the year to 30 June 2014, a number of large orders underpinned exceptional growth, with turnover doubling to £11 million and EBITDA profits increasing significantly to £4.33 million. Although sales and profitability were expected to be lower in the year to 30 June 2015, the actual trading results were weaker than budgeted, an EBITDA profit of £3 million being achieved on sales of £8.1 million, reflecting reduced sales in the final quarter of the financial year to two major customers in the aerospace and oil industries.

With currently poor order visibility, costs have been reduced and sales efforts increased. Although encouraging progress is being made in winning new customers and orders, this process and related sales cycles are inevitably protracted.

Reflecting particularly strong cash generation, the company was able to effect a recapitalisation and dividend distribution in September 2014, returning the entire £3.5 million cost of the Foresight VCTs' investments made only 15 months previously. Having received full repayment of its £1.35 million loan and a dividend of £150,000 equal to the cost of its equity investment, the Ordinary Shares fund retains its original 23% equity shareholding in the company, effectively at nil cost. **Held in the Ordinary Shares fund**.

In April 2014, the two Foresight portfolio companies, **AlwaysOn Group** and **Data Continuity Group (together now known as AlwaysOn Group)**, merged and implemented a major reorganisation, involving significant cost reductions and a change in the year end to March 2015. The merged business now provides data backup services, connectivity and Microsoft's Lync collaboration software (AlwaysOn being a Microsoft Gold partner) to SMEs and larger enterprises. In the year to 31 March 2015, losses were successfully stemmed, with a small

EBITDA profit being achieved on sales of £6.6 million and reasonable cash balances at that date.

Revenues for the merged entity were slightly behind budget, due to weaker product sales and data back up renewals, while managed services performed ahead of expectations. Further cost reductions have been implemented during the period. To improve the company's digital presence and channel sales of Lync (to be rebranded Skype for Business), a new Head of Marketing has been recruited, who has already made a beneficial impact on sales. An experienced COO is also being recruited to ensure that projects are delivered well and on time. With a number of significant pipeline opportunities beginning to be generated through partners for Skype for Business, performance is expected to improve significantly as some of these convert into orders which could then create an opportunity to pursue a potential exit. In view of the overall weak trading performance, provisions of £392,150 and £28,147 were made against the cost of the investments in the Ordinary Shares fund and Planned Exit Shares fund respectively during the period. **Held in the Ordinary Shares and Planned Exit Shares funds**.

For the year to 31 December 2014, **Aquasium Technology** achieved a NPBT of £845,000 on sales of £10.1 million, reflecting strong demand for CVE's smaller electron welding machines and also for spares and service (2013: a NPBT of £646,000 on sales of £8.6 million). Trading in the current year to date is ahead of budget, reflecting a strong performance by the spares and service unit, with good visibility on the order pipeline.

Having paid £518,345 in redemption premia and interest in 2013, the company repaid loans of £333,333 and interest of £21,717 in December 2014. At 30 June 2015, the Ordinary Shares fund held £333,334 of loans and 33% of Aquasium's equity. At that date, the company had cash balances of £1.9 million and, in July 2015, repaid £166,667 of loans.

With its partners, Aquasium is continuing its development of new electron beam technologies which are expected to have considerable commercial potential. During the period, the Ebflow (reduced pressure vacuum) machine was demonstrated to various potential customers, successfully welding steel in minutes rather than several hours. Development work to enable circumferential welding continues. The investment in Aquasium has to date returned £3.8m, representing a multiple of over 2.0x cost. The final loan repayment of £166,667 is expected to be made by the end of 2015, with the 33% equity shareholding remaining. **Held in the Ordinary Shares fund**.

AtFutsal Group runs government approved education programmes for students aged 16-18 years old, sourced from Football clubs, colleges, academies and training/accreditation organisations, the funding for which is provided by the Education Funding Agency. Arenas in Birmingham, Leeds and Swindon are used in part for these education programmes. AtFutsal has introduced a wider range of government approved BTech courses and is using its own online education software platform to provide a broader range of educational services. A separate English Colleges education programme has been established to provide additional futsal related courses for 16-18 year olds at sixth form colleges, with an increasing number of courses being offered. Courses for other age groups are also being developed. For the current student year which commenced in September 2014, the company registered some 1,400 students on its futsal related courses, compared with 1,200 in the previous academic year. AtFutsal is also improving capacity utilisation across the three arenas with a variety of different sports being regularly played at each arena alongside futsal at both child and adult level.

For the year ended 31 December 2014, a small operating profit was achieved on sales of £5.0 million, with the growing Education division generating the majority of the profit and cash flow within the Group. In April 2015, a new management agreement was entered into with the landlord of the Birmingham arena which is expected to reduce the arena's running costs appreciably. Trading in the current year to date is progressing well, the Education team being focussed on developing and signing up new education programmes and enrolling students for the new academic year beginning September 2015. Although over 200 students have so far been recruited for the new programmes, the forecast number of students on all courses for that year is expected to be lower than in the previous year, due to the company's termination of one particular contract with the Football League Trust. However, in consequence, gross margins are expected to be appreciably higher as fewer fees will be payable to other service providers. Management is focussed on improving profitability, broadening the range of education programmes and also increasing usage of its online education platform. Following a detailed review, changes are being made amongst senior management and an experienced Chairman and educational specialist CEO are currently being recruited.

As part of a £355,000 funding round to support the continuing growth of the Educational division and a related share reorganisation, the Foresight VCTs invested a further £300,000 during the period (£100,000 in February 2015 and £200,000 in April 2015). The Ordinary Shares fund invested £25,170 in this round. With fewer students expected albeit generating higher margins, a further funding round is anticipated later this year to provide sufficient working capital for the new CEO to drive the business forward. **Held in the Ordinary Shares fund**.

Following the £48 million secondary buy-out by Living Bridge (formerly ISIS Private Equity) in January 2012, investments in equity and loan stock valued at £1.486 million were retained in **Autologic Diagnostics Group**. For the year to 31 December 2014, an EBITDA of £5.4 million was achieved on sales of £19.7 million, with relatively stronger sales in the UK and Europe compared with the USA (2013: an EBITDA of £5.4 million on sales of £18.8 million). As at 31 December 2014, the company had a healthy cash balance of £7.9 million. In May 2015, a new business model was launched to generate recurring revenues and improve the quality of the company's earnings from a new product,

Manager's Report continued

Assist Plus, and associated Assist Plus service. In the short term, this change in strategy towards a recurring revenue model will result in certain exceptional costs being incurred and depending on the level of new customer sales is likely to impact EBITDA in 2015 and 2016 while helping to drive longer term shareholder value. Trading in recent months has, as expected, been affected by the start of the transition to the new business model but initial signs are promising with largely positive feedback from customers. Management are transitioning the existing customer base onto the new support service platform and growing sales of the new product and service to both new and existing customers. During the period, interest of £78,820 deferred under the terms of the loan agreement with Autologic Diagnostics Group was capitalised. **Held in the Ordinary Shares fund**.

Biofortuna, an early stage molecular diagnostics business based in the Wirral, has developed unique expertise in the important area of enzyme stabilisation, effectively hi-tech freeze drying. Its first range of products, SSPGo, is a series of tests for genetic diseases and organ transplant compatibility. Because of the company's stabilisation and freeze-drying technology, its products can be transported easily (in the post if needed) and stored at room temperature for up to two years. A £1.3 million round to finance capital expenditure and working capital was completed in August 2013, in which the Ordinary Shares fund invested £99,066 in the first tranche and a further £50,929 in the second, final tranche in April 2014. For the year to March 2015, a substantially reduced operating loss of £528,000 was incurred on higher sales of £1.05 million (compared to an operating loss of £1.05 million incurred on sales of £325,000 in the previous year).

The Custom Services division, engaged in contract research, freeze-drying product development for customers and contract manufacturing, continues to mature with paid for feasibility studies and various contract discussions. Several customers are now ordering or moving towards production volumes, while additional sales resource has been recruited. Investment continues in improving and increasing production capacity. The manufacturing facility has successfully obtained FDA registration. The Molecular Diagnostics division, which develops the company's proprietary products, is progressing in a number of areas, including assessing new markets and broadening the product range. To finance the development of new products, a £1.55 million round was concluded in January 2015, of which £890,000 was committed by the Foresight VCTs. The Ordinary Shares fund committed to invest £202,505, of which £128,002 has been invested as the first tranche. Trading in the current year to date is stronger, with a lower rate of operating loss than budgeted, reflecting orders for the Contract Manufacturing division from both existing and new customers. **Held in the Ordinary Shares fund**.

In July 2012, the Ordinary Shares fund invested £2.5 million in Northampton based **Blackstar Amplification Holdings** alongside £1 million from Foresight 4 VCT to finance a management buy-out and provide growth capital. Blackstar was founded in 2004 by four senior members of the new product development team at Marshall Amplification to design and manufacture a range of innovative guitar amplifiers. Following commercial launch in 2007, sales grew rapidly, reflecting new product launches and entry into new markets, and a global brand was soon established. In the year to 30 April 2015, the company achieved an EBITDA of £537,000 on sales of £8.6 million (2014: £300,000 EBITDA on sales of £8.6 million). The current year has started well and an improved performance is expected for the full year, reflecting growing sales, improved margins and the full impact of cost reductions made in 2014. Blackstar continues to be the number two guitar amplifier brand by units sold in the UK and USA. Management are focused on increasing sales and improving margins, including selectively replacing distributors where appropriate. The company currently has a presence in over 35 countries worldwide and its products are stocked in over 2,500 stores globally. New product development remains a key focus and two new ID: Core products, at the high growth value end of the market, were launched, the first in time for the Christmas season in 2014 and the second in February 2015. **Held in the Ordinary Shares fund**.

In December 2010, the Planned Exit Shares fund provided £565,000 to partially fund a management buy-in of long established Petersfield based **Channel Safety Systems Group** which designs and distributes emergency lighting and fire safety systems, as well as providing associated installation and maintenance services through its subsidiary, Channel Technical Services ("CTS"). For the year to 31 October 2013, Channel Safety Systems Group performed well, achieving an EBITDA of £580,000 on sales of £8.58 million (2012: EBITDA of £420,000 on sales of £8.5 million). In the year to 31 October 2014, the group traded well ahead of budget the previous year and had a strong cash balance. CTS was sold for £1.6 million in October 2014, of which the Planned Exit Shares fund received £641,647, comprising a loan repayment of £614,250 and interest of £27,397. In April 2015, the parent company itself was sold to Newbury Investments (UK) Limited, realising £518,937 for the Planned Exit Shares fund, which compares with the remaining equity cost of £75,750. Combined with the above mentioned sale of CTS, the Planned Exit Shares fund's investment in Channel Safety Systems Group returned 2.0 times cost and an IRR of 22%. **Held in the Planned Exit Shares fund**.

As previously reported in the Annual Report for the year ended 31 December 2014, during 2013/14, **Closed Loop Recycling** successfully doubled the capacity of its Dagenham plant, which processed approaching 1,000 tonnes per week of waste plastic bottles. However, the company's recent and short term projected performance were impacted by adverse movements in the price of waste plastic bottles reflecting overseas demand for such bottles and weaker prices for virgin resin, indirectly reflecting the falling price of oil. The latter impacted the price customers paid for the company's competing recycled HDPE and PET pellets. To mitigate the impact of these price movements, price surcharges were negotiated with key customers. Following weaker than projected financial performance by the company and thus reduced short term profit projections, full provisions were made in the year to 31 December 2014 against the costs of the respective investments in the Ordinary and Planned Exit Shares funds, reducing these to nil.

Despite actively pursuing various strategic options, including raising capital from third parties, an outright sale and seeking supply chain support, no viable solution was ultimately achieved, resulting in the company being placed into administration on 30 April 2015, with no prospect of any recoveries. **Held in the Ordinary and Planned Exit Shares funds**.

In May 2012, the Ordinary Shares fund invested £492,500 in **Flowrite Refrigeration Holdings** alongside other Foresight VCTs to finance the £3.2 million management buy-out of Kent based Flowrite Services Limited. Flowrite Refrigeration Holdings provides refrigeration and air conditioning maintenance and related services nationally, principally to leisure and commercial businesses such as hotels, clubs, pubs and restaurants. In the year to 31 October 2014, the company traded well, achieving an operating profit of £740,000 on sales of £10.8 million after substantial investment in new engineers and systems (2013: an operating profit of £1.06 million on sales of £10.0 million). Management has increased sales efforts, particularly targeting more installation work, and won a number of significant new contracts and customers.

In December 2013, as a result of strong trading, Flowrite repaid £362,145 of loan and interest to the Ordinary Shares fund, representing some 75% of original cost of investment, only 18 months after the MBO. In July 2015, the company completed a further recapitalisation, returning £156,000 of accrued interest to the Foresight VCTs, including £56,000 to the Ordinary Shares fund, taking total cash returned on this investment to 85% of cost.

The company is trading well in its current financial year which is budgeted to show substantial growth, benefitting from increased numbers of engineers and from a new workflow IT system which has already increased operational efficiency and optimised profitability. To drive the business forward, steps are being taken to broaden the management team by recruiting a new Finance Director and to appoint a new CEO designate to enable the present CEO to focus more on sales and to provide further professional management input. **Held in the Ordinary Shares fund**.

As part of a £360,000 funding round in April 2013, the Planned Exit Shares fund invested £180,000 in **Industrial Efficiency**, alongside £180,000 from the Foresight 2 VCT Planned Exit Shares fund. The company installs and maintains proven and robust energy switching equipment, allowing customers to reduce emissions and make significant cost savings. The company completed its first energy cost reduction project in September 2013 and continues to pursue a number of similar opportunities. Returns are based solely on the cost savings made and do not depend on government subsidies or Feed-in-Tariffs. In January 2015, the investment in Industrial Efficiency was sold for £205,500 to another Foresight managed fund, based on an independent third party valuation. The sale of Industrial Efficiency realised a profit of £85,215 and generated a total return of 1.5 times original cost. **Held in the Planned Exit Shares fund**.

In July 2014, as part of the first £1.38 million tranche of a phased funding round totalling up to £4.4 million by three Foresight managed funds, a new investment of £990,760 was made by the Ordinary Shares fund in **Industrial Efficiency II**, alongside £326,740 from Foresight 3 VCT. In December 2014, the Ordinary Shares fund invested a further £375,000 (of the second tranche of £500,000) and, in June 2015, a further £562,500 (of the third tranche of £750,000). Industrial Efficiency II provides energy efficiency fuel switching services, enabling customers to make significant cost savings and reduce emissions. A number of site installations have been completed and others are in the course of construction for the first customer, a major corporation, and further tranches will be drawn down over the next year. As the installations are completed, the company charges the customer based on the volume of fuel and electricity consumed at each site up to a pre agreed level, which is expected to be reached after five years, at which time the contract will terminate and payments reduce to a nominal level. **Held in the Ordinary Shares fund**.

In December 2011 and March 2012, the Planned Exit Shares fund invested £875,000 by way of loans and equity to help fund a management buy-in at **Industrial Engineering Plastics**. The company is a long established Liphook-based plastics distributor and fabricator to a wide range of industries nationally, principally supplying ventilation and pipe fittings, plastic welding rods, hygienic wall cladding, plastic tanks and sheets. For the 18 month period ended 31 May 2014, following increased competition in its plastics distribution and industrial fabrication markets, the company achieved a reduced EBITDA of £205,000 on sales of £6.7 million. Performance continued to deteriorate during Summer 2014 and so a new Chairman and experienced turnaround CEO were then appointed with a view to improving trading, operational efficiency and systems. For the year to 31 May 2015, an EBITDA of £191,000 was achieved on sales of £4.5 million, after accounting for exceptional costs. Performance has improved substantially and good progress has been made in improving efficiency, cost control and sales channels, with an increasing focus on higher margin fabrication work. Fabrication capacity has been increased and suppliers reviewed to improve margins. Reflecting the above changes and better trading over recent months, management have set a demanding budget for the current year to 31 May 2016. **Held in the Planned Exit Shares fund**.

As part of a £1.38 million funding round in January 2012, the Planned Exit Shares fund invested £690,000 in **Leisure Efficiency**. The company installs and maintains energy efficiency equipment, including voltage optimisers and heat exchangers, in 34 David Lloyd Leisure ("DLL") sites across the UK. The contract with DLL has a life of seven years during which the company will generate a strong yield. In January 2015, the investment in Leisure Efficiency was sold for £793,000 to another Foresight managed fund, based on an independent third party valuation. The sale of Leisure Efficiency realised a profit of £470,975

Manager's Report continued

and generated a total return of 1.7 times original cost. **Held in the Planned Exit Shares fund**.

In December 2014, the Ordinary Shares fund invested £1,000,000 alongside other Foresight VCTs in a £2 million round to finance a shareholder recapitalisation of **Positive Response Corporation**. Established in 1997, the company monitors the safety of people and property through its 24 hour monitoring centre in Dumfries, Scotland. The flagship product, StaffSafe, provides increased staff safety and protection in customer facing environments by supporting workers, particularly 'lone workers', in dealing with verbal abuse, harassment and anti-social behaviour by enabling them to call for help utilising high quality two way audio communication and a CCTV feed linked to the monitoring centre. Customers include several major restaurant and retail chains. Revenues are generated from both initial installation fees and monitoring and maintenance fees. For the year ended 31 March 2015, an EBITDA of £637,000 was achieved on sales of £2.04 million. Significant growth is expected in the current financial year, reflecting a strong sales pipeline including both existing and potential new customers. Trials or discussions are progressing with a number of large leisure and retail potential customers, including a possible major trial in early 2016 with a restaurant chain in Germany. The management team has been strengthened with the appointment of three experienced executives as Chairman, CEO and Finance Director respectively. A new Head of Sales is currently being recruited, as are new salesmen to drive revenue growth. **Held in the Ordinary Shares fund**.

In April 2013, the Ordinary Shares fund invested £800,000 alongside other Foresight VCTs in a £1.8 million round to finance a management buy-out of **Procam Television Holdings**. Procam is one of the UK's leading broadcast hire companies, supplying equipment and crews for UK location TV production to broadcasters, production companies and other businesses for over 20 years. Headquartered in Battersea, London, with additional facilities in Manchester, Edinburgh and Glasgow, Procam is a preferred supplier to BSkyB and an approved supplier to the BBC and ITV. The company has enjoyed strong growth over recent years, following the introduction of new camera formats and increased sales and marketing efforts. In September 2013, Hammerhead, a competitor with facilities in London, Manchester, Edinburgh and Glasgow, was acquired in order to broaden the customer base, increase national coverage and realise various synergistic benefits.

For the year to 31 December 2014, an EBITDA of £2.3 million was achieved on sales of £8.1 million (2013: EBITDA of £1.8 million on sales of £6.4 million), reflecting good organic growth and the successful integration of the Hammerhead acquisition. Strong growth has continued in the current financial year which will necessitate expansion into larger premises later in the year.

In December 2014, the Foresight VCTs invested a further £500,000, of which the Ordinary Shares fund invested £222,223, to partially fund the acquisition of True Lens Services, based in Leicester, which specialises in the repair, refurbishment and supply of camera lenses to the film and television industries in the UK and overseas. In March 2015, in order to service the requirements of many of its existing UK customers and enter the large US market, Procam acquired Hotcam New York, which provides camera, audio and lighting rental for TV production, plus crew and related production services from its premises in Manhattan. The Foresight VCTs again partially funded this acquisition by investing a further £750,000, of which the Ordinary Shares fund invested £333,339.

Integration of both acquisitions is making good progress and initial trading is in line with the plan. Other acquisition opportunities are under consideration. **Held in the Ordinary Shares fund**.

In April 2015, Foresight funds invested £2.645 million in shares and loan notes in **Specac International** ("Specac") to finance a £2.775 million management buy-out of Specac Limited from Smiths Group plc. The Ordinary Shares fund invested £1.345 million, alongside £650,000 from each of Foresight 3 VCT and Foresight 4 VCT C Share class, together acquiring a majority equity shareholding with the management team holding the remaining equity. Specac, based in Orpington, Kent, is a long established, leading scientific instrumentation accessories business, manufacturing high specification sample analysis and sample preparation equipment used across a broad range of applications in testing, research and quality control laboratories and other end markets Worldwide. The company's products are primarily focused on supporting IR Spectroscopy, an important analytical technique widely used in research and commercial/industrial laboratories.

With 80% of annual sales coming through its extensive overseas distribution network, Specac has generated sales growth of 35% over the last four years, and this is forecast to continue in the current year, with sales approaching £7 million. The company is developing additional new products for its worldwide customer base. A new, non-executive Chairman has been appointed with a strong sales and marketing background in the scientific instrumentation market who will complement the existing management team and enable them to further develop the business. **Held in the Ordinary Shares fund**.

In August 2013, the Ordinary Shares fund invested £1.5 million alongside other Foresight VCTs in a £2.5 million shareholder recapitalisation of Stockport based **Thermotech Solutions (formerly Fire and Air Services)**. Thermotech is a hard facilities management provider with two divisions, Mechanical Services and Fire Protection, which designs, installs and services air conditioning and fire sprinkler systems for retail, commercial and residential properties through a national network of engineers. The company focusses primarily on the retail sector and enjoys long term customer relationships and multi-year preferred supplier contracts with various blue chip high street retailers, giving good revenue visibility. Since investment, good progress has been made in diversifying and re-balancing the spread of revenues, with greater emphasis on service and maintenance. For the year to 31 March 2015, an EBITDA of £1.1 million was achieved on sales of

£7.8 million, some 40% ahead of the previous year (2014: an EBITDA of £717,000 on sales of £5.6 million) reflecting significant contract wins and resultant strong cash generation. In the current year to date, both the Mechanical Services and Fire Protection divisions are trading well, with strong sales pipelines. Both divisions are recruiting additional engineers.

Good progress has been made in further developing the business, including revamping the brand, optimising the website, introducing telesales and strengthening various functions. A new, non-executive Chairman has been appointed, bringing extensive experience from the facilities management and business services sectors. **Held in the Ordinary Shares fund**.

Strong results in 2012 trading at **Trilogy Communications** were subsequently affected by delays in long-term US defence programme orders and this negatively impacted on 2013 and 2014 results. For the year to 28 February 2015, an EBITDA loss of £509,000 was incurred on sales of £3.9 million (2014: an EBITDA loss of £782,000 on sales of £4.0 million). Following cost reductions and some recovery in defence orders, the company was operating at or near EBITDA breakeven on a monthly basis for the final quarter. Trading in the first four months of the current year has been disappointing, with further delays in defence orders and further losses being incurred. Despite successful completion of two important test programmes, significant defence orders which were expected by mid-2015 have since been further delayed until 2016. Costs have been reduced further and cash is continuing to be managed closely. The new non-executive Chairman is actively involved with the Chief Executive Officer in addressing the company's issues and improving performance. Discussions continue in relation to further defence orders and programmes. A corporate finance adviser has been appointed to review the strategic options open to the company, including joint ventures, licensing technology and possibly a trade sale. Reflecting the above performance, provisions of £11,516 and £22,605 respectively were made during the period against the cost of the investments in the Ordinary Shares fund and the Planned Exit Shares fund. **Held in the Ordinary Shares and Planned Exit Shares funds**.

David Hughes
Chief Investment Officer
Foresight Group
27 August 2015

Investment Summary

Ordinary Shares Fund

Investment	30 June 2015 Amount invested £	30 June 2015 Valuation £		Valuation Methodology	31 December 2014 Amount invested £	31 December 2014 Valuation £
Blackstar Amplification Holdings Limited	2,500,000	4,395,632	*	Discounted earnings multiple	2,500,000	3,112,380
Aerospace Tooling Corporation Limited	150,000	4,056,881	*	Discounted earnings multiple	150,000	5,891,079
Aquasium Technology Limited	666,667	2,284,700	*	Discounted earnings multiple	666,667	2,288,611
Industrial Efficiency II Limited	1,928,260	2,252,856	*	Discounted cash flow	1,365,760	1,365,760
Thermotech Solutions Limited	1,500,000	2,134,995	*	Discounted earnings multiple	1,500,000	1,991,412
Procam Television Holdings Limited	1,355,562	2,014,727	*	Discounted earnings multiple	1,022,223	1,593,503
Autologic Diagnostics Group Limited	1,806,753	1,684,494	*	Discounted earnings multiple	1,727,933	2,134,106
Specac International Limited	1,345,000	1,345,000	*	Cost	—	—
Cole Henry PE 2 Limited	1,000,000	1,000,000	*	Cost	1,000,000	1,000,000
Kingsclere PE 3 Limited	1,000,000	1,000,000	*	Cost	1,000,000	1,000,000
Positive Response Corporation Limited	1,000,000	1,000,000		Cost	1,000,000	1,000,000
Whitchurch PE 1 Limited	1,000,000	1,000,000		Cost	1,000,000	1,000,000
alwaysON Group Limited	1,367,497	627,782		Discounted revenue multiple	1,367,497	1,019,932
Biofortuna Limited	590,529	590,529		Price of recent funding round	462,527	462,527
Flowrite Refrigeration Limited	209,801	559,944		Discounted earnings multiple	219,031	559,094
Trilogy Communications Limited	1,280,880	252,458		Discounted revenue multiple	1,280,880	263,974
AtFutsal Group Limited	393,331	196,666		Cost less impairment	369,161	92,290
i-plas Group Limited	333,334	—		Nil value	333,334	—
Abacuswood Limited	627,784	—		Nil value	627,784	—
Closed Loop Recycling Limited	2,371,139	—		Nil value	2,363,946	—
Oxonica plc	2,804,473	—		Nil value	2,804,473	—
Withion Power Limited +	5,017,546	—		Nil value	5,017,546	—
Aigis Blast Protection Limited	—	—		Dissolved	860,325	—
DSM GeoData Limited	—	—		Dissolved	700,000	—
	30,248,556	**26,396,664**			**29,339,087**	**24,774,668**

* Top ten investments by value shown on pages 18 to 19.

+ The Ordinary Share Fund's investment in Withion Power Limited was invested by Keydata Income VCT 1 plc and Keydata Income VCT 2 plc before they merged with Foresight VCT plc on 28 February 2011. The value of the investment at the date of the merger was £3,960,984.

Investment Summary

Planned Exit Shares Fund

Investment	30 June 2015 Amount invested £	Valuation £		Valuation Methodology	31 December 2014 Amount invested £	Valuation £
alwaysON Group Limited	784,746	1,057,558	*	Discounted revenue multiple	784,746	1,085,705
Industrial Engineering Plastics Limited	875,000	800,089	*	Discounted earnings multiple	875,000	700,007
Trilogy Communications Limited	693,864	384,825	*	Discounted revenue multiple	693,864	407,430
Withion Power Limited	164,128	—		Nil value	164,128	—
i-plas Group Limited	524,030	—		Nil value	524,030	—
Closed Loop Recycling Limited	668,244	—		Nil value	665,379	—
Channel Safety Systems Group Limited	—	—		Sold	75,750	427,942
Industrial Efficiency Limited	—	—		Sold	155,000	205,500
Leisure Efficiency Limited	—	—		Sold	575,000	793,000
	3,710,012	**2,242,472**			**4,512,897**	**3,619,584**

* All investments with a value are shown on page 20.

Infrastructure Shares Fund

Investment	30 June 2015 Amount invested £	Valuation £		Valuation Methodology	31 December 2014 Amount invested £	Valuation £
Canterbury Infrastructure 15 Limited	2,250,000	2,252,925	*	Discounted cash flow	2,250,000	2,250,000
Criterion Healthcare Holdings Limited	1,709,074	2,219,089	*	Discounted cash flow	1,709,074	2,101,276
Drumglass HoldCo Limited (formerly Zagreb Solar Limited)	1,848,358	2,024,054	*	Discounted cash flow	800,000	800,000
FS Hayford Farm Limited	2,000,000	2,000,000	*	Cost	2,000,000	2,000,000
Krk Solar Limited	2,000,000	2,000,000	*	Cost	2,000,000	2,000,000
Rovinj Solar Limited	2,000,000	2,000,000	*	Cost	2,000,000	2,000,000
Stirling Gateway HC Limited	1,078,875	1,017,693	*	Discounted cash flow	1,078,875	1,021,458
Wharfdale SPV (Holdings) Limited	677,947	639,614	*	Discounted cash flow	677,947	690,773
Durham Infrastructure 5 Limited	683,137	396,235	*	Discounted cash flow	683,137	390,450
Zadar Infrastructure Limited	279,503	279,503	*	Cost	279,503	279,503
Norwich Infrastructure 4 Limited	133,270	165,785		Discounted cash flow	133,270	167,246
Pula Infrastructure Limited	133,996	133,996		Cost	133,996	133,996
York Infrastructure 3 Limited	—	—		Merged with Drumglass HoldCo Limited (formerly Zagreb Solar Limited)	1,048,358	1,141,446
	14,794,160	**15,128,894**			**14,794,160**	**14,976,148**

* Top ten investments by value are shown on pages 21 to 22.

Investment Summary

Ordinary Shares Portfolio

Top ten investments by value at 30 June 2015 are detailed below:

Blackstar Amplification Holdings Limited

designs and manufactures innovative guitar amplifiers and associated products for the UK and international music instrument market. Based in Northampton, Blackstar has established a global brand on a catalogue of 50+ products, each of which has received industry acclaim.

Aerospace Tooling Corporation Limited

is a specialist engineering company based in Dundee. The company provides specialist repair and refurbishment servicing for components in high-specification aerospace and turbine engines. Specifically the company targets 'legacy' components and engines that have ceased production, but are still in widespread use.

Aquasium Technology Limited

is principally engaged in the design, manufacture, sales and servicing of electron beam welding and vacuum furnace equipment at its facilities in Cambridgeshire, UK. The group sold its stake in Ebtec, a component manufacturing and processing service headquartered in Massachusetts, USA in 2012 for c$11 million. The sale resulted in Foresight recouping c1.3x original investment. Foresight retains a loan and equity position in Aquasium.

Industrial Efficiency II Limited

provides energy efficiency solutions to CEMEX UK. The company has installed gas pipeline and electrical connections at a number of CEMEX UK sites. The investment was completed in July 2014. Revenues are generated through the financial value of the energy savings made by the equipment.

Thermotech Solutions Limited

is a Hard Facilities Management provider, designing, installing and maintaining customised air conditioning and fire sprinkler systems for retail, commercial and residential properties. The company operates within the £5.3bn UK Fire and heating, ventilation and air conditioning markets with a network of engineers across the UK enabling the company to service its nationwide customer base.

Investment Summary

Ordinary Shares Portfolio

Procam Television Holdings Limited

is one of the UK's leading broadcast hire companies, supplying equipment and crew for location TV production. Clients include major broadcasters and production companies, including the BBC, ITV, Two Four, Objective, Monkey Kingdom and Endemol. Foresight backed an MBO of the business in 2013.

Autologic Diagnostics Group Limited

was founded in 1999 and develops and sells sophisticated automotive diagnostic software and hardware that enables independent mechanics, dealerships and garages to service and repair vehicles. The company also provides technical support to these garages, helping its customers fix more cars, quicker. With cars now reliant on sophisticated electronic systems, mechanics need to be able to communicate with the in-car computer running the process or system, which in turn requires a diagnostic tool. The company's 'Autologic' tool and technical support enable independent garages to fix cars made by a number of well-known brands.

Specac International Limited

is a scientific instrumentation accessories business based in Orpington, Kent acquired out of Smiths Group plc in April 2015. They supply a range of infrared sampling tools to OEMs and end users such as Thermo Fisher, GSK and large research universities to enable the testing of liquids, solids and gases. The company sells accessories across the world with circa 80% being sold outside the UK.

Cole Henry PE 2 Limited

Limited company preparing to trade.

Kingsclere PE 3 Limited

Limited company preparing to trade.

Investment Summary

Planned Exit Shares Portfolio

All Investments with a value at 30 June 2015 are detailed below:

alwaysON Group Limited

Following the merger of alwaysON and DCG, the combined business now provides two services to corporate clients: it designs, sources, implements and maintains data storage solutions (increasingly as a managed service) and provides data VPNs, VOIP and collaboration software services. The value in the company is in the managed service contracts it possesses.

Industrial Engineering Plastics Limited

was established over 25 years ago and is based in Liphook and Birmingham, from where it distributes and fabricates industrial plastics. The company primarily supplies ventilation and pipe fittings, plastic welding rods, hygienic wall cladding, plastic sheets and tanks. The company also fabricates plastic materials such as sound attenuation units and plastic ducting and venting systems.

Across the project range, the majority of customers are either plastic fabricators, duct installers or chemical plants. IEP primarily sources material from Germany, the UK and China. Foresight backed an MBI of IEP in December 2011 with a total investment of £1.75 million, £875k of which was invested from the Planned Exit Fund.

Trilogy Communications Limited

is a world class supplier of secure audio communications to the defence, emergency management, industrial and broadcast sectors. Trilogy counts some of the world's best known names in broadcast and defence among its customer base including the BBC, Sony, Radio France, Raytheon, Northrop Grumman and BAE.

Investment Summary

Infrastructure Shares Portfolio

Top ten investments by value at 30 June 2015 are detailed below:

Canterbury Infrastructure 15 Limited

On 25 April 2014, a £4.5m (£2.25m from each of F1 and F2) investment was made in the 6MW Pentre Solar Project in the village of Llannon in Carmarthenshire, South Wales. £3.4m of this was advanced to the project as a 15% coupon shareholder loan to part fund the construction, with the balance to be paid to the Vendor once the project receives ROC accreditation. A further £4m of investment was required on accreditation and this was provided by Investec Bank in April 2015 so the VCT Investors could benefit from the lower cost of capital on the Investec debt. The project completed construction and connected to the grid in September 2014 and accreditation was received in March 2015. HMRC have provided a VCT clearance for the investment. The project earns revenues through a combination of Renewable Obligation Certificates at a rate of 1.4 ROCs / MWh and power sales and has an expected 25 year investment life.

Criterion Healthcare Holdings Limited

In March 2013 Foresight VCT Infrastructure and Foresight 2 VCT Infrastructure invested a combined £3.42 million in Criterion Healthcare Holdings Limited which operates “Bishop Auckland”, a secondary PFI investment in an acute hospital project near Darlington with 18 years of the concession remaining.

Drumglass HoldCo Limited (formerly Zagreb Solar Limited)

In October 2012 Foresight VCT Infrastructure and Foresight 2 VCT Infrastructure invested £2.0 million in Drumglass High School PFI Project through the York Infrastructure 3 Limited SPV. The Project is a 26 year concession to design, build, finance and maintain a 6,800m^2 secondary school in the town of Dungannon, Northern Ireland. Construction of the facility began in July 1999 and completed in August 2000. There are 12 years of the concession remaining. In July 2014, Foresight VCT Infrastructure and Foresight 2 VCT Infrastructure invested a combined £1.6m in Zagreb Solar Limited. This company merged with York Infrastructure 3 Limited in April 2015 and the company’s funds were used to repay senior third party debt in the Drumglass PFI project. Zagreb Solar Limited subsequently changed its name to Drumglass HoldCo Limited.

FS Hayford Farm Limited

In July 2014, Foresight VCT Infrastructure and Foresight 2 VCT Infrastructure invested a combined £4m in FS HayFord Farm Limited which had a binding sale and purchase agreement already in place to acquire the 9.8MW ground mounted photovoltaic solar project, subject to certain conditions precedent which were satisfied in December 2014. The project earns revenues through a combination of Renewable Obligation Certificates at a rate of 1.4 ROCs / MWh and power sales and has an expected 25 year investment life.

Krk Solar Limited

In July 2014, Foresight VCT Infrastructure and Foresight 2 VCT Infrastructure invested a combined £4m in Krk Solar Limited which in October 2014 acquired the operating 3.3MW ground mounted photovoltaic solar project near Totnes in Devon. The project earns revenues through a combination of Renewable Obligation Certificates at a rate of 1.4 ROCs / MWh and power sales and has an expected 25 year investment life.

1

Investment Summary
Infrastructure Shares Portfolio

Rovinj Solar Limited

In July 2014, Foresight VCT Infrastructure and Foresight 2 VCT Infrastructure invested a combined £4m in Rovinj Solar Limited which had an agreement in place to acquire a minority interest in the operating 5.4MW Ford Farm ground mounted photovoltaic project in Cornwall. The project earns revenues through a combination of Renewable Obligation Certificates at a rate of 1.6 ROCs / MWh and power sales and has an expected 25 year investment life.

Stirling Gateway HC Limited

Foresight VCT Infrastructure and Foresight 2 VCT Infrastructure completed an investment in Stirling Gateway HC Limited in December 2012. The Project includes the design, redevelopment, construction, financing and operation of five secondary schools and a new Raploch Community Campus. It incorporates two primary schools, a special needs school, a nursery, community facilities, sports facilities and associated services. It has been operating for just over four years and has 25 years left of the original 30 year contract.

Wharfedale SPV (Holdings) Limited

In March 2013 Foresight VCT Infrastructure and Foresight 2 VCT Infrastructure invested a combined £1.36 million in Wharfedale SPV Holdings Limited which operates Wharfedale Hospital, a secondary PFI investment in a hospital project near Leeds with 18 years of the concession remaining.

Durham Infrastructure 5 Limited

In January 2013 Foresight VCT Infrastructure and Foresight 2 VCT Infrastructure invested in Staffordshire Schools through Durham Infrastructure 5 Limited. Staffordshire Schools is a secondary PFI investement in a school project in the West Midlands with 14 years of the concession remaining.

Zadar Infrastructure Limited

Zadar Infrastructure Limited is an investment holding company that holds a 45% stake in the Lochgilphead PFI project in Argyle and Bute that was acquired by the VCT in March 2013. In July 2014, a restructuring of the investment was undertaken to reduce the VCT's holding in this non-qualifying asset by transferring the majority of the economic interest to the Foresight ITS fund. Averon Park invested £3.05m in Zadar Infrastructure by way of loans which was used to fund repayment of the VCT loans, enact a capital reduction of the VCTs' equity and transaction costs.

Unaudited Half-Yearly Results and Responsibility Statements

Principal Risks and Uncertainties

The principal risks faced by the Company are as follows:

- Performance;
- Regulatory;
- Operational; and
- Financial.

The Board reported on the principal risks and uncertainties faced by the Company in the Annual Report and Accounts for the year ended 31 December 2014. A detailed explanation can be on found on page 11 of the Annual Report and Accounts which is available on www.foresightgroup.eu or by writing to Foresight Group at The Shard, 32 London Bridge Street, London, SE1 9SG.

In the view of the Board, there have been no changes to the fundamental nature of these risks since the previous report and these principal risks and uncertainties are equally applicable to the remaining six months of the financial year as they were to the six months under review.

Directors' Responsibility Statement:

The Disclosure and Transparency Rules ('DTR') of the UK Listing Authority require the Directors to confirm their responsibilities in relation to the preparation and publication of the Interim Report and financial statements.

The Directors confirm to the best of their knowledge that:

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

Going Concern

The Company's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report of the Annual Report. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are described in the Chairman's Statement, Strategic Report and Notes to the Accounts of the 31 December 2014 Annual Report. In addition, the Annual Report includes the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

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

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

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

On behalf of the Board

John Gregory
Chairman
27 August 2015

Unaudited Non-Statutory Analysis of the Share Classes

Income Statements

for the six months ended 30 June 2015

	Ordinary Shares Fund			Planned Exit Shares Fund			Infrastructure Shares Fund		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Realised (losses)/gains on investments	—	(1,560)	(1,560)	—	673	673	—	—	—
Investment holding gains/(losses)	—	713	713	—	(555)	(555)	—	153	153
Income	322	—	322	76	—	76	361	—	361
Investment management fees	(127)	(381)	(508)	(5)	(16)	(21)	(19)	(57)	(76)
Other expenses	(119)	—	(119)	(10)	—	(10)	(38)	—	(38)
Return/(loss) on ordinary activities before taxation	**76**	**(1,228)**	**(1,152)**	**61**	**102**	**163**	**304**	**96**	**400**
Taxation	20	—	20	(12)	3	(9)	(54)	43	(11)
Return/(loss) on ordinary activities after taxation	**96**	**(1,228)**	**(1,132)**	**49**	**105**	**154**	**250**	**139**	**389**
Return/(loss) per share	**0.2p**	**(2.4)p**	**(2.2)p**	**0.8p**	**1.7p**	**2.5p**	**1.5p**	**0.8p**	**2.3p**

Balance Sheets

at 30 June 2015

	Ordinary Shares Fund £'000	Planned Exit Shares Fund £'000	Infrastructure Shares Fund £'000
Fixed assets			
Investments held at fair value through profit or loss	26,397	2,242	15,129
Current assets			
Debtors	1,457	145	230
Money market securities and other deposits	21,105	75	—
Cash	5,425	731	31
	27,987	951	261
Creditors			
Amounts falling due within one year	(143)	(36)	(166)
Net current assets	**27,844**	**915**	**95**
Net assets	**54,241**	**3,157**	**15,224**
Capital and reserves			
Called-up share capital	592	60	165
Share premium account	35,513	—	—
Capital redemption reserve	406	2	1
Distributable reserve	13,746	4,018	15,049
Capital reserve	7,455	526	(326)
Revaluation reserve	(3,471)	(1,449)	335
Equity shareholders' funds	**54,241**	**3,157**	**15,224**
Number of shares in issue	59,140,587	6,025,610	16,547,046
Net asset value per share	**91.7p**	**52.4p**	**92.0p**

At 30 June 2015 there was an inter-share debtor/creditor of £49,000 which has been eliminated on aggregation.

Unaudited Non-Statutory Analysis of the Share Classes

Reconciliations of Movements in Shareholders' Funds

for the six months ended 30 June 2015

Ordinary Shares Fund	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Distributable reserve £'000	Capital reserve £'000	Revaluation reserve £'000	Total £'000
As at 1 January 2015	445	21,032	401	17,118	9,396	(4,184)	44,208
Share issues in the period	152	15,068	—	—	—	—	15,220
Expenses in relation to share issues	—	(587)	—	—	—	—	(587)
Repurchase of shares	(5)	—	5	(446)	—	—	(446)
Realised losses on disposal of investments	—	—	—	—	(1,560)	—	(1,560)
Investment holding gains	—	—	—	—	—	713	713
Dividends	—	—	—	(3,022)	—	—	(3,022)
Management fees charged to capital	—	—	—	—	(381)	—	(381)
Revenue return for the period	—	—	—	96	—	—	96
As at 30 June 2015	**592**	**35,513**	**406**	**13,746**	**7,455**	**(3,471)**	**54,241**

Planned Exit Shares Fund	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Distributable reserve £'000	Capital reserve £'000	Revaluation reserve £'000	Total £'000
As at 1 January 2015	61	—	1	4,909	(134)	(894)	3,943
Expenses in relation to share issues	—	—	—	(9)	—	—	(9)
Repurchase of shares	(1)	—	1	(21)	—	—	(21)
Realised gains on disposal of investments	—	—	—	—	673	—	673
Investment holding losses	—	—	—	—	—	(555)	(555)
Dividends	—	—	—	(910)	—	—	(910)
Management fees charged to capital	—	—	—	—	(16)	—	(16)
Tax credited to capital	—	—	—	—	3	—	3
Revenue return for the period	—	—	—	49	—	—	49
As at 30 June 2015	**60**	**—**	**2**	**4,018**	**526**	**(1,449)**	**3,157**

Infrastructure Shares Fund	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Distributable reserve £'000	Capital reserve £'000	Revaluation reserve £'000	Total £'000
As at 1 January 2015	165	—	1	15,268	(312)	182	15,304
Expenses in relation to share issues	—	—	—	(37)	—	—	(37)
Repurchase of shares	—	—	—	(18)	—	—	(18)
Investment holding gains	—	—	—	—	—	153	153
Dividends	—	—	—	(414)	—	—	(414)
Management fees charged to capital	—	—	—	—	(57)	—	(57)
Tax credited to capital	—	—	—	—	43	—	43
Revenue return for the period	—	—	—	250	—	—	250
As at 30 June 2015	**165**	**—**	**1**	**15,049**	**(326)**	**335**	**15,224**

Unaudited Income Statement

for the six months ended 30 June 2015

	Six months ended 30 June 2015 (Unaudited)			Six months ended 30 June 2014 (Unaudited)			Year ended 31 December 2014 (Audited)		
	Revenue £'000	**Capital £'000**	**Total £'000**	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Realised losses on investments	**—**	**(887)**	**(887)**	—	(1,239)	(1,239)	—	(2,460)	(2,460)
Investment holding gains	**—**	**311**	**311**	—	2,461	2,461	—	5,219	5,219
Income	**759**	**—**	**759**	885	—	885	2,215	—	2,215
Investment management fees	**(151)**	**(454)**	**(605)**	(115)	(346)	(461)	(250)	(750)	(1,000)
Other expenses	**(167)**	**—**	**(167)**	(197)	—	(197)	(374)	—	(374)
Return/(loss) on ordinary activities before taxation	**441**	**(1,030)**	**(589)**	573	876	1,449	1,591	2,009	3,600
Taxation	**(46)**	**46**	**—**	(127)	127	—	(250)	250	—
Return/(loss) on ordinary activities after taxation	**395**	**(984)**	**(589)**	446	1,003	1,449	1,341	2,259	3,600
Return/(loss) per share:									
Ordinary Share	**0.2p**	**(2.4)p**	**(2.2)p**	0.4p	4.1p	4.5p	1.9p	7.4p	9.3p
Planned Exit Share	**0.8p**	**1.7p**	**2.5p**	1.4p	(4.2)p	(2.8)p	2.6p	(12.0)p	(9.4)p
Infrastructure Share	**1.5p**	**0.8p**	**2.3p**	1.3p	(1.3)p	0.0p	2.8p	1.0p	3.8p

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

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

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

Unaudited Balance Sheet

at 30 June 2015

Registered Number: 03421340

	As at 30 June 2015 £'000	As at 30 June 2014 £'000	As at 31 December 2014 £'000
Fixed assets			
Investments held at fair value through profit or loss	**43,768**	37,239	43,370
Current assets			
Debtors	**1,783**	3,819	5,849
Money market securities and other deposits	**21,180**	7,143	7,156
Cash	**6,187**	9,755	7,352
	29,150	20,717	20,357
Creditors			
Amounts falling due within one year	**(296)**	(181)	(272)
Net current assets	**28,854**	20,536	20,085
Net assets	**72,622**	57,775	63,455
Capital and reserves			
Called-up share capital	**817**	623	671
Share premium account	**35,513**	16,309	21,032
Capital redemption reserve	**409**	399	403
Distributable reserve	**32,813**	46,330	37,295
Capital reserve	**7,655**	1,852	8,950
Revaluation reserve	**(4,585)**	(7,738)	(4,896)
Equity shareholders' funds	**72,622**	57,775	63,455
Net asset value per share:			
Ordinary Share	**91.7p**	95.4p	99.4p
Planned Exit Share	**52.4p**	79.7p	65.0p
Infrastructure Share	**92.0p**	91.5p	92.4p

Unaudited Reconciliation of Movements in Shareholders' Funds

for the six months ended 30 June 2015

Company	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Distributable reserve £'000	Capital reserve £'000	Revaluation reserve £'000	Total £'000
As at 1 January 2015	671	21,032	403	37,295	8,950	(4,896)	63,455
Share issues in the period	152	15,068	—	—	—	—	15,220
Expenses in relation to share issues	—	(587)	—	(46)	—	—	(633)
Repurchase of shares	(6)	—	6	(485)	—	—	(485)
Net realised losses on disposal of investments	—	—	—	—	(887)	—	(887)
Investment holding gains	—	—	—	—	—	311	311
Dividends	—	—	—	(4,346)	—	—	(4,346)
Management fees charged to capital	—	—	—	—	(454)	—	(454)
Tax credited to capital	—	—	—	—	46	—	46
Revenue return for the period	—	—	—	395	—	—	395
As at 30 June 2015	**817**	**35,513**	**409**	**32,813**	**7,655**	**(4,585)**	**72,622**

Unaudited Cash Flow Statement

for the six months ended 30 June 2015

	Six months ended 30 June 2015 £'000	Six months ended 30 June 2014 £'000	Year ended 31 December 2014 £'000
Cash flow from operating activities			
Investment income received	575	589	1,168
Dividends received from investments	16	110	315
Deposit and similar interest received	32	15	32
Investment management fees paid	(595)	(462)	(980)
Secretarial fees paid	(50)	(50)	(100)
Other cash payments	(115)	(91)	(118)
Net cash (outflow)/inflow from operating activities and returns on investment	(137)	111	317
Taxation	—	—	—
Returns on investment and servicing of finance			
Purchase of unquoted investments and investments quoted on AiM	(2,402)	(3,656)	(10,652)
Net proceeds on sale of investments	1,480	4,633	7,615
Net proceeds on deferred consideration	—	—	644
Net capital (outflow)/inflow from financial investment	(922)	977	(2,393)
Equity dividends paid	(4,239)	(3,418)	(4,290)
Management of liquid resources			
Movement in money market funds	(14,024)	(13)	(26)
	(19,322)	(2,343)	(6,392)
Financing			
Proceeds of fund raising	18,936	7,456	9,613
Expenses of fund raising	(408)	(324)	(453)
Repurchase of own shares	(371)	(197)	(579)
	18,157	6,935	8,581
(Decrease)/increase in cash	(1,165)	4,592	2,189

Analysis of changes in net debt

	At 1 January 2015 £'000	Cash Flow £'000	At 30 June 2015 £'000
Cash and cash equivalents	7,352	(1,165)	6,187

Notes to the Unaudited Half-Yearly Results

for six months ended 30 June 2015

1 The Unaudited Half-Yearly Financial Report has been prepared on the basis of the accounting policies set out in the statutory accounts of the Company for the year ended 31 December 2014. Unquoted investments have been valued in accordance with IPEVC valuation guidelines. Quoted investments are stated at bid prices in accordance with the IPEVC valuation guidelines and UK Generally Accepted Accounting Practice.

2 These are not statutory accounts in accordance with S436 of the Companies Act 2006 and the financial information for the six months ended 30 June 2015 and 30 June 2014 has been neither audited nor formally reviewed. Statutory accounts in respect of the period to 31 December 2014 have been audited and reported on by the Company's auditors and delivered to the Registrar of Companies and included the report of the auditors which was unqualified and did not contain a statement under S498(2) or S498(3) of the Companies Act 2006. No statutory accounts in respect of any period after 31 December 2014 have been reported on by the Company's auditors or delivered to the Registrar of Companies.

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

4 Net asset value per share

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

	Ordinary Shares Fund		Planned Exit Shares Fund		Infrastructure Shares Fund	
	Net assets £'000	Number of Shares in Issue	Net assets £'000	Number of Shares in Issue	Net assets £'000	Number of Shares in Issue
30 June 2015	54,241	59,140,587	3,157	6,025,610	15,224	16,547,046
30 June 2014	37,744	39,575,480	4,850	6,082,676	15,181	16,590,058
31 December 2014	44,208	44,485,151	3,943	6,063,626	15,304	16,567,066

5 Return per share

The weighted average number of shares for the Ordinary Shares, Planned Exit Shares and Infrastructure Shares funds used to calculate the respective returns are shown in the table below.

	Ordinary Shares Fund (Shares)	Planned Exit Shares Fund (Shares)	Infrastructure Shares Fund (Shares)
Six months ended 30 June 2015	52,409,700	6,063,416	16,566,955
Six months ended 30 June 2014	35,823,812	6,109,706	16,637,639
Year ended 31 December 2014	38,040,734	6,095,558	16,613,023

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

6 Income

	Six months ended 30 June 2015 £'000	Six months ended 30 June 2014 £'000	Year ended 31 December 2014 £'000
Loan stock interest	**720**	762	1,869
Overseas based Open Ended Investment Companies ("OEICs")	**31**	13	32
Dividends	**8**	110	314
	759	885	2,215

Notes to the Unaudited Half-Yearly Results

for six months ended 30 June 2015

7 Investments at fair value through profit or loss

	Ordinary Shares Fund £'000	Planned Exit Shares Fund £'000	Infrastructure Shares Fund £'000	Company £'000
Book cost as at 1 January 2015	29,339	4,514	14,794	48,647
Investment holding (losses)/gains	(4,565)	(894)	182	(5,277)
Valuation at 1 January 2015	24,774	3,620	14,976	43,370
Movements in the period:				
Purchases at cost	2,471	2	—	2,473
Disposal proceeds	(1)	(1,479)	—	(1,480)
Realised (losses)/gains	(1,560)	673	—	(887)
Investment holding gains/(losses)	713	(574)*	153	292
Valuation at 30 June 2015	**26,397**	**2,242**	**15,129**	**43,768**
Book cost at 30 June 2015	30,249	3,710	14,794	48,753
Investment holding (losses)/gains	(3,852)	(1,468)	335	(4,985)
Valuation at 30 June 2015	**26,397**	**2,242**	**15,129**	**43,768**

*Deferred consideration of £19,000 was also recognised by the Planned Exit Shares Fund in the period and is included within investment holding losses.

8 Related party transactions

No Director has, or during the period had, a contract of service with the Company. No Director was party to, or had an interest in, any contract or arrangement (with the exception of Directors' fees) with the Company at any time during the period under review or as at the date of this report.

9 Transactions with the Manager

Foresight Group acts as investment manager to the Company in respect of its venture capital and other investments. During the period, services of a total value of £605,000 (30 June 2014: £461,000; 31 December 2014: £1,000,000) were purchased by the Company from Foresight Group. At 30 June 2015, the amount due to Foresight Group was £nil (30 June 2014: £24,000; 31 December 2014: £159,000).

Foresight Fund Managers Limited, as Secretary of the Company and as a subsidiary of Foresight Group, is also considered to effectively be a transaction with the manager. During the period, services of a total value of £50,000 excluding VAT (30 June 2014: £50,000; 31 December 2014: £100,000) were purchased by the Company from Foresight Fund Managers Limited. At 30 June 2015, the amount due to Foresight Fund Managers Limited included within creditors was £nil (30 June 2014: £nil; 31 December 2014: £nil).

Shareholder Information

Dividends

Shareholders who wish to have dividends paid directly into their bank account rather than by cheque to their registered address can complete a Mandate Form for this purpose. Mandates can be obtained by telephoning the Company's registrar, Computershare Investor Services plc (see back cover for details).

Share price

The Company's Ordinary Shares, Planned Exit Shares and Infrastructure Shares are listed on the London Stock Exchange. Share price information can also be obtained from many other financial websites.

Investor centre

Investors are able to manage their shareholding online using Computershare's secure website — www.investorcentre.co.uk — to undertake the following:

- **Holding Enquiry** — view balances, values, history, payments and reinvestments.
- **Payments Enquiry** — view your dividends and other payment types.
- **Address Change** — change your registered address (communications with shareholders are mailed to the registered address held on the share register).
- **Bank Details Update** — choose to receive your dividend payments directly into your bank account instead of by cheque.
- **Outstanding Payments** — reissue payments using our online replacement service.
- **Downloadable Forms** — including dividend mandates, stock transfer, dividend reinvestment and change of address forms.

Shareholders just require their Shareholder Reference Number (SRN) to access any of these features. The SRN can be found on communications previously received from Computershare.

Trading shares

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

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

Please call Foresight Group (see details below) if you or your adviser have any questions about this process.

Foresight Group has been made aware that some of its shareholders have received unsolicitied phone calls or correspondence concerning investment matters. These are typically from overseas based 'brokers' who target UK shareholders, offering to purchase their VCT shares at an inflated price. These 'brokers' can be very persistent and extremely persuasive and shareholders are advised to be wary of any unsolicited approaches. Details of any share dealing facilities that are endorsed by Foresight Group as authentic are included on this page.

Indicative financial calendar

April 2016	Announcement of annual results for the year ended 31 December 2015
April 2016	Posting of the Annual Report for the year ended 31 December 2015
May 2016	Annual General Meeting
August 2016	Announcement of Half-Yearly Results for the six months ended 30 June 2016

Shareholder Information

Open invitation to meet the Investment Manager

As part of our investor communications policy, shareholders can arrange a mutually convenient time to come and meet the Company's investment management team at Foresight Group. If you are interested please call Foresight Group (see details below).

Enquiries

Please contact Foresight Group for any queries regarding Foresight VCT plc:

Telephone: 020 3667 8100
Fax: 020 3031 1383
e-mail: info@foresightgroup.eu
website: www.foresightgroup.eu

Foresight VCT plc is managed by Foresight Group CI Limited, which is licensed by the Guernsey Financial Services Commission. Past performance is not necessarily a guide to future performance. Stock markets and currency movements may cause the value of the 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 may increase the risk to the value of, and the income from, the investment.

Corporate Information

Directors
John Gregory (Chairman)
Peter Dicks
Gordon Humphries

Company Secretary
Foresight Fund Managers Limited
The Shard
32 London Bridge Street
London
SE1 9SG

Investment Manager
Foresight Group CI Limited
PO Box 156
Frances House
Sir William Place
St Peter Port
Guernsey
GY1 4EU

Auditors and Tax Advisers
KPMG LLP
15 Canada Square
London
E14 5GL

Solicitors and VCT Status Advisers
Shakespeare Martineau LLP
No. 1 Colmore Square
Birmingham
B4 6AA

Registrar
Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol
BS99 6ZZ

Market Maker
Panmure Gordon & Co
One New Change
London
EC4M 9AF

Registered Number
03421340

Contact Numbers

Registrar's Shareholder Helpline
— Computershare (0870 703 6385)

General and Portfolio Queries
— Foresight Group (020 3667 8100)

Foresight VCT plc
The Shard
32 London Bridge Street
London
SE1 9SG