



Unaudited Half-Yearly Financial Report
for the six month period ended 30 June 2013



Foresight VCT

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

Financial Highlights

- Net asset value per Ordinary Share decreased by 2.5% for the period ended 30 June 2013 to 103.5p compared to 111.3p as at 31 December 2012, after adjusting for the interim dividend of 5.0p per share paid on 14 June 2013.
- Net asset value per Planned Exit Share decreased by 8.2% for the period ended 30 June 2013 to 91.8p compared to 100.0p as at 31 December 2012.
- Net asset value per Infrastructure Share increased by 0.4% for the period ended 30 June 2013 to 95.0p compared to 94.6p as at 31 December 2012.

Ordinary Shares Fund

- Interim dividend of 5.0p per Ordinary Share was paid on 14 June 2013.
- Realisation proceeds and loan repayments totalling £2,783,785 were received from six portfolio companies by the Ordinary Shares fund.
- The Ordinary Shares fund provided follow-on funding totalling £704,012 for six portfolio companies and invested £2,300,000 in two new companies.

Planned Exit Shares Fund

- The Planned Exit Shares fund provided follow-on funding totalling £132,880 for two portfolio companies and invested £180,000 in one new company.
- Loan repayments were received by the Planned Exit Share fund totalling £50,000.
- An interim dividend of 5.0p per Planned Exit Share will be paid on 25 October 2013.

Infrastructure Shares Fund

- Investments were made by the Infrastructure Shares fund totalling £7,573,636 into six companies.
- Proceeds of £5,986,761 were received from six special purpose vehicles and £8,875 was received from a loan repayment from one portfolio company.

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“Foresight VCT plc was founded in 1997 and is still the best performing VCT since launch. The Company offers three different types of investment to shareholders via the Ordinary, Planned Exit and Infrastructure Share portfolios and currently has assets of circa £50 million.”

John Gregory Chairman



Chairman's Statement

Performance and Dividends

At 30 June 2013, the Company had three classes of shares (Ordinary Shares, Planned Exit Shares and Infrastructure Shares) and each class of shares has its own portfolio of investments, the performances of which are more fully described in the Investment Manager's Report.

I am pleased to be able to report generally sound progress in the development of our investment portfolios, with the Ordinary Shares fund benefiting from several strongly performing private equity investments but being negatively impacted by write-downs in its environmental investments which also adversely affected the Planned Exit portfolio.

Ordinary Shares

The Ordinary Shares fund is an evergreen fund, unlike both the Planned Exit and Infrastructure Shares funds which are limited life funds. During the past two years, the Ordinary Shares fund has been progressively reshaped in line with the revised investment focus more fully described below and now requires significant further funds to take advantage of the current opportunities available for private equity investments. The Board therefore intends, subject to Shareholder approval, to raise up to £20 million through the issue of a prospectus to enable Foresight VCT to continue with its successful private equity investment strategy.

After adding back the 5.0p per Ordinary Share dividend paid in June 2013 the NAV of the Ordinary Shares dropped by 2.5% to 103.5p per share during the six months to 30 June 2013, from 111.3p per Ordinary Share at 31 December 2012. This reduction is consequent upon further write-downs to two of the remaining environmental investments of 2.7p per share, and does not yet fully reflect the strong performances of several recent private equity investments. This is in part demonstrated by the fact that during the three months from 31 March 2013 to 30 June 2013 the NAV per Ordinary Share increased by 5.3% (taking account of the latest NAV of 103.5p per share and the dividend paid in June 2013 of 5.0p per share).

The only remaining environmental investment, Closed Loop Recycling, recently raised £12.8 million for an expansion programme to double its capacity that should see it break into profitability. Consequently, the Board and Investment Manager are optimistic that any further strong performance in the private equity portfolio of the Ordinary Shares fund will no longer be offset by environmental investment write-downs.

During the six months to 30 June 2013, the Ordinary Share portfolio benefited from the performances of Autologic Diagnostics Group, Aquasium, Alaric and Blackstar Amplification, all of which saw increases in valuation or improved trading or order books during the period. The valuation of Trilogy fell as a result of lower sector multiples in the defence and communications sectors as well as some deferrals of orders, particularly in the US defence market although recent trading has been more promising. The provisions relating to environmental infrastructure investments resulted in valuation decreases outweighing portfolio gains, however, for the reasons stated relating to private equity investments, Foresight Group remains positive about the prospects for this portfolio.

Planned Exit Shares

The Planned Exit Shares fund is effectively fully invested, although realisations and loan repayments may be reinvested in new opportunities as they occur, in a range of established businesses on terms which the Manager believes will meet the fund's ultimate yield and capital return objectives. Based on evidence to date the Investment Manager remains confident about the overall prospects for the Planned Exit portfolio.

The NAV of the Planned Exit Shares decreased by 8.2% to 91.8p per share principally as a result of a write-down to Withion Power, an environmental investment. Some of the private equity investments experienced tougher trading conditions as a result of price competition; nevertheless these businesses remain profitable and we expect them to contribute to improvements in the underlying NAV in the medium term.

An interim dividend of 5.0p per Planned Exit Share will be paid on 25 October 2013. The shares will be quoted ex dividend on 9 October 2013 and the record date for payment will be 25 October 2013.

Infrastructure Shares

Two investments were completed in the first two weeks of 2013 which involved the acquisition of a 25% stake in each of the Sandwell Schools PFI Project and the Staffordshire Schools PFI Project, both of which are located in the West Midlands with an aggregate investment value of £3.4 million. Four investments in the PFI healthcare sector were completed in March 2013 comprising three acute hospitals and one forensic psychiatry unit with an aggregate investment value of £11.5 million. Across the eight investments, the fund now manages 13 individual school buildings, three hospitals and a forensic psychiatry unit.

Although the rate of investment to date is behind original expectations, Foresight Group expects to have fully invested the fund within the next few months and negotiations are currently well advanced to make future investments. In accordance with the original investment policy, these investments may be made within the wider infrastructure sector including solar investments or energy related investments where the strength of the investment counterparty will remain a priority.

The overall yield on the infrastructure portfolio has, due to market competition within the PFI sector, been negatively impacted over the last 12 months but this is being addressed with the wider investment focus described above. The Board anticipates paying a 5p per share dividend on the infrastructure shares by July 2014 as originally targeted but it is possible that this first dividend may come out of a combination of both revenue and capital reserves.

Total Expense Ratio

Although all Foresight VCT Shareholders may not own all three of the classes of shares currently in issue and noted above, the benefits from having an enlarged company consisting of all three share classes flows through to all Foresight VCT Shareholders by virtue of the total expenses of the Company being spread over a larger asset base. The total expense ratio of the company is currently 2.6%, which compares favourably with most generalist VCTs.

Investment Focus

Over time the investment focus of a share class will evolve in anticipation of how investment returns can be maximised for the benefit of Shareholders. Over the past two years this evolution has resulted in the Ordinary Shares fund applying its available funds entirely in private equity investments. This has resulted in a steady rate of new investments into businesses with demonstrable potential for both revenue and sustainable profit growth.

The Board and the investment manager believe there is currently an extremely attractive opportunity, post the recent recession, to make further private equity investments in order to enhance returns for Ordinary Shareholders. The ability to maintain this programme of these investments is important to enhance and maintain returns and for this reason the Board of Foresight VCT is launching a £20 million fund-raising in September 2013 to take advantage of continuing attractive investment opportunities.

Valuation Policy

Investments held by the Company have been valued in accordance with the International Private Equity and Venture Capital (IPEVC) valuation guidelines (August 2010) developed by the British Venture Capital Association and other organisations. Through these guidelines investments are valued, as defined, at 'fair value'. Ordinarily, unquoted investments will be valued at cost for a limited period following the date of acquisition, being the most suitable approximation of fair value unless there is an impairment or significant accretion in value during the period. Quoted investments and investments traded on AIM and ISDX Growth Market (formerly PLUS) are valued at the bid price as at 30 June 2013. The portfolio valuations are prepared by Foresight Group and are subject to approval by the Board.

Dividends

The Company's policy is whenever possible to maintain a steady flow of tax-free dividends, generated from income or from capital profits realised on the sale of investments. As a result of the series of recent successful realisations, the Board paid an interim dividend of 5.0p per Ordinary Share on 14 June 2013. This dividend had an ex-date of 29 May 2013 and a record date of 31 May 2013. These realisations have also provided the funds required for new investments to replace those that have been sold, thereby creating the opportunity to generate further value for shareholders.

An interim dividend of 5.0p per Planned Exit Share will be paid on 25 October 2013. The shares will be quoted ex dividend on 9 October 2013 and the record date for payment will be 11 October 2013.

Share Issues and Share Buybacks

On 3 December 2012, the Company announced a small top-up offer of Ordinary Shares. During the six months to 30 June 2013, 502,391 Ordinary Shares were issued under the fully subscribed offer at prices ranging from 98.0p to 111.3p per Ordinary Share.

On 17 June 2013, 46,334 Ordinary Shares were allotted under the Company's Dividend Reinvestment Scheme at 98.0p per share.

All of these share issues were under the VCT provisions which commenced on 6 April 2006, principally 30% upfront income tax relief which can be retained by qualifying investors if the shares are held for the minimum five year holding period.

During the period, as part of the Company's continuing buyback programme, 315,973 Ordinary Shares were purchased for cancellation at a cost of £307,927 and 27,302 Planned Exit Shares were purchased for cancellation at a cost of £25,051.

It continues to be the Board's policy to manage the cash resources of each of the three share classes in order to be in a position to maintain a programme of regular share buybacks to facilitate shareholder disposals, estate planning and to manage the share price discount to net asset value on which the shares trade.

Outlook

The Board remains cautiously optimistic about the economic outlook in general. There are early signs of improvements in the UK in particular and over the medium term both the Board and Foresight Group, are optimistic that further realisations from the private equity portfolio can be achieved at attractive prices. The recent refocus of the Ordinary Share fund and expected final write-downs to environmental investments, should result in any significant realisations facilitating further distributions to shareholders.

John Gregory

Chairman

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30 August 2013

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Investment Manager's Report

Share Class	% NAV Change to 30 June 2013	Dividend	NAV	Status
Ordinary Shares	-2.5	5.0p	103.5p	Fully invested
Planned Exit Shares	-8.2	—	91.8p	Fully invested
Infrastructure Shares	0.4	—	95.0p	In deployment phase

Manager's Commentary

Compared to reports over recent years, I am pleased to report that, over the last few months, there has been a notable change in economic sentiment and encouraging signs of improving trading conditions across the portfolio with some companies achieving record results and growing order books. After several years of considerable macroeconomic uncertainties and weak demand, we are now hopeful that the economic climate and business confidence in the UK will improve, albeit we consider this is likely to be quite gradual. The buoyant stock market and strength of the M & A markets provide yet further evidence of returning confidence. Notwithstanding these encouraging signs, we are aware that significant economic uncertainties still remain, particularly in Europe where the outlook is still weak, albeit counterbalanced by the improving outlook in the USA, and that returning confidence could be knocked by relatively unpredictable macroeconomic factors.

Having made a number of secondary PFI investments, the Infrastructure Share class is continuing to look for more such investments but increasing competition for these assets has reduced yields substantially. Although the rate of investment to date is behind original expectations, Foresight Group expects to have fully invested the fund within the next few months and negotiations are currently well advanced to make future investments in the wider infrastructure sector.

Having successfully realised a significant number of investments over recent years, we continue to focus on achieving further profitable realisations from existing portfolio companies to facilitate the payment of dividends and make further new investments.

Planned £20 million Fund Raising

Foresight are currently experiencing strong deal flow, seeing an increasing number of high quality private equity investment opportunities, such as Procam and Aerospace Tooling referred to below. Foresight believe 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 long term. With more realistic pricing expectations held by companies and selling shareholders, limited funding available from banks and relatively lower competition for deals, Foresight believe that now is the time to complete good deals on favourable terms. However, the Ordinary Shares fund has only finite cash resources and will soon have insufficient funds to take full advantage of this window of opportunity. As such, in order to invest in new investment opportunities from the strong deal flow being generated by Foresight, the Board is launching a prospectus to raise up to £20 million.

Portfolio Review: Ordinary Shares

During the period under review, several of the portfolio companies in the Ordinary Shares fund continued to perform or trade strongly, particularly Autologic Diagnostics, Alaric Systems, Aquasium Technology, Blackstar Amplification and Flowrite Refrigeration, resulting in their valuations increasing by a total of £1.57 million. Closed Loop Recycling successfully raised £12.8 million of loan finance to double the production capacity of its Dagenham plant and also entered into new long term supply contracts, as a consequence of which annual revenues are expected to double to over £35 million and future profits to increase substantially.

During the period, six follow on investments were made totalling £704,012. New investments totalling £2.3 million were made in two companies, namely Procam Television and Aerospace Tooling, while provisions totalling £995,477 were made against two of the environmental investments, Abacuswood (£389,891) and Withion Power (£605,586), reducing their valuations to nil. Closed Loop Recycling is the only remaining environmental investment in the portfolio and is now well positioned for substantial growth. The Board and Investment Manager have agreed that no further new environmental investments will be made. Reflecting the better risk adjusted returns available from private equity investments such as MBOs, MBIs, shareholder recapitalisations and growth capital, the Investment Manager will in future focus solely on private equity investment.

1. Follow-on funding (including capitalised interest)

Company	£
Abacuswood Limited	120,000
Autologic Diagnostics Holdings Limited	34,673
DCG Group Limited	219,933
Flowrite Refrigeration Holdings Limited	11,888
Trilogy Communications Limited	181,518
Withion Power Limited	136,000
Total	704,012

2. New Investments

Company	£
Aerospace Tooling Corporation Limited	1,500,000
Procam Television Holdings Limited	800,000
Total	2,300,000

3. Realisations

- Following a public takeover offer from Espial Group Inc, the entire investment in AiM listed ANT plc was sold, realising £407,252.

- The remaining investment in AiM listed Sarantel Group PLC was sold, realising £13,831.
- £2 million was repaid by Leisure Efficiency III Limited to provide funds for the new investments in Aerospace Tooling Corporation Limited and Procam Television Holdings Limited.
- A loan repayment and redemption premium were received from Alaric Systems totalling £265,814, while £89,404 was recovered from the administration of i-plas Group.
- Proceeds of £7,484 were received from AppDNA.

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

Company	£
Abacuswood Limited	389,891
Trilogy Communications Limited	536,943
Withion Power Limited	605,586
Total	1,532,420

5. Performance Summary

Adjusting for the 5.0p per share dividend paid on 14 June 2013, the net asset value of the Ordinary Shares fund as at 30 June 2013 decreased by 2.5% from that at 31 December 2012 but increased by 5.3% from 31 March 2013. This reflects strong underlying trading in the second half of the six months under review at several of the portfolio companies, principally Autologic Diagnostics, Alaric, Blackstar and Flowrite, counterbalanced by provisions made against two environmental investments, Abacuswood and Withion Power. Other companies are showing promise, such as Biofortuna, while Closed Loop Recycling is now well placed to demonstrate its market leading potential following the completion of a £12.8 million funding round to double its capacity.

Two new investments totalling £2.3 million were made in Procam Television and Aerospace Tooling during the period. In April, the Ordinary Shares fund invested £800,000 alongside other Foresight VCTs in a management buy-out of Battersea based Procam Television Limited, one of the UK's leading broadcast hire companies, supplying equipment and crews for location TV production. In June, the Ordinary Shares fund invested £1.5 million alongside other Foresight VCTs in a shareholder recapitalisation of Dundee based Aerospace Tooling Limited, a well established specialist engineering company providing repair, refurbishment and remanufacturing services to large international companies for components in high-specification aerospace and turbine engines.

During the period, provisions totalling £995,477 were made against two of the environmental investments, Abacuswood (£389,891) and Withion Power (£605,586), reducing their valuations to nil. Having developed plans to raise £5.5 million to double capacity at Abacuswood's Bridgend wood pelleting plant, discussions were held with a number of parties but unfortunately a funding round could not ultimately be concluded. Foresight decided not to provide any further support and the company was placed into administration on 17 May 2013. Despite completing the successful first phase of Withion Power's Derby based

advanced gasification waste wood to energy plant, raising finance for the much larger second and third phases proved particularly challenging. Although discussions were held with potential funders as well as with possible strategic partners to exploit this technology, no funding was forthcoming and the company was put into liquidation on 28 June 2013.

We continue to be cautiously optimistic about the current prospects and outlook for several portfolio companies, which are displaying strong order books and revenue and profit growth. The M & A market continues to be active which augurs well for further possible realisations. However, macroeconomic fundamentals remain uncertain. Foresight is actively pursuing new investment opportunities for the Company which has finite cash resources. A £20 million fund raising is now being proposed to enable Foresight to take advantage of its current strong deal flow.

Portfolio Review: Planned Exit Shares

The performance of the Planned Exit Shares fund during the period was affected by both positive and negative factors, the latter outweighing the former, resulting in the net asset value per Planned Exit Share decreasing by 8.2% to 91.8p per share. A dividend of 5p per Planned Exit share will be paid in October 2013. The valuations of Industrial Engineering Plastics and Trilogy Communications have both been reduced, in the case of the former because of lower margins arising from increased competition while reductions in US defence expenditure have significantly impacted on the latter's revenues. Data Continuity Group and Leisure Efficiency continue to trade satisfactorily as does Channel Safety Systems, despite experiencing temporary overseas supply problems in early 2013 which have since successfully been overcome. Although £50,000 of prior ranking secured loan was repaid by Withion Power, a provision of £204,952 was made against this investment, which as mentioned above was put into liquidation on 28 June 2013 following the failure to raise funds for the Derby plant's second and third phases. Where provisions have been made against the value of underlying investments, we have also provided against the income due from such investments.

1. Follow-on funding

Company	£
DCG Group Limited	30,982
Trilogy Communications Limited	101,898
Total	132,880

2. New Investments

- One new investment was made during the period. As part of a £360,000 funding round in March, the Planned Exit Shares fund invested £180,000 in Industrial Efficiency Limited, an energy efficiency investment.

3. Realisations

- A loan of £50,000 was repaid by Withion Power.



Investment Manager's Report continued

4. Material provisions to a level below cost in the year

Company	£
Withion Power Limited	204,952
Total	204,952

5. Performance Summary

During the period, one new investment of £180,000 was made in Industrial Efficiency Limited, an energy efficiency company, while two follow on investments were also made totalling £132,880, to purchase additional shares in DCG Group (£30,982) and provide additional working capital to Trilogy Communications (£101,898). The Planned Exit Shares fund is now fully invested in a range of established businesses. We are cautiously optimistic about the current prospects and outlook for most of the portfolio companies, which continue to display good revenue and profit growth notwithstanding the uncertain economic climate. Their performance, combined with encouraging prospects at DCG Group, Leisure Efficiency and Closed Loop Recycling following the recent raising of £12.8 million of loans to double its capacity, give comfort that the Planned Exit Shares fund's yield and capital return objectives can be met on the planned exit timetable. Foresight is actively monitoring the performance and likely returns from each investment to ensure that sufficient interest and cash are generated to meet the fund investors' running yield expectations and capital repayment profile.

Portfolio Review: Infrastructure Shares Fund

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. c. £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, energy efficiency and onsite power generation markets.

New Investments

Company	£
Criterion Healthcare Holdings Limited	1,709,074
Lochgilphead Healthcare Holdings Limited	1,693,368
Stobhill Healthcare Facilities (Holdings) Limited	1,493,247
Durham Infrastructure 5 Limited	1,000,000
Norwich Infrastructure 4 Limited	1,000,000
Wharfedale SPV (Holdings) Limited	677,947
Total	7,573,636

The two funds have acquired shareholdings in eight operating PFI companies, comprising four in the education sector and four in the health sector. Across the eight investments in the portfolio, the Infrastructure Shares fund manages 13 individual schools, three acute hospitals and one forensic psychiatry unit. In terms of geographic diversification, four of the investments are located in Scotland, three in England and one in Northern Ireland. All of the projects are contracted under UK PFI standard form and the counterparties are various Local Authorities and NHS Trusts. All of the investments have strong operating records and have remaining contract terms ranging from 13

to 28 years. All also have project finance debt in place with interest rate hedging contracts for the duration of the concession removing any refinancing or interest rate risks. All of the companies have long term facilities management subcontracts in place which pass all operational risks through to blue chip companies that are well established in the UK PFI market.

Strong progress has been made towards investing the majority of the Infrastructure Shares fund in secondary PFI investments with 60% invested to date, although the proportion of VCT qualifying investments and yield profile are below the levels targeted. Secondary PFI yields have fallen significantly during the last 12 to 18 months owing to increased competition from four new PFI infrastructure funds and various tap issues from established funds, driven by increasing investor appetite for PFI investments. Foresight has experienced first hand these falling yields when the Infrastructure Shares fund has been out-bid during competitive bidding processes. Although the yield profile of the current PFI investments is lower than planned, Foresight expects to invest the balance of the fund to generate superior yields in order to compensate for this.

Although advance VCT clearances have been received from HMRC in respect of four of the portfolio investments, only one has been executed as a VCT qualifying investment because the co-shareholders in three of those companies would not cooperate in entering into a VCT qualifying structure. The funds raised via the Infrastructure Share class will fall within the Company's qualifying holdings test from December 2014 and the intention is to increase the VCT qualifying proportion of the Infrastructure Share class to approximately 70% by this date. Prior to this date, the non-qualifying assets will be refinanced with a component of third party shareholder debt to reduce the VCT's non-qualifying holdings and the refinancing proceeds will subsequently be used to invest in either additional qualifying PFI assets or qualifying solar infrastructure assets in accordance with the investment policy.

Portfolio Outlook

Although the rate of investment to date is behind our original expectations, Foresight Group expects to have fully invested the fund within the next few months and negotiations are currently well advanced on a number of investments in the solar infrastructure and energy related sector. Due to the more challenging conditions in the secondary PFI market, there is an increasing probability that, in line with the investment policy set out in the original prospectus, the balance of the fund will be invested in attractive solar infrastructure and energy related opportunities. Solar investments exhibit an infrastructure-like risk and return profile, are likely to achieve VCT qualifying trade status with HMRC and also offer diversification and yield benefits to the portfolio.

Reflecting progress being made in generating yield from these investments, a dividend of 5.0p per Infrastructure share is currently targeted to be paid in July 2014 in line with the dividend policy set out in the original prospectus. Shareholders will be updated further in due course.

Portfolio Company Highlights

The new **Abacuswood** management team, led by Julian Tranter, an experienced CEO, planned to double plant capacity at Bridgend and ultimately expand into the growing distributed energy supply markets by establishing ESCos (Energy Supply Companies), many of which were already supplied. The company continued to incur small EBITDA losses at the Bridgend plant during 2013. Although demand for the plant's high quality wood pellets continue to exceed supply, overcapacity in the UK wood pellet market adversely impacted the selling price, with a consequent pressure on margins. Following protracted discussions with potential funders, the Company revised its business plan, reduced its overheads further and re-entered into discussions with a number of potential funders to raise £5.5 million to double wood pellet production capacity to 50,000tpa and to reduce its energy costs by installing a new pellet fuelled boiler, thereby benefitting from additional revenues under the Government's Renewable Heat Incentive. The key risk was the timely availability of this required funding but unfortunately a funding round could not ultimately be concluded. The Foresight VCTs subsequently decided not to provide any further support to maintain operations and so the company was placed into administration on 17 May 2013, with no prospect of any significant recoveries, necessitating a full provision of £389,891 being made against the cost of the investment. **Held in the Ordinary Shares fund.**

In June, the Ordinary Shares fund invested £1.5 million alongside other Foresight VCTs in a £3.5 million shareholder recapitalisation of Dundee based **Aerospace Tooling Limited**, a well established specialist engineering company providing repair, refurbishment and remanufacturing services to large international companies for components in high-specification aerospace and turbine engines. The company was founded in 2007 by the former CEO, John Seaton, who, following the transaction, has assumed the role of Executive Chairman. John Green, formerly General Manager of the Dundee facility, became Operations Director, alongside a newly appointed Finance Director and Business Development Director. With a heavy focus on quality assurance, the company enjoys high quality relationships with companies serving the aerospace, military, marine and industrial markets. **Held in the Ordinary Shares fund.**

Alaric Systems, which develops and sells credit card authorisation and credit card anti fraud software to major financial institutions and retailers worldwide, performed particularly strongly in the year to 31 March 2013, generating an estimated profit before interest and tax of £2.1 million on sales of £10.4 million, significantly ahead of the previous year (PBIT of £1.5 million on sales of £8.7 million). A number of significant orders have been won recently which, combined with a growing sales pipeline, support achievement of the demanding budget for the current year. Capacity to satisfy these orders and further develop the product range is being met through continuing expansion of offices in Kuala Lumpur, Rome and London. In May 2013, reflecting strong cash generation, Alaric paid a total of £265,814 to the Company, comprising a redemption premium (£199,361) and repayment of loan principal (£66,453). **Held in the Ordinary Shares fund.**

In May 2012, as part of a phased £750,000 funding round, a further £150,150 was invested to fund **AlwaysON's** working capital

requirements. Following a change of management, the turnaround of this VPN/VOIP service provider made progress, the company achieving a breakeven operating profit on sales of £2.7 million for the year to 30 June 2012. For the year to June 2013, the company incurred an EBITDA loss of £388k on revenues of £2.9 million, reflecting considerable investment in upgrading the underlying network and recruiting additional staff for the network and applications teams. Despite this relatively disappointing financial performance, market sentiment is now particularly positive. The company is now one of two Tier 1 Microsoft Lync partners in the UK, the other being highly rated AiM listed Outsourcery, capitalised at £35m. Microsoft has prioritised MS Lync as a strategic initiative in the enterprise market. AlwaysOn has the first multi-tenanted hosted MS Lync environment in the UK and is making good progress in building a sales channel to resell this solution through partners. The sales pipeline is growing rapidly, with nearly half generated through partners, although conversion into orders and sales is unlikely to be fast. The final £250,000 tranche of the phased £750,000 funding round is likely to be drawn down in August 2013, a year later than planned. **Held in the Ordinary Shares fund.**

For the year to 31 December 2012, **Aquasium Technology** achieved a NPBT of £608,000 on sales of £8 million reflecting continuing demand for CVE's smaller electron welding machines. Trading in the current year to date has been strong, reflecting a growing sales pipeline and orders from a wider customer base across a range of industries. In June 2012, Aquasium's Massachusetts based engineering services subsidiary, Ebtec Corporation, was successfully sold to NASDAQ listed EDAC Technologies Corporation for \$11 million, generating a 2.5 times return. Having invested a total of £1.93 million in Aquasium since 2001, the Company received up to £3,036,059 from the sale of Ebtec, of which the final £98,000 held in escrow is expected to be received by November. The Company still holds 33% of Aquasium's equity and £666,667 of loans. **Held in the Ordinary Shares fund.**

AtFutsal Group provides facilities for futsal, a fast growing type of indoor football with 30 million participants worldwide and the only type of indoor football recognised by the Football Association. The Swindon arena is generating cash while sales have built up steadily at the flagship super arenas in Birmingham and Leeds. Educational activities are increasingly important with some 750 students now taking sports related courses within AtFutsal's arenas and a number of partnerships established with educational establishments, football clubs and training organisations. Some 1,500 students are planned to be recruited for the forthcoming academic year starting in September 2013. The company has reached cash break even and, with the increase in anticipated student numbers, is expecting to break into profitability during Q4 2013. **Held in the Ordinary Shares fund.**

Approximately 50% of the investment in **Autologic Diagnostics** was successfully sold in January 2012 in a £48 million secondary management buy-out funded by ISIS Equity Partners. The sale generated cash proceeds of £2.187 million for the Ordinary Shares fund (nearly 2.7 times original cost of £0.8 million). The Ordinary Shares fund has retained an ongoing investment of £1.486 million in a combination of equity and loan stock in the new buy-out company. In the year ended 31 December 2012, an operating profit of £6.0 million was achieved on sales of £17.1 million (£5.2 million on sales of £12.2 million in 2011). In the current year to 31 December 2013, Autologic



Investment Manager's Report continued

is continuing to grow sales and profits further, particularly in the USA although markets in Europe are generally more subdued. **Held in the Ordinary Shares fund.**

Biofortuna, a 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 genetic compatibility tests for organ transplant recipients, although the application of the technology is extremely broad. 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. The company is making progress in a number of areas, including expanding into adjacent premises, improving manufacturing and internal processes and generating successful clinical data for its SSPGo product range for submission to the FDA, whose approval is required to make sales in the USA, its largest potential market. The SSPGo product range continues to see repeat orders from Abbott. The freeze-dried kit manufacturing service shows promise, with contract discussions with a number of parties. **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 of and provide growth capital to Blackstar Amplification Limited. The company 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. As a result of supply chain issues in 2011/12, UK and international demand could not be met fully and so terms were agreed with new suppliers to facilitate dual sourcing. In its financial year to 30 April 2013, the company achieved an EBITDA of £394k on sales of £9.7 million, nearly twice that achieved in the previous year, and further substantial growth is expected in the current year to April 2014. Management are focused on product sell through in established markets while also increasing Blackstar's presence in new, emerging markets, such as Asia and South America. The company currently has a presence in over 35 countries Worldwide and its products are stocked in over 2,500 stores globally. Management are also focused on completing the portfolio of core amplifiers, whilst investigating brand extension into non-core markets. The new ID: Lite range of amplifiers, which will be the company's first products at the value end of the market, is currently in development and is expected to come to market in December 2013. **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** which designs and distributes fire safety systems and emergency lighting, as well as providing associated services. Having traded profitably through the recession, the company achieved an operating profit of over £420,000 on sales of £8.3 million for the year to 31 October 2012 (£246,000 operating profit on sales of £7.8 million for the previous year) and trading in the current year is similar, despite some overseas supply problems in early 2013 which have since been successfully addressed. The management team is implementing a growth strategy, including introducing new products

such as energy efficient LED emergency lighting, a domestic fire detection range and is combining this with a more effective marketing programme. **Held in the Planned Exit Shares fund.**

During the period under review, **Closed Loop Recycling** concluded a major new supply contract and new customer contracts worth £17 million per annum as well as securing £12.8 million of loan finance (of which £6 million was provided by the Foresight Environmental Fund, - the maximum allowed to an individual company under the Fund's mandate) to double production capacity at the Dagenham plant. Once the additional capacity has been fully installed, annual revenues are expected to double, principally through these long-term supply contracts, and future profits are expected to increase substantially. Facilities provided by Allied Irish Bank, the incumbent bank, have been placed on to a term basis. The additional plastic waste sorting equipment has been successfully installed while maintaining production, with an immediate impact on efficiency and output, resulting in record monthly turnover being achieved. The additional production equipment has been ordered and this is expected to be installed by September 2013, with the first output from these new production lines expected during Q4 2013. Management are examining a number of avenues to improve profitability further. **Held in the Ordinary Shares and Planned Exit Shares funds.**

DCG Group designs, sources, implements and maintains data storage solutions for companies and provides them as a managed service. Managed service contracts typically run for an initial term of three years and the company has a high level of customer retention. The £750,000 initial investment from the Planned Exit Shares fund was used to re-finance existing loans and to provide additional working capital to enable the company to continue the growth of its managed services. For the year to 31 March 2013, an EBITDA of £540,000 was achieved on sales of £5.6 million, most of which was recurring revenue. In response to increasing pricing pressure reflecting the general economic climate and reducing hardware costs, sales efforts have been increased and more channel partners are being recruited to resell DCG's services to their customers but this has yet to translate into improved orders. In January 2013, further shares representing 12.8% of the equity were acquired from other departing shareholders for £250,915 (£219,933 by the Ordinary Shares fund and £30,982 by the Planned Exit Shares fund). **Held in the Ordinary Shares 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 buyout of Flowrite Services Limited, a long established Maidstone based company which provides refrigeration and air conditioning maintenance and related services nationally, principally to leisure and commercial businesses, such as hotels, clubs, pubs and restaurants. The management team has accelerated sales efforts, already winning a number of significant new customers and contracts, and a number of possible acquisitions are being considered to broaden national coverage. The company is enjoying strong growth and is currently generating profit at twice the level budgeted. **Held in the Ordinary Shares fund.**

As a 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 Planned Exit Shares fund. The

company installs and maintains proven and robust energy switching equipment, allowing end customers to reduce emissions and make significant cost savings. The company has signed up a major building supplies manufacturer as its first client. Returns are based solely on the cost savings made and do not depend on government subsidies or Feed-in Tariffs. **Held in the Planned Exit Shares fund.**

In December 2011 and March 2012, the Planned Exit Shares fund provided a total of £875,000 by way of loans and equity to partially 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 year ended 30 June 2012, with some 20 employees, the company achieved an adjusted EBITDA of £700,000 on sales of £5.1 million, slightly ahead of the performance in the previous year. A new Chief Executive was recruited in early 2013 to replace the founder. In the current year, the company is experiencing more challenging conditions as a result of increased competition and pressure on margins but sales efforts have been consequently increased. **Held in the Planned Exit Shares fund.**

In January 2012, the Foresight VCT and Foresight 2 VCT Planned Exit Funds each invested £690,000 (i.e. £1.38 million in total) in a new, special purpose company, **Leisure Efficiency Limited**, to purchase and install energy saving equipment at 34 David Lloyd Leisure ("DLL") sites. All the equipment was installed by May 2012. The new company has a fixed life of seven years and will generate a strong yield over that period, after which it will be sold to DLL for a nominal value. Revenues are generated from taking a significant part of the value of the energy savings made by the equipment. The equipment is currently saving energy in excess of original projections and the company has already received a number of cash payments from DLL, justifying a small uplift in value. **Held in the Planned Exit Shares fund.**

In April 2013, the Ordinary Shares fund invested £800,000 alongside other Foresight VCTs in £1.8 million round to finance a management buy-out of **Procam Television Limited**, one of the UK's leading broadcast hire companies, supplying equipment and crews for UK location TV production to broadcasters, production companies and corporates for over 20 years. Headquartered in Battersea, London, with additional facilities in Manchester, Procam employs 70 people and has supported shows including Made in Chelsea, ITV's Splash, Watch's The Incredible Mr Goodwin, BBC2's The Great British Sewing Bee, Derren Brown and The Great British Bake Off. It is a preferred supplier to BSkyB and an approved supplier for BBC and ITV. Over the last four years revenues have doubled, following the introduction of new camera formats. The management buy-out team is led by current Managing Director John Brennan, with other existing senior staff now also appointed as company directors. The former CEO of Carlton Television, Clive Jones, has been appointed as Chairman. The company plans to gain greater market share by launching new facilities and services in the coming months. **Held in the Ordinary Shares fund.**

Trilogy Communications achieved strong trading results in the two years to 29 February 2012, following a number of contract wins in the defence sector with partners such as Northrop Grumman and

Raytheon. Trading in the year to 28 February 2013, however, was adversely affected by the deferral of certain expected orders under long-term defence programmes, particularly from the US, reflecting uncertainties about reductions in US defence spending. Specified annual reductions in such spending are now in place (the so called 'Sequester'). These factors resulted in Trilogy incurring substantial trading losses and further major cost reductions were made, although the broadcast division continued to trade satisfactorily. After a lengthy hiatus, the company's defence order book has started to grow again as various defence programmes have been unlocked and the company has recently returned to profitability. **Held in the Ordinary Shares and Planned Exit Shares funds.**

Withion Power successfully built and commissioned a second generation 0.5MW advanced gasification waste wood to energy plant in Derby, being the first of three planned phases to build ultimately a 3MW plant. As operating this small, first phase of the plant alone was always recognised as being subeconomic, the decision was taken to hibernate the plant until the additional planned finance for the much larger second and third phases could be raised from strategic partners and funders or, alternatively, redevelop the site but these all proved particularly challenging. Although discussions were held with potential funders as well as with possible strategic partners to exploit this technology, no funding was forthcoming and the company was put into liquidation on 28 June 2013. A full provision of £605,586 has been made against the cost of this investment in the Ordinary Shares fund and a provision of £204,952 has been made against the cost of investment in the Planned Exit Shares fund as this fund has prior ranking security over certain surplus assets. Under the terms of the merger between the Ordinary Shares fund and the Keydata VCTs in February 2011, additional share consideration would have been due to former Keydata shareholders after September 2013 if the value of the merger assets (Withion Power) at 30 September 2013 had exceeded their value at the time of the merger. Following the company's liquidation, the value of the merger assets will be nil at that date and no such share consideration will be payable. **Held in the Ordinary Shares and Planned Exit Shares funds.**

Following a public takeover offer from Espial Group Inc, the entire investment in AiM listed **ANT plc** was sold, realising £407,252. The remaining investment in AiM listed Sarantel Group PLC was also sold, realising £13,831. **Sold**

£2 million was repaid to the Ordinary Shares fund by **Leisure Efficiency III** to provide funds for the new investments in Aerospace Tooling Holdings Limited and Procam Television Holdings Limited referred to above.

David Hughes
Chief Investment Officer
Foresight Group
30 August 2013



Investment Summary

Ordinary Shares Fund

Investment	30 June 2013		Valuation Methodology	31 December 2012	
	Amount invested £	Valuation £		Amount invested £	Valuation £
Alaric Systems Limited	1,337,965	6,374,892	* Discounted revenue multiple	1,404,418	6,374,892
Blackstar Amplification Holdings Limited	2,500,000	3,230,359	* Discounted earnings multiple	2,500,000	2,500,000
Autologic Diagnostics Group Limited	1,617,545	2,646,077	* Discounted earnings multiple	1,582,872	2,130,439
Aquasium Technology Limited	1,000,000	2,210,919	* Discounted earnings multiple	1,000,000	2,318,660
Closed Loop Recycling Limited	1,936,319	1,786,085	* Discounted cash flow	1,936,319	1,710,680
Data Continuity Group Limited	490,032	1,525,655	* Discounted revenue multiple	270,099	1,786,767
Aerospace Tooling Corporation Limited	1,500,000	1,500,000	* Cost	—	—
Wholesale Efficiency II Limited	1,000,000	1,000,000	* Cost	1,000,000	1,000,000
Flowrite Refrigeration Holdings Limited	516,885	857,219	* Discounted earnings multiple	504,997	504,997
Trilogy Communications Limited	1,175,233	802,575	* Discounted revenue multiple	993,715	1,158,000
Procam Television Holdings Limited	800,000	800,000	Cost	—	—
Leisure Efficiency II Limited	675,150	675,150	Cost	675,150	675,150
alwaysON Group Limited	555,456	494,007	Discounted revenue multiple	555,456	461,008
iCore Limited	750,000	375,000	Cost less impairment	750,000	375,000
Biofortuna Limited	312,531	312,531	Cost	312,531	312,531
Corero Network Security plc	1,903,116	199,739	Bid price	1,903,116	455,544
AtFutsal Group Limited	369,161	184,581	Cost less impairment	369,161	184,581
Aigis Blast Protection Limited	860,325	98,277	Discounted revenue multiple	860,325	100,442
Docherty Heat and Energy Distributor Limited	9,438	9,438	Cost	9,438	9,438
Withion Power Limited †	5,017,546	—	Nil value	4,881,546	469,586
Abacuswood Limited	677,781	—	Nil value	557,781	278,891
i-plas Group Limited	606,257	—	Nil value	606,257	—
DSM GeoData Limited	700,000	—	Nil value	700,000	—
Silvigen Limited	777,764	—	Nil value	777,764	—
Nanotecture Group plc	1,000,000	—	Nil value	1,000,000	—
Oxonica plc	2,804,473	—	Nil value	2,804,473	—
Leisure Efficiency III Limited	—	—	Sold	2,000,000	2,000,000
ANT plc	—	—	Sold	1,225,600	387,386
Sarantel Group plc	—	—	Sold	3,134,493	34,550
	30,892,977	25,082,504		34,315,511	25,228,542

* Top ten investments by value shown on pages 12 to 13

† 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 2013		Valuation Methodology	31 December 2012	
	Amount invested £	Valuation £		Amount invested £	Valuation £
Industrial Engineering Plastics Limited	875,000	1,362,097	* Discounted earnings multiple	875,000	1,592,026
Data Continuity Group Limited	783,817	993,848	* Discounted revenue multiple	752,835	820,383
Leisure Efficiency Limited	690,000	767,385	* Discounted cash flow	690,000	690,000
Channel Safety Systems Group Limited	690,000	765,436	* Discounted earnings multiple	690,000	918,882
Trilogy Communications Limited	659,898	659,898	* Discounted revenue multiple	558,000	697,500
Closed Loop Recycling Limited	566,667	521,938	* Discounted cash flow	566,667	521,938
Industrial Efficiency Limited	180,000	180,000	* Cost	—	—
Withion Power Limited	324,952	120,000	* Cost less impairment	374,952	374,952
i-plas Group Limited	524,030	—	Nil value	524,030	—
	5,294,364	5,370,602		5,031,484	5,615,681

* All investments with a value are shown on pages 14 to 15

Infrastructure Shares Fund

Investment	30 June 2013		Valuation Methodology	31 December 2012	
	Amount invested £	Valuation £		Amount invested £	Valuation £
12 Limited Companies (preparing to trade)	5,500,000	5,500,000	Cost	11,500,000	11,500,000
Criterion Healthcare Holdings Limited	1,709,074	1,709,074	* Cost	—	—
Lochgilphead Healthcare Services Holdings Limited	1,693,368	1,693,368	* Cost	—	—
Stobhill Healthcare Facilities (Holdings) Limited	1,493,247	1,493,247	* Cost	—	—
Stirling Gateway HC Limited	1,078,875	1,078,875	* Cost	1,087,750	1,087,750
York Infrastructure 3 Limited	1,000,000	1,000,000	* Cost	1,000,000	1,000,000
Durham Infrastructure 5 Limited	1,000,000	1,000,000	* Cost	—	—
Norwich Infrastructure 4 Limited	1,000,000	1,000,000	* Cost	—	—
Wharfedale SPV (Holdings) Limited	677,947	677,947	* Cost	—	—
	15,152,511	15,152,511		13,587,750	13,587,750

* All investments are shown on pages 16



Investment Summary

Ordinary Shares Portfolio

Top ten investments by value at 30 June 2013 are detailed below:

Alaric Systems Limited



develops payment system software, principally credit card authorisation ("Authentic") and card fraud detection ("Fractals") software, which is sold to major financial institutions, card processors and, increasingly, major retailers worldwide. Alaric is enjoying strong growth. Contracts have been won in the USA, Mexico, Australia and New Zealand while a number of other promising contracts are in prospect, including in the Far East. Capacity to satisfy these orders is being met through continuing expansion of the office in Kuala Lumpur. Audited accounts for the year to 31 March 2012 showed significant growth in PBIT to £1.5 million on sales of £8.7 million (£588k on £5.76 million sales in 2011), well ahead of budget, with cash at that date of £3.6 million. Progress to date in the current year to March 2013 shows continuing growth in sales and profitability.

Blackstar Amplifications 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.

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. As cars have become increasingly sophisticated and more reliant on electronic systems, mechanics need to be able to communicate to the in-car computer running the process or system, which in turn requires a diagnostic tool. Autologic Diagnostics supplies its 'Autologic' product for use with well-known car brands including Land Rover, BMW, Mercedes, Jaguar, VAG (VW, Audi, Skoda) and Porsche.

A secondary buy-out of Autologic was completed on 20 January 2012, realising proceeds of £2,092,178 for Foresight VCT plc. Foresight VCT plc retains a loan and share investment in the company.

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.

Closed Loop Recycling Limited



is the first plant in the UK to recycle waste PET and HDPE plastic bottles into food grade packaging material. The company continues to make solid operational, commercial and revenue progress with recent production rates at record levels and significantly improved plant reliability and consistency. Product quality remains high and there is strong demand for all the recycled material it produces. The company has intrinsically been affected by raw material quality which restricts throughput and yield, but is making progress in addressing this problem. Its Core Supplier, Veolia Environmental Services, has invested substantial sums in a new Plastic Recovery Facility, from which early supplies have been excellent. The Company is also implementing significant investment at the Dagenham site during 2013 to increase capacity to meet the substantial demand for the cleaned and sorted output, which should be possible without adding significantly to its fixed overhead costs. Closed Loop Recycling is now generating revenues in excess of £1.6 million per month with further growth forecast in 2013 and 2014.

Investment Summary

Ordinary Shares Portfolio

Data Continuity Group Limited



is a provider of data storage and back-up solutions to corporates either remotely as a managed service or at customers' premises. The demand for DCG's services is driven by greater compliance requirements for retention and retrieval of data and the ever growing volume of electronic data produced by organisations. The company continues to build its managed service customer base and its recurring revenues. A mid-range service with multi-tenanted capability has been launched for re-sale by channel partners and the company will soon provide a virtualised disaster recovery service.

Aerospace Tooling Corporation Limited



is a niche 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.

Wholesale Efficiency II Limited

is a company preparing to trade in the energy efficiency sector.

Flowrite Refrigeration Holdings Limited



is a refrigeration and air conditioning service, maintenance and installation company, specialising in the leisure, commercial and retail industries across the UK. The company provides emergency reactive repairs, planned maintenance and installation for commercial refrigeration and air conditioning equipment. Flowrite is headquartered in Maidstone, Kent with a small logistics centre in Lichfield, Staffordshire. The company employs uniformed engineers driving branded vehicles throughout the UK. Flowrite prides itself on the quality of service and level of information it provides to its customers in a fragmented industry where there are a large number of second tier, regional operators providing a relatively low quality alternatives to customers.

Trilogy Communications Limited



is a world class supplier of 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 Lockheed Martin.



Investment Summary

Planned Exit Shares Portfolio

Investments at 30 June 2013 are detailed below:

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.

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 £1.6 million, £800k of which was invested from the Planned Exit Fund.

Data Continuity Group Limited



is a provider of data storage and back-up solutions to corporates either remotely as a managed service or at customers' premises. The demand for DCG's services is driven by greater compliance requirements for retention and retrieval of data and the ever growing volume of electronic data produced by organisations. The company continues to build its managed service customer base and its recurring revenues. A mid-range service with multi-tenanted capability has been launched for re-sale by channel partners and the company will soon provide a virtualised disaster recovery service.

Leisure Efficiency Limited

provides energy efficiency solutions to David Lloyd Leisure Limited ("David Lloyd"). The provisions of the energy efficiency solution includes the deployment of energy equipment across a number of David Lloyd sites. The deployment was complete in May 2012. Revenues are generated through a pay as you save agreement.

Channel Safety Systems Group Limited



specialises in the design, distribution, installation and service of fire detection systems and emergency lighting. Demand for most of Channel Safety Systems' products and systems is driven by health and safety regulation and, increasingly, carbon reduction initiatives and legislation, which Channel Safety Systems addresses with its low energy LED emergency lighting range. Foresight backed an MBI of Channel Safety Systems in December 2010 with a total investment of £1.1 million from the Planned Exit fund. During 2011, the company has traded ahead of the previous year, is introducing a range of new products and is focusing on increasing its sales to both new and existing customers.

Investment Summary

Planned Exit Shares Portfolio

Trilogy Communications Limited



is a world class supplier of 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 Lockheed Martin.

Closed Loop Recycling Limited



is the first plant in the UK to recycle waste PET and HDPE plastic bottles into food grade packaging material. The company continues to make solid operational, commercial and revenue progress with recent production rates at record levels and significantly improved plant reliability and consistency. Product quality remains high and there is strong demand for all the recycled material it produces. The company has intrinsically been affected by raw material quality which restricts throughput and yield, but is making progress in addressing this problem. Its Core Supplier, Veolia Environmental Services, has invested substantial sums in a new Plastic Recovery Facility, from which early supplies have been excellent. The Company is also implementing significant investment at the Dagenham site during 2013 to increase capacity to meet the substantial demand for the cleaned and sorted output, which should be possible without adding significantly to its fixed overhead costs. Closed Loop Recycling is now generating revenues in excess of £1.6 million per month with further growth forecast in 2013 and 2014.

Industrial Efficiency Limited

Implements turnkey energy efficiency programs for industrial clients. It has signed up its first major industrial client, and is in the process of completing an energy fuel scratch project for this client.

Withion Power Limited



Withion Power entered liquidation on the 28th June 2013. The Directors of Withion Power worked with a specialist corporate finance provider to identify suitable strategic development partners, such as a large engineering group, who could work with the Withion Power and OGen UK teams to commercialise the small scale 0.5MW gasification technology. Unfortunately despite discussions with a number of possible strategic partners, Withion Power was unable to conclude any discussions. As a result of all options being exhausted and Foresight Funds declining to provide any further funding to the business, Smith & Williamson LLP were appointed to act as liquidators to the company. Their insolvency process is ongoing in order to realise value to shareholders from the sale of all remaining equipment.



Investment Summary

Infrastructure Shares Portfolio

Investments as 30 June 2013 are detailed below:

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 19.5 years remaining in the concession.

Lochgilphead Healthcare Services (Holdings) Limited

In March 2013 Foresight VCT Infrastructure and Foresight 2 VCT Infrastructure invested a combined £3.39 million in Lochgilphead Healthcare Services Limited which operates Lochgilphead Hospital, a secondary PFI investment in Scotland with 23 years remaining of the concession.

Stobhill Healthcare Facilities (Holdings) Limited

In March 2013 Foresight VCT Infrastructure and Foresight 2 VCT Infrastructure invested a total of £2.99 million in Stobhill Healthcare Facilities Limited which operates Stobhill Hospital, a secondary PFI investment in a forensic psychiatry unit with 30 years remaining of the concession.

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 26 years left on the original 30 year contract.

York Infrastructure 3 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 6,800m² secondary school in the town of Dungannon, Northern Ireland. Construction of the facility began in July 1999 and completed in August 2000. There are 13 years remaining of the concession.

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 investment in a school project in the West Midlands with 15 years remaining of the concession.

Norwich Infrastructure 4 Limited

In January 2013 Foresight VCT Infrastructure and Foresight 2 VCT Infrastructure invested in Sandwell Schools through Norwich Infrastructure 4 Limited. Sandwell Schools is a secondary PFI investment in a fair school project in the West Midlands with 17 years remaining of the concession.

Wharfedale SPV (Holding) 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 19.5 years remaining of the concession.

Unaudited Half-Yearly Results and Responsibility Statements

Principal Risks and Uncertainties

The principal risks faced by the Company can be divided into various areas 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 2012. A detailed explanation can be found on page 23 of the Annual Report and Accounts which is available on www.foresightgroup.eu or by writing to Foresight Group at ECA Court, 24–26 South Park, Sevenoaks, Kent, TN13 1DU.

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 the pronouncement on interim reporting issued by the Accounting Standards Board;
- (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 give 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 Business Review in the 31 December 2012 annual report. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are described in the Chairman's Statement, Business Review and Notes to the Accounts of the 31 December 2012 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 despite the current uncertain economic outlook.

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 or reviewed by the auditors.

On behalf of the Board

John Gregory

Chairman

30 August 2013



Unaudited Non-Statutory Analysis between the Ordinary Shares, Planned Exit Shares and Infrastructure Shares Funds

Income Statements

for the six months ended 30 June 2013

	Ordinary Shares Fund			Planned Exit Shares Fund			Infrastructure Shares Fund		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Realised losses on investments	—	(3,574)	(3,574)	—	—	—	—	(13)	(13)
Investment holding gains/(losses)	—	2,953	2,953	—	(508)	(508)	—	—	—
Income	242	—	242	66	—	66	316	—	316
Investment management fees	(78)	(234)	(312)	(7)	(21)	(28)	(34)	(103)	(137)
Other expenses	(105)	—	(105)	(21)	—	(21)	(54)	—	(54)
Return/(loss) on ordinary activities before taxation	59	(855)	(796)	38	(529)	(491)	228	(116)	112
Taxation	10	—	10	(8)	4	(4)	(52)	27	(25)
Return/(loss) on ordinary activities after taxation	69	(855)	(786)	30	(525)	(495)	176	(89)	87
Return/(loss) per share	0.3p	(3.1)p	(2.8)p	0.5p	(8.6)p	(8.1)p	1.1p	(0.5)p	0.6p

Balance Sheets

at 30 June 2013

	Ordinary Shares Fund £'000	Planned Exit Shares Fund £'000	Infrastructure Shares Fund £'000
Fixed assets			
Investments held at fair value through profit or loss	25,082	5,371	15,153
Current assets			
Debtors	1,764	287	172
Money market securities and other deposits	1,054	109	—
Cash	703	20	648
	3,521	416	820
Creditors			
Amounts falling due within one year	(84)	(173)	(154)
Net current assets	3,437	243	666
Net assets	28,519	5,614	15,819
Capital and reserves			
Called-up share capital	276	61	166
Share premium account	4,092	—	—
Capital redemption reserve	392	1	—
Special distributable reserve	25,662	5,500	15,483
Revenue reserve	(38)	419	153
Capital reserve	4,703	(443)	17
Revaluation reserve	(6,568)	76	—
Equity shareholders' funds	28,519	5,614	15,819
Number of shares in issue	27,556,907	6,115,511	16,647,858
Net asset value per share	103.5p	91.8p	95.0p

At 30 June 2013 there was an inter-share debtor/creditor of £300,000 which has been eliminated on aggregation.

Unaudited Non-Statutory Analysis between the Ordinary Shares, Planned Exit Shares and Infrastructure Shares Funds

Reconciliations of Movements in Shareholders' Funds

for the six months ended 30 June 2013

	Called-up share capital	Share premium account	Capital redemption reserve	Special distributable reserve	Revenue reserve	Capital reserve	Revaluation reserve	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Ordinary Shares Fund								
As at 1 January 2013	273	3,513	389	26,206	(107)	9,658	(9,521)	30,411
Share issues in the period	6	592	—	—	—	—	—	598
Expenses in relation to share issues	—	(13)	—	—	—	—	—	(13)
Repurchase of shares	(3)	—	3	(310)	—	—	—	(310)
Net realised loss on disposal of investments	—	—	—	—	—	(3,574)	—	(3,574)
Investment holding gain	—	—	—	—	—	—	2,953	2,953
Dividends	—	—	—	—	—	(1,381)	—	(1,381)
Management fees charged to capital	—	—	—	(234)	—	—	—	(234)
Revenue return for the period	—	—	—	—	69	—	—	69
As at 30 June 2013	276	4,092	392	25,662	(38)	4,703	(6,568)	28,519

	Called-up share capital	Share premium account	Capital redemption reserve	Special distributable reserve	Revenue reserve	Capital reserve	Revaluation reserve	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Planned Exit Shares Fund								
As at 1 January 2013	61	—	1	5,556	389	(447)	584	6,144
Repurchase of shares	—	—	—	(35)	—	—	—	(35)
Investment holding losses	—	—	—	—	—	—	(508)	(508)
Management fees charged to capital	—	—	—	(21)	—	—	—	(21)
Tax credited to capital	—	—	—	—	—	4	—	4
Revenue return for the period	—	—	—	—	30	—	—	30
As at 30 June 2013	61	—	1	5,500	419	(443)	76	5,614

	Called-up share capital	Share premium account	Capital redemption reserve	Special distributable reserve	Revenue reserve	Capital reserve	Revaluation reserve	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Infrastructure Shares Fund								
As at 1 January 2013	166	15,777	—	(169)	(23)	3	—	15,754
Cancellation of share premium	—	(15,777)	—	15,777	—	—	—	—
Net realised loss on disposal of investments	—	—	—	—	—	(13)	—	(13)
Investment stamp duty	—	—	—	(22)	—	—	—	(22)
Management fees charged to capital	—	—	—	(103)	—	—	—	(103)
Tax credited to capital	—	—	—	—	—	27	—	27
Revenue return for the period	—	—	—	—	176	—	—	176
As at 30 June 2013	166	—	—	15,483	153	17	—	15,819



Unaudited Income Statement

for the six months ended 30 June 2013

	Six months ended 30 June 2013 (Unaudited)			Six months ended 30 June 2012 (Unaudited)			Year ended 31 December 2012 (Audited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Realised (loss)/gain on investments	—	(3,587)	(3,587)	—	5,055	5,055	—	3,372	3,372
Investment holding gains/(losses)	—	2,445	2,445	—	(4,261)	(4,261)	—	(3,736)	(3,736)
Income	624	—	624	861	—	861	974	—	974
Investment management fees	(119)	(358)	(477)	(131)	(392)	(523)	(232)	(696)	(928)
Other expenses	(180)	—	(180)	(284)	—	(284)	(460)	—	(460)
Return/(loss) on ordinary activities before taxation	325	(1,500)	(1,175)	446	402	848	282	(1,060)	(778)
Taxation	(50)	31	(19)	(5)	5	—	(21)	21	—
Return/(loss) on ordinary activities after taxation	275	(1,469)	(1,194)	441	407	848	261	(1,039)	(778)
Return per share:									
Ordinary Share	0.3p	(3.1)p	(2.8)p	1.2p	2.8p	4.0p	0.3p	(5.4)p	(5.1)p
Planned Exit Share	0.5p	(8.6)p	(8.1)p	2.2p	(5.1)p	(2.9)p	3.4p	10.0p	13.4p
Infrastructure Share	1.1p	(0.5)p	0.6p	(0.3)p	(0.6)p	(0.9)p	(0.2)p	(1.0)p	(1.2)p

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 2013

Registered Number: 03421340

	As at 30 June 2013 £'000	As at 30 June 2012 £'000	As at 31 December 2012 £'000
Fixed Assets			
Investments held at fair value through profit or loss	45,606	39,884	44,433
Current assets			
Debtors	1,923	6,641	2,266
Money market securities and other deposits	1,163	5,720	3,419
Cash	1,371	3,576	2,309
	4,457	15,937	7,994
Creditors			
Amounts falling due within one year	(111)	(1,339)	(118)
Net current assets	4,346	14,598	7,876
Net assets	49,952	54,482	52,309
Capital and reserves			
Called-up share capital	503	503	500
Share premium account	4,092	18,999	19,290
Capital redemption reserve	393	384	390
Special distributable reserve	46,645	32,429	31,593
Revenue reserve	534	439	259
Capital reserve	4,277	11,190	9,214
Revaluation reserve	(6,492)	(9,462)	(8,937)
Equity shareholders' funds	49,952	54,482	52,309
Net asset value per share:			
Ordinary Share	103.5p	120.8p	111.3p
Planned Exit Share	91.8p	89.2p	100.0p
Infrastructure Share	95.0p	94.6p	94.6p

Unaudited Reconciliation of Movements in Shareholders' Funds

for the six months ended 30 June 2013

Company	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Special distributable reserve £'000	Revenue reserve £'000	Capital reserve £'000	Revaluation reserve £'000	Total £'000
As at 1 January 2013	500	19,290	390	31,593	259	9,214	(8,937)	52,309
Share issues in the period	6	592	-	-	-	-	-	598
Expenses in relation to share issues	-	(13)	-	-	-	-	-	(13)
Repurchase of shares	(3)	-	3	(345)	-	-	-	(345)
Cancellation of share premium	-	(15,777)	-	15,777	-	-	-	-
Net realised loss on disposal of investments	-	-	-	-	-	(3,587)	-	(3,587)
Investment stamp duty	-	-	-	(22)	-	-	-	(22)
Investment holding gain	-	-	-	-	-	-	2,445	2,445
Dividends	-	-	-	-	-	(1,381)	-	(1,381)
Management fees charged to capital	-	-	-	(358)	-	-	-	(358)
Tax credited to capital	-	-	-	-	-	31	-	31
Revenue return for the period	-	-	-	-	275	-	-	275
As at 30 June 2013	503	4,092	393	46,645	534	4,277	(6,492)	49,952



Unaudited Cash Flow Statement

for the six months ended 30 June 2013

	Six months ended 30 June 2013 £'000	Six months ended 30 June 2012 £'000	Year ended 31 December 2012 £'000
Cash flow from operating activities			
Investment income received	371	657	1,209
Dividends received	98	—	—
Deposit and similar interest received	5	29	39
Investment management fees paid	(427)	(353)	(796)
Secretarial fees paid	(46)	(60)	(114)
Other cash payments	(14)	(217)	(891)
Net cash (outflow)/inflow from operating activities and returns on investment	(13)	56	(553)
Taxation	—	—	—
Returns on investment and servicing of finance			
Purchase investments	(10,844)	(4,909)	(23,605)
Net proceeds on sale of investments	8,830	5,637	6,342
Net proceeds on deferred consideration	—	—	197
Net capital (outflow)/inflow from financial investment	(2,014)	728	(17,066)
Equity dividends paid	(1,336)	(2,013)	(2,321)
Management of liquid resources			
Movement in money market funds	2,256	5,621	7,922
	(1,107)	4,392	(12,018)
Financing			
Proceeds of fund raising	507	—	15,857
Expenses of fund raising	(3)	(72)	(320)
Repurchase of own shares	(335)	(842)	(1,308)
	169	(914)	14,229
(Decrease)/increase in cash	(938)	3,478	2,211

Notes to the Unaudited Half-Yearly Results

for six months ended 30 June 2013

- 1 The unaudited Half-Yearly results have been prepared on the basis of the accounting policies set out in the statutory accounts of the Company for the year ended 31 December 2012. Unquoted investments have been valued in accordance with IPEVC guidelines. Quoted investments are stated at bid prices in accordance with the IPEVC 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 2013 and 30 June 2012 has been neither audited nor reviewed. Statutory accounts in respect of the period to 31 December 2012 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 2012 have been reported on by the Company's auditors or delivered to the Registrar of Companies.
- 3 Copies of the Interim Report will be sent to shareholders and will be available for inspection at the Registered Office of the Company at ECA Court, 24-26 South Park, Sevenoaks, Kent, TN13 1DU.

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 2013	28,519	27,556,907	5,614	6,115,511	15,819	16,647,858
30 June 2012	33,445	27,684,809	5,515	6,179,833	15,522	16,406,496
31 December 2012	30,411	27,324,155	6,144	6,142,813	15,754	16,647,858

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 2013	27,491,235	6,134,668	16,647,858
Six months ended 30 June 2012	27,964,520	6,179,833	11,804,500
Year ended 31 December 2012	27,783,381	6,170,224	14,626,385

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 2013 £'000	Six months ended 30 June 2012 £'000	Year ended 31 December 2012 £'000
Loan stock interest	520	833	836
Overseas based Open Ended Investment Companies ("OEICs")	5	28	30
Dividends	98	—	106
Bank deposits	1	—	2
	624	861	974



Notes to the Unaudited Half-Yearly Results

for six months ended 30 June 2013

7 Investments at fair value through profit or loss

Company	Quoted £'000	Unquoted £'000	Total £'000
Book cost as at 1 January 2013	6,265	46,670	52,935
Investment holding losses	(5,387)	(3,115)	(8,502)
Valuation at 1 January 2013	878	43,555	44,433
Movements in the period:			
Purchases at cost	—	10,891	10,891
Disposal proceeds	(421)	(8,409)	(8,830)
Realised (loss)/gain	(3,941)	283	(3,658)
Investment holding gains/(losses)	3,684	(914)	2,770
Valuation at 30 June 2013	200	45,406	45,606
Book cost at 30 June 2013	1,903	49,435	51,338
Investment holding losses	(1,703)	(4,029)	(5,732)
Valuation at 30 June 2013	200	45,406	45,606

Deferred consideration of £71,000 was also recognised by the Ordinary Shares Fund in the period.

Investment holding losses in the income statement include a write down of £325,000 relating to a bank overdraft guarantee facility provided by the Ordinary Shares Fund, which is not reflected above.

Ordinary Shares Fund	Quoted £'000	Unquoted £'000	Total £'000
Book cost as at 1 January 2013	6,265	28,050	34,315
Investment holding losses	(5,387)	(3,699)	(9,086)
Valuation at 1 January 2013	878	24,351	25,229
Movements in the period:			
Purchases at cost	—	3,004	3,004
Disposal proceeds	(421)	(2,363)	(2,784)
Realised (loss)/gain	(3,941)	296	(3,645)
Investment holding gains/(losses)	3,684	(406)	3,278
Valuation at 30 June 2013	200	24,882	25,082
Book cost at 30 June 2013	1,903	28,987	30,890
Investment holding losses	(1,703)	(4,105)	(5,808)
Valuation at 30 June 2013	200	24,882	25,082

Deferred consideration of £71,000 was also recognised by the Ordinary Shares Fund in the period.

Investment holding losses in the income statement include a write down of £325,000 relating to a bank overdraft guarantee facility provided by the Ordinary Shares Fund, which is not reflected above.

Planned Exit Shares Fund	Quoted £'000	Unquoted £'000	Total £'000
Book cost as at 1 January 2013	—	5,032	5,032
Investment holding gains	—	584	584
Valuation at 1 January 2013	—	5,616	5,616
Movements in the period:			
Purchases at cost	—	313	313
Disposal proceeds	—	(50)	(50)
Investment holding losses	—	(508)	(508)
Valuation at 30 June 2013	—	5,371	5,371
Book cost at 30 June 2013	—	5,295	5,295
Investment holding gains	—	76	76
Valuation at 30 June 2013	—	5,371	5,371

Infrastructure Shares Fund	Quoted £'000	Unquoted £'000	Total £'000
Book cost as at 1 January 2013	—	13,588	13,588
Investment holding gain	—	—	—
Valuation at 1 January 2013	—	13,588	13,588
Movements in the period:			
Purchases at cost	—	7,574	7,574
Disposal proceeds	—	(5,996)	(5,996)
Realised loss	—	(13)	(13)
Valuation at 30 June 2013	—	15,153	15,153
Book cost at 30 June 2013	—	15,153	15,153
Investment holding gains	—	—	—
Valuation at 30 June 2013	—	15,153	15,153

Notes to the Unaudited Half-Yearly Results

for six months ended 30 June 2013

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, as Investment Manager of the Company, is considered to be a related party by virtue of its management contract with the Company. During the period, services of a total value of £477,000 (30 June 2012: £523,000; 31 December 2012: £928,000) were purchased by the Company from Foresight Group. At 30 June 2013, the amount due to Foresight Group was £17,221.

Foresight Fund Managers Limited, as Secretary of the Company and as a subsidiary of Foresight Group, is also considered to be a related party of the Company. During the period, services of a total value of £50,000 excluding VAT (30 June 2012: £50,000; 31 December 2012: £100,000) were purchased by the Company from Foresight Fund Managers Limited. At 30 June 2013, the amount due to Foresight Fund Managers Limited included within creditors was £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. The mid-price of the Company's Ordinary Shares is given daily in the Financial Times in the Investment Companies section of the London Share Service. Share price information can also be obtained from many financial websites. Due to the fact that Planned Exit and Infrastructure Shares are bought back at net asset value less costs, and in order to keep costs down, it has been decided not to list the Planned Exit and Infrastructure Shares in the Financial Times.

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, Planned Exit 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 unsolicited 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 are included on this page.

Indicative financial calendar

April 2014	Announcement of preliminary results for the year ending 31 December 2013.
April 2014	Posting of the annual report for the year ending 31 December 2013.
May 2014	Annual General Meeting.
August 2014	Announcement of Half-Yearly Results for the six months ending 30 June 2014.

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: 01732 471800

Fax: 01732 471810

e-mail: info@foresightgroup.eu

website: www.foresightgroup.eu

Foresight VCT plc is managed by Foresight Group CI Limited which is authorised and regulated 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
ECA Court
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TN13 1DU

Investment Manager

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Auditors and Tax Advisers

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Contact Numbers

Registrar's Shareholder Helpline
— Computershare (0870 703 6385)
General and Portfolio Queries
— Foresight Group (01732 471800)

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