



FORESIGHT VCT plc

UNAUDITED HALF-YEARLY
FINANCIAL REPORT

30 JUNE 2020

Foresight
FOR A SMARTER FUTURE

Shareholder Information

INVESTMENT OBJECTIVE

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

www.foresightvct.com

ENQUIRIES

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

020 3667 8181

**InvestorRelations@
foresightgroup.eu**

www.foresightgroup.eu

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

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

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



KEY DATES

Annual Results to 31 December 2020	April 2021
Annual General Meeting	May 2021
Interim Results to 30 June 2021	September 2021

DIVIDEND REINVESTMENT SCHEME

Changes to the terms and conditions of the Dividend Reinvestment Scheme took effect on 8 April 2019. Details of the new terms were sent to participants of the Scheme and are available on the Manager's website.

DIVIDENDS

The Board has decided that Foresight VCT plc (the "Company") will no longer pay dividends by cheque. All future cash dividends will be credited to your nominated bank/building society account. Your options are:

- Receive your dividends in Sterling via direct credit to a UK domiciled bank account.
- Reinvest your dividends for additional shares in the Company through our Dividend Reinvestment Scheme.

WWW.INVESTORCENTRE.CO.UK

Investors can manage their shareholding online using Investor Centre, Computershare's secure website. Shareholders just require their Shareholder Reference Number (SRN), which can be found on any communications previously received from Computershare, to access the following:

[Holding Enquiry](#) [Balances](#) [Values History](#) [Payments](#) [Reinvestments](#)

[Payments Enquiry](#) [Dividends](#) [Other payment types](#)

[Address Change](#) Change registered address to which all communications are sent

[Bank Details Update](#) Please ensure bank details are up to date in order to receive your dividends

[Outstanding Payments](#) Reissue payments using our online replacement service

[Downloadable Forms](#) for Dividend mandates [Stock transfer](#) [Dividend reinvestment](#) [Change of address](#)

Alternatively you can contact Computershare by phone on 0370 703 6388

TRADING SHARES

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

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

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

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

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

Contents

FINANCIAL HIGHLIGHTS	2
Key Metrics	2
CHAIRMAN'S STATEMENT	3
MANAGER'S REVIEW	6
PORTFOLIO	
Top Ten Investments	10
Overview	16
GOVERNANCE	
Unaudited Half-Yearly Results and Responsibilities Statements	17
FINANCIAL STATEMENTS	
Unaudited Income Statement	18
Unaudited Balance Sheet	19
Unaudited Reconciliation of Movements in Shareholders' Funds	19
Unaudited Cash Flow Statement	20
Notes to the Unaudited Half-Yearly Results	21
GLOSSARY OF TERMS	23
FCA Information	24
CORPORATE INFORMATION	25

Financial Highlights

Total Net Assets
as at 30 June 2020

£136.7m

Dividend paid
19 June 2020

£6.8m (3.3p)

Decrease in Portfolio Value
in period to 30 June 2020

£13.2m

- Total net assets £136.7 million.
- A final dividend of 3.3p per share was paid on 19 June 2020, costing £6.8 million.
- The portfolio has seen a decrease in valuation of £13.2 million in the last six months.
- Net Asset Value per share decreased by 14.0% from 76.5p at 31 December 2019 to 65.8p at 30 June 2020. Including the payment of a 3.3p dividend made on 19 June 2020, NAV total return per share was 69.1p, representing a decrease in total return of 9.7%.
- The offer for subscription launched in January 2020 was closed on 7 April 2020 and raised a total of £24.8 million before expenses.

KEY METRICS

	30 June 2020	31 December 2019
Total net assets	£136.7m	£133.1m
Net asset value per share	65.8p	76.5p
Movement in net asset value total return during the period [^]	(9.7)%	4.4%
Share price	57.0p	69.0p
Share price total return* [^]	215.0p	218.3p
Dividends per share paid in the period [^]	3.3p	5.0p
Dividend yield [^]	5.8%	7.2%
Shares in issue	207,824,856	173,959,405

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

	30 June 2020	31 December 2019
Discount to NAV [^]	13.4%	9.8%
Average discount on buybacks [^]	9.9%	10.1%
Shares bought back during the period under review	2,410,280	3,068,004
Shares issued through fundraising	34,331,524	—
Shares issued under the dividend reinvestment scheme	1,944,207	1,976,383
Ongoing charges ratio (based on net assets)*	2.4%	2.3%

[^]Definitions of these Alternative Performance Measures (APMs) can be found in the Glossary on page 23.

* Any expense cap rebates are assessed at year end.

Chairman's Statement



John Gregory
Chairman of
Foresight VCT plc

I am pleased to present the Company's Unaudited Half-Yearly Financial Report for the period ended 30 June 2020.

MATERIAL EVENTS DURING THE PERIOD

Before providing other details, I would like to draw attention to the two material events that have occurred during the period. The first is the continuing impact of Covid-19 on the Company and its portfolio and the second is the Company's fundraising which closed on 7 April this year.

The Covid-19 virus has presented the Company and the management of every one of its portfolio companies with unprecedented challenges which it is anticipated will persist for a considerable time to come. The Manager has been working closely with the portfolio companies, in order to try to minimise any adverse impact of this virus, and it is a great credit to the quality of the management of the portfolio companies, that the fallout from the pandemic has not been even more significant. Until this virus is brought under worldwide control, it is impossible to assess its full impact. However, it is already clear that the value of every business in the Company's portfolio has been materially affected, a minority have benefitted but most have not.

At the end of last year the Company held 13 investments, representing some 22% by value of its investment portfolio, in businesses involved in the travel, retail, entertainment and food and drink sectors. To date these sectors are amongst those most hard hit by the provisions of the lockdown imposed by the UK Government in response

to the Covid-19 virus. I am pleased to report that since the recent easing of the lockdown provisions all the Company's investments in these sectors are continuing to trade and, with one possible exception, they are already pursuing revised business strategies which hold the potential for a return to commercial viability in the short to medium term. It will, however, be some time before the value of most of these businesses is again at or above their pre-Covid levels.

The overall impact of the Covid virus during the first six months of this year can be seen in the material fall in the valuation of the Company's portfolio. On a positive note, I can say that since the period end the trading position of many of these businesses has improved, some quite significantly. On behalf of the Board I would like to thank the Manager for the considerable work which it has done and is continuing to do alongside the management teams at each and every one of the companies within the portfolio.

At the start of this year some 90% of the Company's assets were already invested and the Board believed it would be in the Company's best interest to raise further funds to provide liquidity for its activities over the coming year and beyond. Despite the difficulties created by Covid-19, the Board is pleased that the Company was successful in raising additional funds to support both its current and future portfolio of investments. The Company closed its offer for subscription on 7 April and raised £24.8 million before expenses. The majority of the funds received were subscribed in the final allotments totalling £18.6

Chairman's Statement

million, which took place on 3 April and 14 April based on a NAV of 66.5p per share, which compared with the NAV at the end of last year of 76.5p per share.

STRATEGY

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

- further development of the net assets of the Company to a level in excess of £150 million;
- payment of an annual dividend to shareholders of at least 5% of the NAV per share and at the same time endeavouring to maintain the NAV per share at around its current level;
- the implementation of a significant number of new and follow on qualifying investments every year; and
- maintaining a programme of regular share buy backs at a discount in the region of 10% to the prevailing NAV per share.

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

NET ASSET VALUE

At 30 June 2020 the NAV of the Company stood at £136.7 million (31 December 2019: £133.1 million). The successful fundraising completed during the period under review added £24.2m to the NAV.

However, in the six months to 30 June 2020 the NAV per share decreased by 14.0% from 76.5p at 31 December 2019 to 65.8p at 30 June 2020.

Including the payment of a 3.3p dividend made on 19 June 2020, which is detailed below, NAV total return per share was 69.1p, representing a decrease in total return of 9.7%.

DIVIDENDS

The final dividend of 3.3p per share was paid on 19 June 2020 based on an ex-dividend date of 4 June 2020, with a record date of 5 June 2020. The total cost of this dividend was £6.8 million, including shares allotted under the dividend reinvestment scheme.

The total return per share from an investment made five years ago would be 3.7%, which is materially below the target return set by the Board. It is the future achievement of this target that is at the centre of the Company's current and future portfolio management strategy.

INVESTMENT PERFORMANCE AND PORTFOLIO ACTIVITY

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

The Company started the current period with nearly 90% of its assets invested in a range of unquoted growth capital investments; the Board and the Manager believe that despite recent events more fully described above, the majority of these investments will continue to mature and help improve the future rate of growth in NAV. During the period under review the Manager made no new investments, as it focused on supporting the current portfolio during the ongoing Covid-19 Coronavirus outbreak.

The Company and Foresight 4 VCT plc have the same Manager

and share similar investment policies. The Board closely monitors the extent and nature of the pipeline of investment opportunities and is reassured by the Manager's confidence in being able to deploy funds without compromising quality during 2020 and beyond, so as to be in a position to satisfy the investment needs of both companies. We do however anticipate that the impact of Covid-19 will continue to slow down the new investment process and will delay at least some of the anticipated realisation dates of existing investments.

BUYBACKS

During the period the Company repurchased 2.4 million shares for cancellation at an average discount of 9.9%. The Board and the Manager consider that the ability to offer to buy back shares at a target discount of approximately 10% is fair to both continuing and selling shareholders and is an appropriate way to help underpin the discount to NAV at which the shares trade. Share buybacks are timed to avoid the Company's closed periods and will usually take place, subject to demand, during the following times of year:

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

MANAGEMENT CHARGES, CO-INVESTMENT AND INCENTIVE ARRANGEMENTS

The annual management fee is an amount equal to 2.0% of net assets, excluding cash balances

above £20 million, which are charged at a reduced rate of 1.0%. With the unforeseen impact of Covid-19, this has resulted in an ongoing charges ratio for the period ended 30 June 2020 of 2.4% of net assets, which is within the 2.4% cap. In line with the Management Agreement, any rebate for expenses above the expense cap will be assessed at the year end.

Since March 2017, co-investments made by the Manager and individual members of the Manager's private equity team have totalled £0.7 million alongside the Company's investments of £48.1 million. Under the terms of the Incentive Arrangements, the 'Total NAV Return Hurdle' has not yet been achieved and no performance incentive payment is due.

Recognising the importance of protecting shareholder interests the Board and the Manager agreed that it was appropriate to update the Incentive Arrangements and from 27 January 2020 a change to provide for an annual increase to the Total Return Hurdle (originally 100p) by the greater of RPI or 3.5% was added to the requirements.

BOARD COMPOSITION

The Board continues to review its own performance and undertakes succession planning to maintain an appropriate level of independence, experience, diversity and skills in order to be in a position to discharge all its responsibilities. It is not the present intention to alter the composition of the Board during the current year, however the Nomination Committee is embarking on the process of seeking a new non-executive director for

appointment during 2021 and details will be communicated as and when appropriate.

SHAREHOLDER COMMUNICATION

As a result of the travel restrictions imposed due to Covid-19, the Manager's popular investor forums have been temporarily put on hold. Once it is possible to do so, details of both a London event and regional events will be sent to shareholders resident in the locality as and when they are organised. The Manager held an investor webinar on 25 August 2020, details of which had been previously communicated to investors. It is the intention of the Manager to continue to hold investor webinars whilst the investor forums are on hold and details of any future events will be communicated to investors.

OUTLOOK

The persisting uncertainty over the full impact of Covid-19 and the negotiations in relation to Brexit create truly exceptional challenges for every business. The Company invests primarily in developing companies which by their nature benefit from general economic growth and the current environment places considerable demands upon them and their management teams. The Manager's private equity team is well aware of the management and business needs of each of the companies within the investment portfolio and is working closely with them to help them progress during these testing times. Until the pandemic is brought under worldwide control there will inevitably be further, mainly unhelpful, implications for many UK based businesses. Notwithstanding this, the Board and the Manager have been impressed by the resilience shown by the significant

majority of the Company's investments and are optimistic that the existing portfolio has potential to add value once the virus has been successfully contained.

John Gregory

Chairman

Telephone 01296 682751

Email: j.greg@btconnect.com

4 September 2020

Manager's Review

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

The investment management and administration arrangements were previously with Foresight Group CI Limited (the Manager’s parent undertaking), with Foresight Group CI Limited appointing the

Manager as its investment adviser and delegating administration services to the Manager. The investment management and administration arrangements were novated and amended to be directly with the Manager on 27 January 2020. References to the Manager’s activities in this report include those activities of Foresight Group CI Limited prior to the change in arrangements.

Portfolio Summary

As at 30 June 2020 the Company’s portfolio comprised 44 investments with a total cost of £91.2 million and a valuation of £107.1 million. The portfolio is diversified by sector, transaction type and maturity profile. Details of the ten largest investments by valuation, including an update on their performance, are provided on pages 10 to 14.

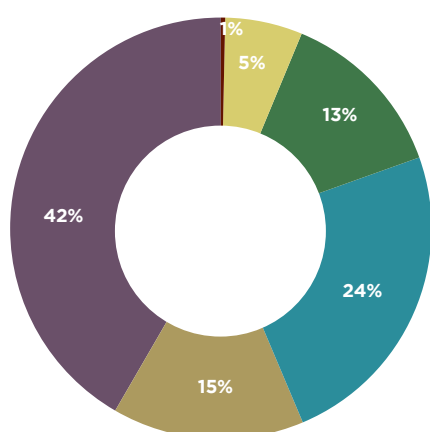
During the period, the value of unquoted investments reduced overall by £13.2 million as the portfolio was buffeted by the challenging circumstances of COVID-19. In the quarter to March the portfolio value reduced by £18.9 million, reflecting significant economic and market uncertainty as the UK entered lockdown. In the second quarter the portfolio value

saw some recovery, increasing by £5.7 million, as many of the portfolio companies successfully navigated the period and economic and public market uncertainty reduced partially.

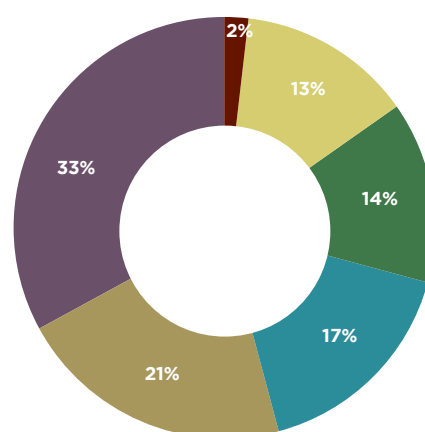
In line with the Board’s strategic objectives, the investment team remain focused on growing NAV to £150.0 million whilst paying an annual dividend to shareholders of at least 5% of the NAV per share and maintaining the capital value of NAV per share. The Company is behind on these targets currently but is working towards achieving these objectives in the medium term.

PORTFOLIO DIVERSIFICATION

Sector by Cost



Sector by Valuation



Technology, Media and Telecommunications

Consumer and Leisure

Business Services

Industrials and Manufacturing

Healthcare

General

NEW INVESTMENTS

The Company has made no new investments in the six months to 30 June 2020 given the challenges of consummating a new investment during lockdown and the difficulties experienced during the period, with smaller companies focused largely on survival rather than strategic growth. In addition, the investment team was focused heavily on managing and supporting the existing portfolio through these unprecedented times.

FOLLOW-ON INVESTMENTS

There have been no follow-on investments during the six months to 30 June 2020. Given the current climate, we had anticipated an increase in follow-on investments during the period. However, the portfolio has remained resilient thanks to the support and expertise of the investment team which has provided assistance and guidance throughout the COVID-19 pandemic. Many of the portfolio benefitted from various forms of Government support such as the furlough scheme and the Coronavirus Business Interruption Loan Scheme, which reduced the need for equity follow on in the period. However, as these schemes unwind and the economic climate remains depressed, we anticipate various requirements for follow-on investment.

EXITS AND REALISATIONS

In the six months to 30 June 2020 there has been one loan repayment from The Naked Deli Ltd of £0.2 million. Whilst the mergers and acquisitions climate has been challenging in the period, with most trade acquirers focused on survival and private equity investors focused on their existing portfolios or on distressed acquisitions, the Manager is seeing acquisition interest returning, particularly in the healthcare, technology and e-commerce sectors.

PIPELINE

At 30 June 2020, the Company had cash balances of £29.1 million, which will be used to fund new and follow-on investments, buybacks and running expenses. We are seeing a recovery in the pipeline of potential investments and have a number of opportunities under exclusivity or in due diligence. The Company remains well positioned to continue pursuing these potential investment opportunities.

The onset of COVID-19 and the resulting economic downturn has resulted in minimal new investment

activity in the first half of 2020. Depending on the length and severity of the COVID-19 outbreak and associated restrictions, we expect to see a higher proportion of the Company's deployment focused on follow-on investments in the short to medium term.

As the economy recovers from the worst effects of the virus, we expect company valuations to be more attractive and demand for funding to increase, driving some particularly interesting opportunities for investment.

Manager's Review

KEY PORTFOLIO DEVELOPMENTS

Overall, the value of investments held decreased by £13.2 million to £107.1 million in the period. A disciplined approach to investment valuations has been maintained in light of COVID-19. As stated above, in the quarter to March, the onset of the pandemic drove significant economic uncertainty and the portfolio saw a substantial decrease in value of £18.9 million. In the second quarter, as the

portfolio adapted to the new economic climate, fair values saw some recovery across the board increasing by £5.7 million. Material changes in valuation, defined as increasing or decreasing by £1.0 million or more since 31 December 2019, are detailed below. Updates on these companies are included below.

KEY VALUATION CHANGES IN THE PERIOD

Company	Valuation (£)	Valuation Change (£)
Hospital Services Group Limited	5,826,846	2,193,727
The Naked Deli Ltd	—	(1,027,922)
Cinelabs International Limited	1,263,060	(1,222,341)
Datapath Group Limited	7,189,645	(1,235,973)
Spektrix Limited	2,593,493	(1,571,084)
TFC Europe Limited	3,930,229	(1,676,434)
Ixaris Group Holdings Limited	1,848,696	(3,738,112)

HOSPITAL SERVICES GROUP LIMITED

Hospital Services Group has performed exceptionally well during the first half of 2020, already eclipsing prior year's revenue and EBITDA. This has been driven by significant sales of PPE in response to COVID-19. With a customer base and supply chain now in place, Hospital Services Group will continue to provide PPE for the foreseeable future. The company's core business divisions have continued to perform well during the period.

THE NAKED DELI LTD

The Naked Deli is a healthy eating food chain predominantly targeting lunchtime trade. Prior to COVID-19, the business implemented a turnaround plan with a new CEO and a revised menu. This was showing some positive results and the business paid £280,000 of accumulated interest and loan note principal to the Company. However, The Naked Deli closed all its stores in line with government guidance in March and the outlook for this sector remains extremely challenging. There is uncertainty about town centre footfall, particularly for lunchtime trade, while employees are still working from home. Due to the difficult outlook as well as the remaining uncertainty around the business model, the investment valuation has been written down to zero pending improved visibility on re-opening performance and recovery of the sector.

CINELABS INTERNATIONAL LIMITED

Cinelabs provides non-creative post-production services to film and TV production houses globally, primarily to those shooting on analogue film. The

business was trading reasonably well prior to the COVID-19 outbreak, however the complete halt of new film and TV production since lockdown has drastically impacted revenues. At the time of writing, film and TV productions were recommencing, providing some opportunity for recovery.

DATAPATH GROUP LIMITED

Prior to the outbreak of COVID-19, Datapath continued to generate material profits, helped by an improved gross margin. The company has invested in new product development and its sales channels over recent years, notably strengthening its worldwide sales team. Whilst COVID-19 has created some short-term volatility, the company has still outperformed its revised budgets.

SPEKTRIX LIMITED

Spektrix is an enterprise software company, providing ticketing, CRM, marketing, and fundraising software to companies in the performing arts sector in the UK and US. With theatres in the UK and US closed since March, the company has seen a reduction in revenue as part of the company's revenues are derived from ticket sales. However, the company has continued to win new clients in the period, particularly within the UK. The UK Government's recently announcement support package for the UK arts industry should improve trading and a number of theatres are now selling tickets for outdoor performances. The company has continued to invest in its technology, increasing functionality, resilience and scalability during the period.

TFC EUROPE LIMITED

TFC Europe is one of Europe's leading suppliers of fixing and fastening products to customers across a wide range of industries, including aerospace, automotive, oil & gas and mechanical engineering. The business has remained profitable during the period, however revenues are down 35% on prior year. TFC has used this period to review its pricing model and overall strategy to increase value in the long-term.

IXARIS GROUP HOLDINGS LIMITED

Ixaris is a payments platform enabling efficient global payments, targeting the travel sector in particular. Ixaris had a strong financial year to December 2019 but has since seen a severe downturn in trading due to the disruption faced by the travel sector in the wake of the pandemic. The business is fundamentally strong and there is clear potential for value recovery. The team have used this opportunity to refine the current business model and look for areas for improvement.

OUTLOOK

We reacted quickly to the onset of COVID-19 in March 2020, working closely with the portfolio companies to identify risk areas and encourage businesses to take the necessary actions and precautions. As more businesses begin to reopen, the trading landscape looks very different and companies are having to adapt to a 'new normal'. We are supporting the portfolio companies through this process, working closely with them to implement safe working environments and resilient business models.

A proportion of the portfolio companies are particularly at risk due to the sectors they operate in, such as travel, hospitality and leisure. We are working extensively with these businesses, paying particular attention to managing creditors and cash preservation. The Government has now allowed pubs, restaurants and bars to reopen, adhering to a strict set of health and safety measures. The sector remains at risk with indoor hospitality settings having to reduce capacity by 50% on average, combined with reduced consumer appetite to visit bars or restaurants. Nevertheless, some of the Company's leisure investments demonstrated market leading site metrics pre-COVID and will have the ability to weather this temporary period of reduced trading. Even with capacity limitations, we expect several of our leisure businesses to return to profit and cash generation over time thanks to a loyal customer base and young demographic.

There are also a number of companies, namely in the healthcare and life sciences sectors, which have traded strongly during this period due to the increased demand for the services they offer. Examples of this include Mologic, which recently received a grant of c.£1 million to fund COVID-related diagnostic development. Molecular diagnostics business, Biofortuna has also been presented with a number of opportunities to help manufacture COVID-19 test kits and they have manufactured 17 million test kits to date. They will also explore further commercial possibilities in the space.

Another of the portfolio companies, Hospital Services Group, has seen increased demand for mobile x-ray machines, as chest x-rays are part of the treatment pathway for COVID-19.

As businesses reopen, we are ensuring that finance directors at the portfolio companies continue to manage overheads tightly, reduce capital expenditure and work through longer-term cost reduction plans given the uncertain macro environment. It is important that management teams and investors are well prepared for a sustained period of weaker consumer and business demand and missed forecasts as consumers and businesses adapt to the changed environment. The Company's portfolio is diversified by sector and market, and the SME sector has historically proven to be resilient and nimble enough to weather periods of volatility.

Notwithstanding this difficult backdrop, we continue to see encouraging levels of activity from smaller UK companies seeking growth capital and expect this to increase as companies begin to recover from the impact of COVID-19 with requirements for permanent funding of working capital. VCTs are still viewed by many entrepreneurs as an attractive source of capital that provides scale-up funding to businesses at an early stage of their growth, when other sources of funding may not be readily available or alongside other sources of funding, including the government measures for supporting businesses during COVID-19. Despite the current challenges of COVID-19 in the medium and long term, the UK remains an excellent place to start, scale and sell a business, with broad pools of talent and an entrepreneurial culture.

Russell Healey
Head of Private Equity
Foresight Group LLP
4 September 2020

Portfolio

Top Ten Investments

By value as at 30 June 2020

FFX GROUP LIMITED
www.ffx.co.uk **KENT**



SECTOR:
BUSINESS SERVICES



FFX is a multi-channel supplier of high-quality hand tools, power tools and accessories, fixings and general building products.

30 June 2020 Update

FFX has continued to trade strongly, with revenue and EBITDA forecast to be significantly higher than prior year. This is due to a combination of greater DIY spend during lockdown and increased online sales due to store closures. The multi-channel sales approach is making good progress and the team continues to expand.

Initial Investment	September 2015
Amount invested (£)*	2,676,426
Accounting cost (£)**	2,676,426
Investment value (£)	7,824,723
Basis of valuation	Discounted earnings multiple
Equity held (%)	33.1%

*Including the amount of initial investment by Foresight 2 VCT plc ("F2").

**The accounting cost includes the value at which F2's holding was transferred to the Company as part of the merger in December 2015.

DATAPATH GROUP LIMITED
www.datapath.co.uk **DERBYSHIRE**



SECTOR:
TMT



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

30 June 2020 Update

Prior to the outbreak of COVID-19, Datapath continued to generate material profits, helped by an improved gross margin. The company has invested in new product development and its sales channels over recent years, notably strengthening its worldwide sales team. Whilst COVID-19 has created some short-term volatility, the company has still outperformed its revised budgets.

Initial Investment*	September 2007
Amount invested (£)*	1,000,000
Accounting cost (£)**	7,563,365
Valuation (£)	7,189,645
Basis of valuation	Discounted earnings multiple
Equity held (%)	13.3%

*The amount and date of initial investment by F2.

**The accounting cost reflects the valuation of the F2 investment in Datapath at the point it was transferred from F2 to the Company as part of the merger in December 2015.

SPECAC INTERNATIONAL LIMITED
www.specac.com **KENT**



SECTOR:
INDUSTRIALS &
MANUFACTURING



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

30 June 2020 Update

Specac finished its financial year to March strongly, with EBITDA up on prior year. March was a record month of trading for the business. Management has revised forecasts in light of COVID-19 and the company has since beaten the revised forecasts. The order book is currently healthy, and the company continues to export a large proportion of its production.

Initial Investment	April 2015
Amount invested (£)	1,345,000
Accounting cost (£)	1,300,000
Valuation (£)	6,561,393
Basis of valuation	Discounted earnings multiple
Equity held (%)	39.2%

HOSPITAL SERVICES GROUP LIMITED
www.hsl.ie **BELFAST**



SECTOR: HEALTHCARE



Hospital Services Limited ("HSL") distributes, installs and maintains high quality healthcare equipment from global partners such as Hologic, Fujifilm and Shimadzu. HSL has strengths in the radiology, ophthalmic, endoscopy and surgical sectors.

30 June 2020 Update

HSL has performed exceptionally well during the first half of 2020, already eclipsing prior year's revenue and EBITDA. This has been driven by significant sales of PPE in response to COVID-19. With a customer base and supply chain now in place, HSL will continue to provide PPE for the foreseeable future. The company's core business divisions have continued to perform well during the period.

Initial Investment	September 2015
Amount invested (£)*	3,320,000
Accounting cost (£)**	3,320,000
Investment value (£)	5,826,846
Basis of valuation	Discounted earnings multiple
Equity held (%)	45.2%

*Including the amount of initial investment by F2.

**The accounting cost includes the value at which F2's holding was transferred to the Company as part of the merger in December 2015.

Top Ten Investments continued

NANO INTERACTIVE GROUP LIMITED
www.nanointeractive.com **LONDON**



SECTOR:
TMT



Nano Interactive is an advertising technology business specialising in search re-targeting campaigns for its global customer base. The business was founded in 2010 and has five offices in Germany, UK, France, Poland and Serbia.

30 June 2020 Update

Nano has continued to trade well following a strong end to its financial year in December. Revenues fell with the onset of COVID-19 due to cutbacks in marketing spend across its customer base. The company is now beginning to recover, with revenues close to prior year levels. Nano is focusing on new product development to drive growth.

Initial Investment	October 2017
Amount invested (£)	4,434,191
Accounting cost (£)	4,434,191
Valuation (£)	5,193,896
Basis of valuation	Discounted revenue multiple
Equity held (%)	29.7%

PROTEAN SOFTWARE LIMITED
www.proteansoftware.co.uk **WEST MIDLANDS**



SECTOR:
TMT



Protean develops and sells field service management software for organisations involved in the supply, installation, maintenance and hire of equipment.

30 June 2020 Update

Protean finished its financial year in line with budget in March. It has had a slower start to the new financial year, with revenues down 25% due to a slowdown in implementation projects and in sales of additional licenses to existing customers. The company is now starting to see increased customer activity and is expected to recover in the second half of 2020.

Initial Investment	July 2015
Amount invested (£)*	2,500,000
Accounting cost (£)**	2,500,000
Valuation (£)	4,795,699
Basis of valuation	Discounted revenue multiple
Equity held (%)	39.7%

*Including the amount of initial investment by F2.

**The accounting cost includes the value at which F2's holding was transferred to the Company as part of the merger in December 2015.

OLLIE QUINN LIMITED
www.olliequinn.co.uk **LONDON**

OLLIE QUINN **SECTOR:** CONSUMER
& LEISURE



Ollie Quinn is a branded retailer of prescription glasses, sunglasses and non-prescription polarised sunglasses based in the UK and Canada.

30 June 2020 Update

Prior to COVID-19, Ollie Quinn's trading continued to improve, achieving sales in line with budget. However, like many other retail businesses, Ollie Quinn has been severely affected by the COVID-19 lockdown. The company has now re-opened all stores and sales are ahead of forecast.

Initial Investment	March 2017
Amount invested (£)	5,693,917
Accounting cost (£)	5,693,917
Valuation (£)	4,379,950
Basis of valuation	Discounted revenue multiple
Equity held (%)	64.7%

FRESH RELEVANCE LIMITED
www.freshrelevance.com **HAMPSHIRE**



SECTOR:
TMT



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

30 June 2020 Update

Fresh Relevance was trading in line with budget prior to the onset of COVID-19, maintaining strong double-digit revenue growth. Trading has been impacted by COVID-19, with a drop in bookings and softness in contract renewals. The company is behind budget, nevertheless year-on-year growth is positive.

Initial Investment	March 2017
Amount invested (£)	2,117,750
Accounting cost (£)	2,117,750
Valuation (£)	4,358,078
Basis of valuation	Discounted revenue multiple
Equity held (%)	28.9%

Top Ten Investments continued

INDUSTRIAL EFFICIENCY II LIMITED LONDON



SECTOR: BUSINESS
SERVICES



Industrial Efficiency II Limited ("IEL II") provides funding for the rollout of energy efficiency fuel switching services through the installation of gas and electricity delivery equipment at nine CEMEX sites across the UK.

30 June 2020 Update

IEL II has performed largely without interruption throughout the period. The final invoice in relation to the existing heat contract has now been paid and the contracted volume is likely to be realised by September.

Initial Investment	July 2014
Amount invested (£)	2,603,260
Accounting cost (£)	2,603,260
Valuation (£)	4,248,295
Basis of valuation	Discounted cash flow
Equity held (%)	18.8%

ITAD LIMITED www.itad.com EAST SUSSEX



SECTOR: BUSINESS
SERVICES



ITAD is a specialist consulting firm focused on monitoring and evaluating the impact of international development funding and aid on behalf of governments and charities in the UK and overseas.

30 June 2020 Update

ITAD had a strong start to its financial year in February, achieving revenues and profits materially ahead of budget. Despite COVID-19 slowing down the delivery of projects, the business has remained profitable with EBITDA up on prior year. The pipeline remains healthy, however the merger of the Department for International Development and Foreign Office will likely impact future revenues.

Initial Investment	October 2015
Amount invested (£)*	2,750,000
Accounting cost (£)**	2,750,000
Investment value (£)	3,973,079
Basis of valuation	Discounted earnings multiple
Equity held (%)	24.1%

*Including the amount of initial investment by F2.

**The accounting cost includes the value at which F2's holding was transferred to the Company as part of the merger in December 2015.



“Regenerative biological therapies are at the vanguard of innovative clinical applications and we are delighted to have Foresight as our strategic partner to support us in the development of our product that we hope may provide a new treatment option for patients, physicians and other healthcare professionals.”

*Janet Hadfield,
CEO and Co-Founder of
Biotherapy Services*

Portfolio

Overview

Investment	30 June 2020			31 December 2019	
	Accounting cost £	Valuation £	Valuation Methodology	Accounting cost £	Valuation £
FFX Group Limited	2,676,426	7,824,723 *	Discounted earnings multiple	2,676,426	7,757,528
Datapath Group Limited	7,563,365	7,189,645 *	Discounted earnings multiple	7,563,365	8,425,618
Specac International Limited	1,300,000	6,561,393 *	Discounted earnings multiple	1,300,000	6,059,027
Hospital Services Group Limited	3,320,000	5,826,846 *	Discounted earnings multiple	3,320,000	3,633,119
Nano Interactive Group Limited	4,434,191	5,193,896 *	Discounted revenue multiple	4,434,191	5,699,445
Protean Software Limited	2,500,000	4,795,699 *	Discounted revenue multiple	2,500,000	5,502,012
Ollie Quinn Limited	5,693,917	4,379,950 *	Discounted revenue multiple	5,693,917	5,221,920
Fresh Relevance Limited	2,117,750	4,358,078 *	Discounted revenue multiple	2,117,750	4,420,757
Industrial Efficiency II Limited	2,603,260	4,248,295 *	Discounted cash flow	2,603,260	4,065,796
Itad Limited	2,750,000	3,973,079 *	Discounted earnings multiple	2,750,000	4,009,984
TFC Europe Limited	3,614,612	3,930,229	Discounted earnings multiple	3,614,612	5,606,663
Mologic Ltd	2,434,483	3,646,524	Discounted revenue multiple	2,434,483	2,948,806
The Business Advisory Limited	1,605,000	3,404,716	Discounted earnings multiple	1,605,000	3,208,464
Mowgli Street Food Limited	1,526,750	3,099,636	Discounted earnings multiple	1,526,750	3,423,957
Spektrix Limited	3,448,276	2,593,493	Discounted revenue multiple	3,448,276	4,164,577
Luminet Networks Limited	3,783,251	2,436,905	Discounted earnings multiple	3,783,251	3,155,111
Fourth Wall Creative Ltd	2,955,665	2,293,306	Discounted earnings multiple	2,955,665	3,129,220
Clubspark Limited	1,270,936	2,127,138	Discounted revenue multiple	1,270,936	1,934,760
Steamforged Games Limited	2,364,532	2,025,955	Discounted revenue multiple	2,364,532	2,351,245
Aquasium Technology Limited	333,333	1,992,786	Discounted earnings multiple	333,333	2,132,630
Codeplay Software Limited	689,656	1,966,710	Discounted revenue multiple	689,656	1,256,165
ABL Investments Limited	2,750,000	1,959,899	Discounted earnings multiple	2,750,000	2,889,163
Accrosoft Limited	1,724,138	1,952,050	Discounted revenue multiple	1,724,138	2,104,660
200 Degrees Holdings Limited	1,477,832	1,930,212	Discounted earnings multiple	1,477,832	2,123,037
Aerospace Tooling Holdings Limited	150,000	1,875,707	Discounted earnings multiple	150,000	2,734,091
Ten Health & Fitness Limited	2,364,532	1,855,682	Discounted revenue multiple	2,364,532	2,452,685
Ixaris Group Holdings Limited	2,266,036	1,848,696	Discounted revenue multiple	2,266,036	5,586,808
Roxy Leisure Ltd	1,477,833	1,605,835	Discounted earnings multiple	1,477,833	1,477,833
Fertility Focus Limited	1,301,779	1,433,216	Discounted revenue multiple	1,301,779	1,375,720
Biotherapy Services Ltd	1,477,833	1,417,574	Price of last funding round	1,477,833	1,477,833
Positive Response Communications Limited	1,000,000	1,306,088	Discounted revenue multiple	1,000,000	1,331,511
Dhalia Limited	100	1,278,176	Net assets	100	1,278,344
Cinelabs International Limited	2,216,250	1,263,060	Discounted revenue multiple	2,216,250	2,485,401
Rovco Ltd	935,961	935,961	Cost	935,961	935,961
Biofortuna Limited	1,172,517	745,867	Discounted revenue multiple	1,172,517	304,577
Online Poundshop Limited	2,610,000	638,495	Discounted revenue multiple	2,610,000	477,203
Procam Television Holdings Limited	1,664,893	333,053	Discounted earnings multiple	1,664,893	1,174,284
Whitchurch PE 1 Limited	100,000	290,287	Net assets	100,000	290,766
Cole Henry PE 2 Limited	100,000	216,917	Net assets	100,000	217,395
Kingsclere PE 3 Limited	100,000	177,270	Net assets	100,000	177,795
Powerlinks Media Limited	2,709,360	123,661	Discounted revenue multiple	2,709,360	241,303
Sindicatum Carbon Capital Limited	246,075	61,519	Cost less provision	246,075	61,519
The Naked Deli Ltd	1,536,139	—	Nil value	1,724,139	1,215,922
Oxonica Plc	2,804,473	—	Nil value	2,804,473	—
Total	91,171,154	107,118,227		91,359,154	120,520,615

* Top ten investments by value shown on pages 10 to 14.

Governance

Unaudited Half-Yearly Results and Responsibilities Statements

Principal Risks and Uncertainties

The principal risks faced by the Company are as follows:

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

The Board reported on the principal risks and uncertainties faced by the Company in the Annual Report and Accounts for the year ended 31 December 2019. A detailed explanation can be found on page 27 of the Annual Report and Accounts which is available on the Company's website www.foresightvct.com or by writing to Foresight Group at The Shard, 32 London Bridge Street, London, SE1 9SG.

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

The Directors confirm to the best of their knowledge that:

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

GOING CONCERN

The Company's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report of the Annual Report. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are described in the Chairman's Statement, Strategic Report and Notes to the Accounts of the 31 December

2019 Annual Report. In addition, the Annual Report includes the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposures to credit risk and liquidity risk.

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

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

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

On behalf of the Board

John Gregory
Chairman
4 September 2020

Financial Statements

Unaudited Income Statement

FOR THE SIX MONTHS ENDED 30 JUNE 2020

	Six months ended 30 June 2020 (Unaudited)			Six months ended 30 June 2019 (Unaudited)			Year ended 31 December 2019 (Audited)		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Realised gains/(losses) on investments	—	13	13	—	(3,341)	(3,341)	—	(2,551)	(2,551)
Investment holding (losses)/gains	—	(13,227)	(13,227)	—	8,204	8,204	—	10,258	10,258
Income	2,014	—	2,014	677	—	677	1,284	—	1,284
Investment management fees	(353)	(1,057)	(1,410)	(314)	(943)	(1,257)	(643)	(1,930)	(2,573)
Other expenses	(283)	—	(283)	(289)	—	(289)	(565)	—	(565)
Return/(loss) on ordinary activities before taxation	1,378	(14,271)	(12,893)	74	3,920	3,994	76	5,777	5,853
Taxation	—	—	—	—	—	—	—	—	—
Return/(loss) on ordinary activities after taxation	1,378	(14,271)	(12,893)	74	3,920	3,994	76	5,777	5,853
Return/(loss) per share:	0.7p	(7.5)p	(6.8)p	0.1p	2.2p	2.3p	0.0p	3.3p	3.3p

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.

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

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

Unaudited Balance Sheet

AT 30 JUNE 2020

Registered Number: 03421340

	As at 30 June 2020 £'000	As at 30 June 2019 £'000	As at 31 December 2019 £'000
Fixed assets			
Investments held at fair value through profit or loss	107,118	112,774	120,521
Current assets			
Debtors	797	235	362
Cash and cash equivalents	29,079	19,810	12,324
	29,876	20,045	12,686
Creditors			
Amounts falling due within one year	(290)	(479)	(88)
Net current assets	29,586	19,566	12,598
Net assets	136,704	132,340	133,119
Capital and reserves			
Called-up share capital	2,078	1,755	1,740
Share premium account	103,319	100,495	78,841
Capital redemption reserve	975	935	951
Distributable reserve	16,815	3,224	23,799
Capital reserve	(2,103)	(862)	(1,059)
Revaluation reserve	15,620	26,793	28,847
Equity shareholders' funds	136,704	132,340	133,119
Net asset value per share:	65.8p	75.4p	76.5p

Unaudited Reconciliation of Movements in Shareholders' Funds

FOR THE SIX MONTHS ENDED 30 JUNE 2020

	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Distributable reserve^ £'000	Capital reserve^ £'000	Revaluation reserve £'000	Total £'000
As at 1 January 2020	1,740	78,841	951	23,799	(1,059)	28,847	133,119
Share issues in the period	362	25,655	—	—	—	—	26,017
Expenses in relation to share issues	—	(1,177)	—	—	—	—	(1,177)
Repurchase of shares	(24)	—	24	(1,558)	—	—	(1,558)
Realised gains on disposal of investments	—	—	—	—	13	—	13
Investment holding losses	—	—	—	—	—	(13,227)	(13,227)
Dividends paid	—	—	—	(6,804)	—	—	(6,804)
Management fees charged to capital	—	—	—	—	(1,057)	—	(1,057)
Revenue return for the period	—	—	—	1,378	—	—	1,378
As at 30 June 2020	2,078	103,319	975	16,815	(2,103)	15,620	136,704

^Reserve is available for distribution, total distributable reserves at 30 June 2020 total £14,712,000 (31 December 2019: £22,740,000).

Financial Statements

Unaudited Cash Flow Statement

FOR THE SIX MONTHS ENDED 30 JUNE 2020

	Six months ended 30 June 2020 £'000	Six months ended 30 June 2019 £'000	Year ended 31 December 2019 £'000
Cash flow from operating activities			
Loan interest received from investments	230	381	733
Dividends received from investments	1,437	113	178
Deposit and similar interest received	29	107	186
Investment management fees paid	(1,364)	(1,257)	(2,573)
Secretarial fees paid	(60)	(62)	(122)
Other cash payments	(312)	(257)	(465)
Net cash outflow from operating activities	(40)	(975)	(2,063)
Cash flow from investing activities			
Purchase of investments	—	(8,956)	(15,791)
Net proceeds on sale of investments	188	45	1,966
Net proceeds on deferred consideration	13	441	441
Net cash inflow/(outflow) from investing activities	201	(8,470)	(13,384)
Cash flow from financing activities			
Proceeds of fund raising	24,203	—	—
Expenses of fund raising	(594)	(46)	(92)
Repurchase of own shares	(1,442)	(810)	(2,248)
Dividends paid	(5,573)	(7,308)	(7,308)
Net cash inflow/(outflow) from financing activities	16,594	(8,164)	(9,648)
Net inflow/(outflow) of cash in the period	16,755	(17,609)	(25,095)
Reconciliation of net cash flow to movement in net funds			
Increase/ (decrease) in cash and cash equivalents for the period	16,755	(17,609)	(25,095)
Net cash and cash equivalents at start of period	12,324	37,419	37,419
Net cash and cash equivalents at end of period	29,079	19,810	12,324

Analysis of changes in net debt

	At 1 January 2020 £'000	Cash Flow £'000	At 30 June 2020 £'000
Cash and cash equivalents	12,324	16,755	29,079

Notes to the Unaudited Half-Yearly Results

FOR THE SIX MONTHS ENDED 30 JUNE 2020

- 1 The Unaudited Half-Yearly Financial Report has been prepared on the basis of the accounting policies set out in the statutory accounts of the Company for the year ended 31 December 2019. Unquoted investments have been valued in accordance with IPEV Valuation Guidelines.
- 2 These are not statutory accounts in accordance with S436 of the Companies Act 2006 and the financial information for the six months ended 30 June 2020 and 30 June 2019 has been neither audited nor formally reviewed. Statutory accounts in respect of the year ended 31 December 2019 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 2019 have been reported on by the Company's auditors or delivered to the Registrar of Companies.
- 3 Copies of the Unaudited Half-Yearly Financial Report will be sent to shareholders via their chosen method and will be available for inspection at the Registered Office of the Company at The Shard, 32 London Bridge Street, London, SE1 9SG.

4 NET ASSET VALUE PER SHARE

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

	Net assets	Number of Shares in Issue
30 June 2020	£136,704,000	207,824,856
30 June 2019	£132,340,000	175,481,093
31 December 2019	£133,119,000	173,959,405

5 RETURN PER SHARE

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

	Shares
Six months ended 30 June 2020	191,020,332
Six months ended 30 June 2019	175,365,523
Year ended 31 December 2019	175,090,865

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 2020 £'000	Six months ended 30 June 2019 £'000	Year ended 31 December 2019 £'000
Loan stock interest	548	457	920
Dividends receivable	1,437	113	178
Deposit and similar interest received	29	107	186
	2,014	677	1,284

Financial Statements

Notes to the Unaudited Half-Yearly Results continued

FOR THE SIX MONTHS ENDED 30 JUNE 2020

7 INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	£'000
Book cost as at 1 January 2020	91,360
Investment holding gains	29,161
Valuation at 1 January 2020	120,521
Movements in the period:	
Purchases	—
Disposal proceeds	(188)
Realised gains*	—
Investment holding losses**	(13,215)
Valuation at 30 June 2020	107,118
Book cost at 30 June 2020	91,172
Investment holding gains	15,946
Valuation at 30 June 2020	107,118

*Realised gains in the income statement relate to deferred consideration of £13,000 received from the sale of Idio Limited.

**Investment holding losses in the income statement include the removal of the deferred consideration debtor of £12,000, relating to Idio Limited.

8 RELATED PARTY TRANSACTIONS

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

9 TRANSACTIONS WITH THE MANAGER

Foresight Group CI Limited, which acted as Manager to the Company until 27 January 2020, earned fees of £192,000 (30 June 2019: £1,257,000, 31 December 2019: £2,573,000). Foresight Group LLP was appointed as Manager on 27 January 2020 and earned fees of £1,218,000 up to 30 June 2020 (30 June 2019: £nil, 31 December 2019: £nil).

Foresight Group LLP is the Company Secretary (appointed in November 2017) and received, directly and indirectly, for accounting and company secretarial services fees of £60,000 (30 June 2019: £60,000, 31 December 2019: £120,000) during the period.

At the balance sheet date there was £nil (30 June 2019: £nil, 31 December 2019: £nil) due to Foresight Group CI Limited and £7,000 (30 June 2019: £nil, 31 December 2019: £nil) due to Foresight Group LLP.

Glossary of Terms

VCT

A Venture Capital Trust as defined in the Income Tax Act 2007.

NET ASSET VALUE OR NAV

The Net Asset Value (NAV) is the amount by which total assets exceed total liabilities, i.e. the difference between what the company owns and what it owes. It is equal to shareholders' equity, sometimes referred to as shareholders' funds

NET ASSET VALUE PER SHARE OR NAV PER SHARE

Net Asset Value expressed as an amount per share.

SHARE PRICE TOTAL RETURN

The sum of the current share price rebased by the conversion ratio set out in the Annual Report and Accounts (0.688075647795 and 0.554417986) of 21.7p (30 June 2019: 25.1p, 31 December 2019: 26.3p) plus all dividends paid per share since inception rebased being 193.3p (30 June 2019: 192.0p, 31 December 2019: 192.0p). This giving a share price total return of 215.0p (30 June 2019: 217.1p 31 December 2019: 218.3p).

DIVIDEND YIELD

The sum of dividends paid during the period of 3.3p (30 June 2019: 5.0p, 31 December 2019: 5.0p) expressed as a percentage of the mid-market share price at the period end date of 57.0p (30 June 2019: 65.8p, 31 December 2019: 69.0p). This giving a dividend yield of 5.8% (30 June 2019: 7.6% 31 December 2019: 7.2%).

DISCOUNT TO NAV

A discount to NAV is the percentage by which the mid-market share price of the Company of 57.0p (30 June 2019: 65.8p, 31 December 2019: 69.0p) is lower than the net asset value per share of 65.8p (30 June 2019: 75.4p, 31 December 2019: 76.5p). This giving a discount to NAV of 13.4% (30 June 2019: 12.7%, 31 December 2019: 9.8%).

ONGOING CHARGES RATIO

The sum of expenditure incurred in the ordinary course of business being £1.7m (30 June 2019: £1.5m, 31 December 2019: £3.1m) expressed as a percentage of the Net Asset Value at the reporting date being £136.7m (30 June 2019: £132.3m, 31 December 2019: £133.1m), adjusted for the number of months in the period in order to give an annual figure.

MOVEMENT IN NET ASSET VALUE TOTAL RETURN

This is the movement in the NAV per share at the start of the period to the NAV per share at the end of the period plus all dividends paid per share in the period. The NAV at the start of the period was 76.5p (30 June 2019: 78.1p, 31 December 2019: 78.1p), dividends paid during the period were 3.3p (30 June 2019: 5.0p, 31 December 2019: 5.0p) with NAV at the end of the period being 65.8p (30 June 2019: 75.4p, 31 December: 2019 76.5p) as such NAV total return at the end of the period was 69.1p (30 June 2019: 80.4p, 31 December 2019: 81.5p). Therefore the movement in net asset value total return in the period is (9.7)% (30 June 2019: 2.9%, 31 December 2019: 4.4%).

AVERAGE DISCOUNT ON BUYBACKS

The average of the percentage by which the buyback price is lower than the Net Asset Value per share at the point of the buyback.

DIVIDENDS PAID IN THE PERIOD

The total dividends paid in the period per share of 3.3p (30 June 2019: 5.0p, 31 December 2019: 5.0p).

SHARES BOUGHT BACK IN THE PERIOD

The total number of shares which were bought back in the period being 2,410,280 (30 June 2019: 1,546,316, 31 December 2019: 3,068,004).

QUALIFYING INVESTMENT

An investment which consists of shares or securities first issued to the VCT (and held by it ever since) by a Qualifying Company and satisfying certain conditions under the VCT legislation.

QUALIFYING COMPANY

A company satisfying certain conditions under the VCT legislation. The conditions are detailed but include that the company must be unquoted (companies listed on AIM can qualify), have a permanent establishment in the UK, apply the money raised for the purposes of growth and development for a qualifying trade within a certain time period and not be controlled by another company. There are additional restrictions relating to the size and stage of the company to focus investment into earlier stage businesses, as well as maximum investment limits (certain of such restrictions and limits being more flexible for 'knowledge intensive' companies). VCT funds cannot be used by a Qualifying Company to acquire shares in another company or a trade.

MANAGER

Foresight Group LLP as the Company's manager. References to "the Manager" throughout this report refer to the activities of Foresight Group LLP and, in relation to activities prior to 27 January 2020 when the investment management and administration arrangements were novated from Foresight Group CI Limited to the Manager, include the activities of Foresight Group CI Limited when acting as the Company's previous manager.

Beware of share fraud

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

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

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

How to avoid share fraud

- 1** Keep in mind that firms authorised by the FCA are unlikely to contact you out of the blue with an offer to buy or sell shares.
- 2** Do not get into a conversation, note the name of the person and firm contacting you and then end the call.
- 3** Check the Financial Services Register from **www.fca.org.uk** to see if the person and firm contacting you is authorised by the FCA.
- 4** Beware of fraudsters claiming to be from an authorised firm, copying its website or giving you false contact details.
- 5** Use the firm's contact details listed on the Register if you want to call it back.
- 6** Call the FCA on **0800 111 6768** if the firm does not have contact details on the Register or you are told they are out of date.
- 7** Search the list of unauthorised firms to avoid at **www.fca.org.uk/scams**.
- 8** Consider that if you buy or sell shares from an unauthorised firm you will not have access to the Financial Ombudsman Service or Financial Services Compensation Scheme.

9 Think about getting independent financial and professional advice before you hand over any money.

10 Remember: if it sounds too good to be true, it probably is!

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

Report a scam

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

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

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

In association with:

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Gordon Humphries
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Important information:

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

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

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



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