

Foresight Enterprise VCT plc

Offer for subscription

Prospectus
13 October 2023

Offer for subscription to raise up to £20 million,
with an over-allotment facility to raise up to a
further £10 million

Foresight
FOR A SMARTER FUTURE



Important Notice

This document is important and requires your immediate attention. If you are in any doubt about what action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other financial intermediary authorised under the Financial Services and Markets Act 2000, as amended (FSMA).

This document constitutes a prospectus issued by Foresight Enterprise VCT plc (Company) dated 13 October 2023 (Prospectus) in connection with an offer for subscription to raise up to £20 million, with an over-allotment facility to raise up to a further £10 million (Offer) through the issue of up to 70 million ordinary shares of 1p each in the capital of the Company (Offer Shares).

The Prospectus has been prepared in accordance with the Prospectus Regulation Rules (**Prospectus Regulation Rules**) made by the Financial Conduct Authority (FCA) under the UK version of Regulation (EU 2017/1129) as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018 (**UK Prospectus Regulations**) and constitutes a prospectus issued by the Company. The Prospectus has been approved by the FCA as competent authority under the UK Prospectus Regulations. The FCA only approves the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulations and such approval shall not be considered as an endorsement of the quality of the securities or the issuer that are subject to the Prospectus. Summary information on the Company is also contained in its key information document (**Key Information Document**). Investors should make their own assessment as to the suitability of investing in the Offer Shares.

The Prospectus has been drawn up as part of a simplified prospectus in accordance with Article 14 of the UK Prospectus Regulations, English law and the rules of the FCA and the information disclosed may not be the same as that which would be disclosed if the Prospectus had been prepared in accordance with the laws of a jurisdiction outside England.

The Company and the directors of the Company (**Directors**) (whose names are set out on page 104) accept responsibility for the information contained in the Prospectus. To the best of the knowledge of the Company and the Directors, the information contained in the Prospectus is in accordance with the facts and the Prospectus makes no omission likely to affect its import.

BDO LLP, which is authorised and regulated in the United Kingdom (UK) by the FCA, is acting as sponsor to the Company and no one else and will not be responsible to any other person for providing the protections afforded to customers of BDO LLP (subject to the responsibilities and liabilities imposed by FSMA and the regulatory regime established thereunder) in providing advice or in relation to any matters referred to in this document.

Foresight Group Promoter LLP (**Promoter**), which is an authorised representative registered in the UK with the FCA, is acting as promoter to the Company and no one else and will not be responsible to any other person for providing the protections afforded to customers of the Promoter (subject to the responsibilities and liabilities imposed by FSMA and the regulatory regime established thereunder) in providing advice or in relation to the Offer.

Shakespeare Martineau LLP, which is regulated in the UK by the Solicitors Regulation Authority, is acting as legal adviser to the Company and no one else and will not be responsible to anyone other than the Company for the advice in connection with any matters referred to herein.

None of the Offer Shares have been, nor will be, registered in the United States under the United States Securities Act 1933, as amended, (the **Securities Act**) or under the securities laws of Canada, Australia, Japan or South Africa (**Restricted Territories** and each a **Restricted Territory**) and they may not be offered or sold directly or indirectly within the United States or any of the Restricted Territories or to, or for the account or benefit of US Persons (as defined in Regulation S made under the Securities Act) or any national, citizen or resident of the United States or any of the Restricted Territories. The Offer is not being made, directly or indirectly, in or into the United States or any of the Restricted Territories or in any other jurisdiction where to do so would be unlawful. In particular, prospective investors who are resident in the United States or any Restricted Territory should note that this document is being sent for information purposes only. The distribution of this document or the Application Form in jurisdictions other than the UK may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any of these restrictions. Any failure to comply with any of those restrictions may constitute a violation of the securities law of any such jurisdiction. The Application Form must not be forwarded to or transmitted in or into the United States or a Restricted Territory.

Application has been made to the FCA for the Offer Shares to be admitted to the premium segment of the Official List and will be made to the London Stock Exchange plc for such Offer Shares to be admitted to trading on its main market for listed securities. It is expected that admission to the Official List will become effective and that dealings in the Offer Shares will commence within three business days following allotment. The Company's existing issued Shares are traded on the London Stock Exchange's main market for listed securities.

Copies of the Prospectus are available (and any supplementary prospectus published by the Company will be available) free of charge from the national storage mechanism (<https://data.fca.org.uk/#/nsm/nationalstoragemechanism>) and, together with the Application Form, from the Promoter and Foresight Group LLP, the Company's manager, at The Shard, 32 London Bridge Street, London SE1 9SG (www.foresightenterprisevct.com).

The procedure for, and the terms and conditions of, application under the Offer are set out at the end of this document and on the Application Form. The Offer opens on 13 October 2023 and will close for applications at 12.00 noon on 30 April 2024 (or, if earlier, as soon as the Offer is fully subscribed or otherwise at the Board's discretion). The Board reserves the right to extend the Offer but not longer than 12 months following publication of the Prospectus.

Your attention is drawn to the Risk Factors on pages 10 to 12.

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Summary

1. Introduction, containing warnings

This summary should be read as an introduction to the prospectus issued by Foresight Enterprise VCT plc (the **Company**) on 13 October 2023 (**Prospectus**) and any decision to invest in the securities should be based on a consideration of the Prospectus as a whole by the investor. The investor could lose all or part of the invested capital. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.

The securities (**Offer Shares**) being offered pursuant to the offer for subscription by the Company contained in the Prospectus (**Offer**) are ordinary shares of 1p each (ISIN: GB00B07YBS95) (**Shares**).

The Company can be contacted by writing to the Company secretary, Foresight Group LLP, The Shard, 32 London Bridge Street, London SE1 9SG or by calling, within business hours, 0203 667 8181.

The Legal Entity Identity number (LEI) for the Company is 213800MWJNR3WZZ3ZP42.

The Prospectus was approved on 13 October 2023 by the Financial Conduct Authority of 12 Endeavour Square, London E20 1JN. Contact information relating to the Financial Conduct Authority can be found at <https://www.fca.org.uk/contact>.

2. Key information on the issuer

2.1 Who is the issuer of securities?

The Company is a public company with limited liability incorporated in England and Wales and domiciled in the United Kingdom.

The Company operates under the Companies Act 2006 (CA 2006) and regulations made thereunder.

HMRC has granted approval of the Company as a Venture Capital Trust (VCT) under section 259 of the Income Tax Act 2007 (as amended). The business of the Company has been, and it is intended will be, carried on so as to continue to comply with that section to maintain full VCT approval.

The LEI for the Company is 213800MWJNR3WZZ3ZP42.

The Company does not have any major shareholders and to the best of the knowledge and belief of the directors of the Company (**Directors**), the Company is not directly controlled by any other party and, at the date of the Prospectus, there are no arrangements in place that may, at a subsequent date, result in a change of control of the Company.

The board of Directors is comprised of Raymond Abbott (Chair), Gaynor Coley, Michael Gray and Kavita Patel (**Board**).

Foresight Group LLP (**Manager**) has been appointed as the Company's investment manager, administrator and Company secretary.

Deloitte LLP acts as auditor to the Company. Deloitte LLP is registered to carry on audit work by the Institute of Chartered Accountants in England and Wales.



Summary continued

2. Key information on the issuer continued

2.2 What is the key financial information regarding the issuer?

2.2.1 Selected historical financial information

2.2.1.1 Information relevant to closed end funds (as at 30 June 2023 (unaudited), unless otherwise stated)

Share class	Net assets	No. of Shares	NAV per Share (this being the latest published)
Ordinary	£148.2m	233,691,676	63.4p
Total	£148.2m	233,691,676	63.4p

2.2.1.2 Income statement for closed end funds

	Six month period ended 30 June 2022 (unaudited) (£'000 unless otherwise stated)	Year ended 31 December 2022 (audited) (£'000 unless otherwise stated)	Six month period ended 30 June 2023 (unaudited) (£'000 unless otherwise stated)
Investment Income	£264	£871	£1,048
Total income before operating expenses	£5,389	£9,899	£6,409
Profit on ordinary activities before taxation	£3,753	£6,222	£4,046
Performance fee (accrued/paid)	£nil	£280	£734
Investment management fee (accrued/paid)	£1,327	£2,724	£1,492
Any other material fees (accrued/paid) to service providers	£164	£313	£225
Earnings per Share	1.9p	3.1p	1.8p
Dividends paid per Share (in the period)	3.5p	7.3p	3.3p
Total assets	£134,931	£138,932	£149,685
Net assets	£134,757	£138,450	£148,154
NAV per Share	67.5p	64.9p	63.4p

Summary continued

2. Key information on the issuer continued

2.2 What is the key financial information regarding the issuer? continued

2.2.1 Selected historical financial information continued

2.2.1.3 Balance sheet for closed end funds

	As at 30 June 2022 (unaudited)	As at 31 December 2022 (audited)	As at 30 June 2023 (unaudited)
Total net assets	£134.8m	£138.5m	£148.2m
NAV per Share	67.5p	64.9p	63.4p

2.2.2 Pro forma financial information

There is no pro forma financial information in the Prospectus.

2.2.3 Qualifications to audit reports

There were no qualifications in the audit report for the Company in respect of the financial year ended 31 December 2022.

2.3 What are the key risks that are specific to the issuer?

- There is no guarantee that the Company will meet its objectives or that suitable investment opportunities will be identified to enable the Company to meet its objectives. The ability to achieve returns for the Company's shareholders (**Shareholders**) will be dependent on the investment opportunities sourced by the Manager and the performance of such investments. The past performance of the Company and/or other funds managed or advised by the Manager should not be regarded as an indication of the future performance of the Company.
- Economic and global political uncertainty, including increases in interest rates, the current tight labour market, disruption to supply chains, low consumer spending and stubborn levels of inflation, continue to present significant challenges. This is adversely affecting economic growth, particularly in the UK, and may continue to adversely affect the performance of companies in which the Company has invested or may invest, which in turn may adversely affect the valuation of the investments, the performance of the Company and/or the value of, and returns from, the Shares. This may also negatively impact the number or quality of investment opportunities available to the Company.
- Investment in unquoted companies by its nature involves a higher degree of risk than investment in companies listed on the Official List. In particular, small companies often have limited product lines, markets or financial resources and may be dependent for their management on a small number of key individuals and they may be more susceptible to political, exchange rate, taxation, economic and other regulatory changes and conditions.
- Changes to the VCT legislation since 2015 introduced a number of restrictions and conditions designed to ensure that funds are invested in smaller, younger businesses targeting growth and development and where capital is at risk. These may limit the number of investment opportunities available in the future compared to previously and such companies are likely to have a higher risk profile than (and increased volatility of future returns from) investee companies previously within the portfolio of the Company.

Summary continued

2. Key information on the issuer continued

2.3 What are the key risks that are specific to the issuer? continued

- Whilst it is the intention of the Board that the Company will continue to be managed so as to qualify as a VCT, there can be no guarantee that such status will be maintained. Failure to continue to meet the qualifying requirements could have adverse tax consequences for investors and the Company.
- A condition of the European Commission's State Aid approval of the UK's VCT scheme in 2015 was the introduction of a retirement date for the current scheme at midnight on 5 April 2025. This was passed into UK law through the Finance (No 2) Act 2015. If the relevant legislation is not renewed or replaced with similar or equivalent legislation before this date, investors issued with new VCT shares (whether through an offer or through a dividend reinvestment scheme) after 5 April 2025 would not be able to claim upfront VCT income tax reliefs in respect of such shares and further this may have an adverse impact on the continuation of a company as a VCT or it being able to raise further funds and/or meet its objectives in the future. It was announced in the UK Government's mini-budget on 23 September 2022 (and re-affirmed in the Autumn Statement on 17 November 2022) that this retirement date would be extended beyond 5 April 2025. Through correspondence with the Treasury Select Committee in March 2023, the Chancellor has stated that it remains the UK Government's firm intention to extend the VCT scheme beyond 5 April 2025 and that further details will be provided in due course. However, at the date of this document, no further details have been announced as to the plan and timeframe for such extension. In addition, the fact that a general election will take place in the UK by January 2025 adds an additional layer of uncertainty to any potential outcome.

- Any change of governmental, economic, fiscal, monetary or political policy, including government spending reviews, levels of unemployment, stock market volatility, consumer confidence, inflation and changes to the current level of interest rates could materially affect the operation and performance of the Company and/or investee companies and/or the value of, and returns from, the Shares and/or the Company's ability to achieve or maintain VCT status.
- It is also possible that currently unknown and unanticipated events, either domestic or international, may occur and have a negative effect on economic activity and adversely affect the future viability of the Company and/or the performance of companies in which the Company has invested or may invest, which in turn may adversely affect the performance of the Company.
- The Company invests in illiquid assets. It may not be possible to dispose of investments to generate funds to cover the Company's expenses (which may have an adverse impact on the solvency of the Company) and/or to pay dividends and/or buy back Shares (which may have an adverse impact on Shareholder returns).

3. Key information on the securities

3.1 What are the main features of the securities?

3.1.1 Description and class of securities

The Offer Shares are ordinary shares of 1p each (ISIN: GB00B07YBS95).

The Company's share capital comprises ordinary shares of 1p (GBP) each.

As at the date of this document there are 233,691,676 Shares in issue (all fully paid up). The maximum number of Offer Shares to be issued pursuant to the Offer is 70 million.

3.1.2 Rights attaching to the securities

The Offer Shares will rank equally in all respects with each other and the existing Share capital of the Company from the date of issue.

There are no restrictions on the transferability of the Shares.

3.1.3 Dividend policy

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

Summary continued

3. Key information on the securities continued

3.2 Where will the securities be traded?

Application has been made to the FCA for the Offer Shares to be admitted to the premium segment of the Official List and will be made to the London Stock Exchange for such shares to be admitted to trading on its main market for listed securities. It is anticipated that dealings in the Offer Shares will commence within three business days following allotment.

3.3 What are the key risks that are specific to the securities?

- The value of Shares, and the income from them, can fluctuate and Shareholders may not get back the amount they invested. The NAV of the Shares and the return received by Shareholders will be dependent on the performance of the underlying investments. The value of such investments, and interest income and dividends therefrom, may rise or fall.
- Shareholders will have no right to have their Shares redeemed or repurchased by the Company at any time. Shareholders wishing to realise their investment will be required to dispose of their Shares on the stock market and the ability to sell Shares at or close to net asset value will depend on the existence of buyers for the Shares and the market price of the Shares.
- Although the existing Shares have been (and it is anticipated that the Offer Shares will be) admitted to the premium segment of the Official List and are (or will be) traded on the London Stock Exchange's market for listed securities, the secondary market for VCT shares is generally illiquid. Shareholders may, therefore, find it difficult to realise their investment. An investment in the Company should, therefore, be considered as long-term.

- The Shares are likely to trade at a discount to their net asset value, which could widen for a variety of reasons, and the price for a Share which a Shareholder could achieve on the stock market may be significantly less than the net asset value of the Share or the price paid by the Shareholder to acquire the Share.
- A Shareholder who disposes of Shares within five years of issue will be subject to clawback by HMRC of any income tax reliefs originally claimed on subscription. An investment in the Company should, therefore, be considered as long-term. Any realised losses on a disposal of Shares cannot be used to create an allowable loss for capital gains tax purposes.

4. Key information on the offer of securities to the public and/or the admission to trading on a regulated market

4.1 Under which conditions and timetable can I invest in the securities?

4.1.1 Terms and Conditions

The Company is seeking to raise up to £20 million (with an over-allotment facility to raise up to a further £10 million) through the issue of up to 70 million Offer Shares pursuant to the Offer. If the Board decides (in consultation with the Manager) to utilise the over-allotment facility (in whole or part) this will be advised through a regulatory information service announcement.

Investors are invited to subscribe for an amount in pounds sterling rather than apply for a particular number of Offer Shares. Applicants must subscribe a minimum in aggregate of £3,000.

The number of Offer Shares to be allotted to a successful applicant is determined by dividing the investment amount by the Offer price derived from the Pricing Formula below:

$$\text{Offer Price} = \text{NAV} \div X$$

where:

NAV = the most recently published NAV per Share on the day of the allotment, adjusted for dividends declared and for which the record date for payment has passed at the time of allotment; and

$$X = 1 - \text{Total Net Fees}$$

Total Net Fees means, as applicable, the Direct Offer Costs (as defined and explained below) and any initial commission to financial intermediaries (3% of the investment amount, less any amount waived) or up-front adviser charge (up to 4.5% of the investment amount) for the relevant investor, expressed as a percentage of the amount subscribed.

The Pricing Formula for all investors is based on the latest announced net asset value per Share to which are added applicable up-front costs to generate a bespoke Offer price for each individual investor, which is then applied to the net investment. As a result, the Offer is not expected to have any material dilutive effect on an existing Shareholder's net asset value per share.

4.1.2 Expected Timetable

The Offer opens on 13 October 2023 and will close for applications at 12.00 noon on 30 April 2024 (or, if earlier, as soon as the Offer is fully subscribed or otherwise at the discretion of the Board). The Board reserves the right to extend the Offer but not longer than 12 months following publication of the Prospectus. If the Board decides (in consultation with the Manager) to extend the Offer this will be advised through a regulatory information service announcement.

Summary continued

4. Key information on the offer of securities to the public and/or the admission to trading on a regulated market continued

4.1 Under which conditions and timetable can I invest in the securities? continued

4.1.3 Details of Admission

Application has been made to the FCA for the Offer Shares to be admitted to the premium segment of the Official List and will be made to the London Stock Exchange for such shares to be admitted to trading on its main market for listed securities. It is anticipated that dealings in the Offer Shares will commence within three business days following allotment.

4.1.4 Distribution

The Offer Shares will be available to be issued in either registered form (i.e. certificated) or uncertificated form (i.e. via CREST). Where applicable, share certificates are expected to be dispatched by post within ten business days of allotment.

4.1.5 Dilution

If the full 70 million Offer Shares available are allotted pursuant to the Offer, the existing 233,691,676 Shares would represent 77.0% of the enlarged issued share capital, assuming no participation in the Offer by existing Shareholders of the Company.

4.1.6 Expenses of the Offer

4.1.6.1 Offer expenses

The Company will pay Foresight Group Promoter LLP (Promoter) a fee (Direct Offer Costs) equal to (i) 2.5% of the amount subscribed by retail client investors, professional client investors and execution-only investors (these being investors who apply using a financial intermediary) and (ii) 5.5% of the amount subscribed by direct investors (these being investors who apply without using a financial intermediary). The relevant amount of Direct Offer Costs will be borne by the investor through the Pricing Formula. Additional costs which may apply to non-direct investors are set out further below.

In respect of each investor, the Promoter's fees will, where relevant, be reduced by any discounts the Promoter may agree to offer any particular investor or group of investors (i.e. the Direct Offer Costs applicable to the investor will be reduced which will increase the number of Offer Shares to be issued to that investor).

In consideration of such fee, the Promoter (as guaranteed by the Manager) will meet all of the costs of the Offer other than financial intermediary commissions, adviser charges and any payment to an investor in connection with adviser charges (as referred to below).

Initial commission to financial intermediaries (normally 3% on the amount payable in respect of the Offer Shares allotted to an execution-only investor) will be paid by the Company but borne by the investor through the Pricing Formula. This is in addition to the Direct Offer Costs referred to above. Annual trail commission will be paid by the Company at 0.5% of the net assets attributable to the Offer Share in question as determined from the audited annual accounts of the Company as at the end of the preceding financial year.

The Company can facilitate up-front adviser charges (up to 4.5% of the investor's subscription amount), to the extent an investor requests this, from a payment to the investor which is taken into account in the Pricing Formula. This is in addition to the Direct Offer Costs referred to above. Ongoing adviser charges must be settled by an investor direct.

The Direct Offer Costs (together with financial intermediary initial commissions and payments to investors from which up-front adviser charges will be facilitated) will, therefore, be the maximum costs incurred by the Company in relation to the Offer (other than annual trail commission which remains a cost to the Company), but borne by investors through the Pricing Formula.

Annual trail commission payments are capped at a cumulative 3% of the relevant Offer Price (and will not be paid in respect of any period commencing after the sixth anniversary of the closing date of the Offer), and further this only applies to applications through certain intermediaries. As a result, the dilution from annual trail commission across the Company's total funds is considered to be small.

4.1.6.2 Expenses charged to the investor

The Direct Offer Costs and, as applicable, any initial commission to financial intermediaries or up-front adviser charge are expected to be the only up-front costs and charges an investor will (directly and indirectly) bear.

Summary continued

4. Key information on the offer of securities to the public and/or the admission to trading on a regulated market continued

4.2 Why is this Prospectus being produced?

4.2.1 Reasons for the Offer

The Company is raising further funds through the Offer in order to maintain and expand the Company's portfolio of investments in UK small and medium-sized enterprises.

The Manager continues to see a significant number of new and follow-on qualifying investment opportunities.

The additional funds raised will allow the Company to take advantage of these investment opportunities, maintain its dividend policy, make market purchases of its own shares and support its running costs.

4.2.2 The use and estimated net amount of proceeds

The net proceeds of the Offer will be pooled with the existing cash resources of the Company and used to make new and follow-on investments in accordance with its investment policy, as well as being used to fund dividends, make market purchases of Shares and meet annual running costs.

Assuming full subscription under the Offer utilising the full amount of the over-allotment facility, and assuming that all successful applicants are Direct Investors (who are not entitled to any discounts), the Direct Offer Costs (there being no other applicable costs in these circumstances) would be £1.65 million and the net proceeds would be £28.35 million.

There is no minimum aggregate subscription level on which the Offer is conditional and the Offer is not underwritten.

4.2.3 Conflicts of interest

The Manager's fees are based on a percentage of net assets and, therefore, there is a conflict in the valuations it proposes in relation to investments. This conflict is managed by the valuation of investments being reviewed each quarter and approved by the Board, and reviewed annually by external auditors.

The Manager and companies and undertakings within the same group as the Manager (The Foresight Group) may also receive arrangement, transaction, exit and directors' fees in connection with investments made by the Company subject to certain limits or otherwise as approved by the Board.

Where the Company invests in companies in which other funds managed or advised by The Foresight Group have invested or are investing, conflicts of interest may arise and the Board will exercise its judgement in managing such conflicts. In such circumstances, the Manager will apply The Foresight Group's conflicts policy in order to reconcile the conflict in the first instance and thereafter, if required, the Board will exercise its independent judgement, so far as it is able, to protect the interests of the Company. It may not, in such circumstances, be possible to fully protect the interests of the Company.

Save as set out above, there are no material potential conflicts of interest which the Manager, The Foresight Group or any other of the service providers to the Company may have as between their duty to the Company and the duties owed to third parties and/or their other interests.

Part I:

Introduction

Risk Factors

Investors should consider carefully the following risk factors in addition to the other information presented in the Prospectus as a whole.

If any of the risks described below were to occur, it could have a material effect on the Company's business, financial condition or results of operation. Additional factors which are not presently known to the Directors, or that the Directors currently deem immaterial, may also have an effect on the Company's business, financial condition or results of operations.

The value of the Shares could decline due to any of the risk factors described below and investors could lose part or all of their investment. Investors should consider consulting a financial intermediary authorised under FSMA.

Risks Relating to the Offer Shares

The value of Shares, and the income from them, can fluctuate and Shareholders may not get back the amount they invested. The past performance of the Company and/or other funds managed or advised by the Manager should not be regarded as an indication of the future performance of the Company. The NAV of the Shares and the return received by Shareholders will be dependent on the performance of the underlying investments. The value of such investments, and interest income and dividends therefrom, may rise or fall. The level and timing of distributions to Shareholders is not guaranteed.

Shareholders will have no right to have their Shares redeemed or repurchased by the Company at any time. Shareholders wishing to realise their investment will be required to dispose of their Shares on the stock market. Accordingly, the ability of Shareholders to sell their Shares at or close to net asset value will depend on the existence of buyers for the Shares and the market price of the Shares.

Although the existing Shares have been (and it is anticipated that the Offer Shares will be) admitted to the premium segment of the Official List and are (or will be) traded on the London Stock Exchange's market for listed securities, the secondary market for VCT shares is generally illiquid. Shareholders may, therefore, find it difficult to realise their investment. An investment in the Company should, therefore, be considered as long-term.

The Shares are likely to trade at a discount to their net asset value, which could widen, for a variety of reasons, and the price for a Share which a Shareholder could achieve on the stock market may be significantly less than the net asset value of the Share or the price paid by the Shareholder to acquire the Share. Some of the reasons that may lead to the Shares trading at a discount include the fact that initial subscription tax reliefs are not available for VCT shares bought in the secondary market or, as a consequence of general market conditions, concerns regarding the general liquidity or marketability of the Shares or the actual or expected performance of the Company. Prospective investors should note that, historically, the Shares have traded at a discount.



Risk Factors continued

Investment Strategy Risks

There is no guarantee that the Company will meet its objectives or that suitable investment opportunities will be identified to enable the Company to meet its objectives. The ability to achieve returns for Shareholders will be dependent on the investment opportunities sourced by the Manager and the performance of such investments.

Investment in unquoted companies (including AIM and Aquis traded companies) by its nature involves a higher degree of risk than investment in companies listed on the Official List. In particular, small companies often have limited product lines, markets or financial resources and may be dependent for their management on a small number of key individuals. They may be more susceptible to political, exchange rate, taxation, economic and other regulatory changes and conditions. In addition, the market for securities in smaller companies may be less regulated and is usually less liquid than that for securities in larger companies, bringing with it potential difficulties in acquiring, valuing and disposing of such securities. Proper information for determining their value or the risks to which they are exposed may also not be available. Investment returns will, therefore, be uncertain and involve a higher degree of risk than investments in companies listed on the Official List.

The Company invests in illiquid assets. It may not be possible to dispose of investments to generate funds to cover the Company's expenses (which may have an adverse impact on the solvency of the Company) and/or pay dividends and/or buy back Shares (which may have an adverse impact on Shareholder returns).

Changes to the VCT legislation since 2015 introduced a number of restrictions and conditions designed to ensure that funds are invested in smaller, younger businesses targeting growth and development and where capital is at risk. A summary of the key investment conditions and restrictions are set out in Part VI of this document. These may limit the number of investment opportunities available in the future compared to previously and such companies are likely to have a higher risk profile than (and increased volatility of future returns from) investee companies previously within the portfolio of the Company which were invested in before the major rule changes in 2015. Further changes to VCT legislation, in particular investment restrictions and conditions, may restrict or adversely affect the Company's ability to meet its objectives and/or reduce the level of returns which might otherwise be achievable.

There may be constraints imposed on the realisation of investments in order to maintain the VCT tax status of the Company, which may restrict the Company's ability to obtain maximum value from its investments and in turn adversely affect the value and/or returns from Shares.

Sustainability risk may have a negative impact on the value of the Company's investments. Sustainability risk is the risk that an environmental, social or governance event or condition could cause a material negative impact on the value of an investee company. Sustainability risk is considered as part of the pre-investment due diligence by the Manager and is monitored on an ongoing basis during the holding period.

VCT and Tax Risks

A Shareholder who disposes of Shares within five years of issue will be subject to clawback by HMRC of any income tax reliefs originally claimed on subscription. An investment in the Company should, therefore, be considered as long-term. Any realised losses on a disposal of Shares cannot be used to create an allowable loss for capital gains tax purposes.

Whilst it is the intention of the Board that the Company will continue to be managed so as to qualify as a VCT, there can be no guarantee that such status will be maintained. Failure to continue to meet the qualifying requirements could result in Shareholders losing the tax reliefs available for VCT shares, resulting in adverse tax consequences including, if the holding has not been held for the relevant holding period, a requirement to repay the income tax relief obtained. Furthermore, should the Company lose its VCT status, dividends and gains arising on the disposal of Shares would become subject to tax and the Company would also lose its exemption from corporation tax on its capital gains.

A condition of the European Commission's State Aid approval of the UK's VCT scheme in 2015 was the introduction of a retirement date for the current scheme at midnight on 5 April 2025. This was passed into UK law through the Finance (No 2) Act 2015. If the relevant legislation is not renewed or replaced with similar or equivalent legislation before this date, investors issued with new VCT shares (whether through an offer or through a dividend reinvestment scheme) after 5 April 2025 would not be able to claim upfront VCT income tax reliefs in respect of such shares and further this may have an adverse impact on the continuation of a company as a VCT or it being able to raise further funds and/or meet its objectives in the future.

Risk Factors_{continued}

VCT and Tax Risks_{continued}

It was announced in the UK Government's mini-budget on 23 September 2022 (and re-affirmed in the Autumn Statement on 17 November 2022) that this retirement date would be extended beyond 5 April 2025. Through correspondence with the Treasury Select Committee in March 2023, the Chancellor has stated that it remains the UK Government's firm intention to extend the VCT scheme beyond 5 April 2025 and that further details will be provided in due course. However, at the date of this document, no further details have been announced as to the plan and timeframe for such extension. In addition, the fact that a general election will take place in the UK by January 2025 adds an additional layer of uncertainty to any potential outcome.

Where the European Commission believes that state aid has been provided prior to 1 January 2021 which is not in accordance with the Risk Finance Guidelines, it may require that the UK Government recovers that state aid. There is currently no definitive mechanism for this, but recovery may be from the investee company, the VCT and/or the VCT's shareholders and this may have an adverse effect on Shareholder returns. From 1 January 2021, the requirement to recover unlawful state aid became the remit of the UK Government (in compliance with its ongoing arrangements with the EU under the UK-EU Trade and Cooperation Agreement (TCA)). On 28 April 2022, the UK's Subsidy Control Bill received royal assent, becoming the Subsidy Control Act 2022, and which came fully into force on 4 January 2023. Although this now has statutory footing, the interim regime based on the TCA remains applicable due to ongoing post-Brexit negotiations between the UK and the European Union. In addition, certain provisions of the Subsidy Control Act 2022 are subject to the passing of further regulations and further amendment. Accordingly, it remains unclear the extent to which such new regime will affect the Company and VCTs in general.

The tax rules, or their interpretation, in relation to an investment in the Company and/or the rates of tax may change during the life of the Company and may apply retrospectively, which may affect tax reliefs obtained by Shareholders and the VCT status of the Company.

Other Risks

Economic and global political uncertainty, including increases in interest rates, the current tight labour market, disruption to supply chains, low consumer spending and stubborn levels of inflation, continue to present significant challenges. This is adversely affecting economic growth, particularly in the UK, and may continue to adversely affect the performance of companies in which the Company has invested or may invest, which in turn may adversely affect valuation of the investments, the performance of the Company and/or the value of, and returns from, the Shares. This may also negatively impact the number or quality of investment opportunities available to the Company.

Any change of governmental, economic, fiscal, monetary or political policy, including government spending reviews, levels of unemployment, stock market volatility, consumer confidence, inflation and changes to the current level of interest rates could materially affect the operation and performance of the Company and/or investee companies and/or the value of, and returns from, the Shares and/or the Company's ability to achieve or maintain VCT status.

It is also possible that currently unknown and unanticipated events, either domestic or international, may occur and have a negative effect on economic activity and adversely affect the future viability of the Company and/or the performance of companies in which the Company has invested or may invest, which in turn may adversely affect the performance of the Company.

The Articles provide the opportunity for Shareholders to vote on the continuation of the Company at the annual general meeting falling after the fifth anniversary of the last allotment of Shares in the Company and thereafter at five yearly intervals. The allotment of Offer Shares will, therefore, defer (in accordance with the Articles) the opportunity for Shareholders to vote on the continuation of the Company for at least five years and, as a result, both new and existing Shareholders may have to wait longer, if there are no buyers in the market, to realise their holdings in the Company.

The Company has a board of non-executive directors and no employees and is, therefore, dependent on the provision of investment management and administration services by the Manager. If the Manager ceases to provide such services to the Company or if key personnel cease to be employed by the Manager, there is no assurance that suitable replacements will be found. Such circumstances may have an adverse effect on the performance of the Company and the value of its Shares.

The Company's assets and accounting records could be at risk in the absence of effective internal control regimes at its service providers insofar as the identification, evaluation and management of risks (including cyber security and data protection) are concerned, thereby putting the Company's assets and data at risk. Although these systems of internal controls are reviewed by the Company, these review procedures can only manage, rather than eliminate, risk and by their nature can only provide reasonable, but not absolute assurance, against material misstatement or loss which may have an adverse effect on the performance of the Company and the value of its Shares.

Expected Timetable, Statistics and Costs

Indicative Offer Timetable

Offer opens	13 October 2023
First allotment of Offer Shares	on or around 30 November 2023 (thereafter at the discretion of the Board)
Admission of, and dealings in, Offer Shares to commence	3 Business Days following allotment
Share certificates and tax certificates to be dispatched	10 Business Days following allotment
Offer closes for Applications for the 2023/2024 tax year	12.00 noon on 3 April 2024
Offer closes for Applications for the 2024/2025 tax year	12.00 noon on 30 April 2024

The Offer will close for Applications earlier than the dates stated if it is fully subscribed or otherwise at the Board's discretion. The Board reserves the right to extend the Offer but not longer than 12 months following publication of the Prospectus. The Board further reserves the right to accept Applications and allot and arrange for listing of Offer Shares as it sees fit.

Offer Statistics

Maximum amount to be raised	£20 million (with an over-allotment facility for up to a further £10 million ¹)
Maximum number of Offer Shares to be issued	70 million
Investor's minimum investment (in aggregate if an Application is for both tax years)	£3,000
NAV per Share as at 30 June 2023 (unaudited) ²	63.4p

1. If the Board, in consultation with the Manager, decides to utilise the over-allotment facility (in whole or part), this will be advised by way of a RIS Announcement.
2. This being the latest published NAV per Share.



Expected Timetable, Statistics and Costs continued

Offer Costs and Commissions*

Retail Client Investors

Direct Offer Costs**	2.5%
Up-front adviser charges**	Variable
Ongoing adviser charges	Variable

Adviser charges must be agreed between an investor and their adviser and paid for by the investor.

The payment of up-front adviser charges (up to 4.5%) can be facilitated by the Company.

Up-front adviser charges in excess of 4.5% and ongoing adviser charges will need to be settled directly by the investor.

Professional Client Investors and Execution-Only Investors***

Direct Offer Costs**	2.5%
Initial commission to financial intermediaries**	3.0%
Annual trail commission to financial intermediaries***	0.5% per annum

Direct Investors

Direct Offer Costs**	5.5%
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* Expressed as a percentage of an investor's subscription (other than annual trail commission).

** The Pricing Formula takes into account an investor's up-front costs (i.e. Offer costs and, if applicable, up-front adviser charges or initial commission to financial intermediaries) in determining a bespoke Offer price for each investor.

*** 0.5% of Base Net Asset Value at the end of each financial year end and paid, where permissible, to intermediaries by the Company (subject to a cumulative maximum of 3% of the Offer price or six years).

Existing Foresight Shareholder Loyalty Discount*

Available to existing shareholders in any of the Foresight VCTs** (subject to the discretion of the Promoter)	0.5% reduction to Direct Offer Costs
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* Expressed as a percentage of an investor's subscription.

** Any VCT managed by The Foresight Group.

Annual Charges and Expenses*

Annual Investment Management Fees	2.0% of net assets
Annual Administration Fees	£201,722 for the 12 month period to 31 March 2024 (subject to annual RPI uplift)
Annual Expenses**	2.30% for the year ended 31 December 2022 2.35% for the year ended 31 December 2023 (estimated) (cap of 2.35% expected to be in operation for 2023)
Performance Incentive Fees	15% of dividends, subject to a total return (NAV plus cumulative dividends) per Share above a high watermark (see page 63 of this document for further details)

* Expressed as a percentage of net assets (where relevant).

** These being the normal annual running costs excluding performance incentive fees, annual trail commission and exceptional items.

Letter from the Chair



Dear Investor

On behalf of the Board, I am
delighted to introduce this new
offer to invest in the Company.

Raymond Abbott
Chair

We are seeking to raise an additional £20 million of capital (with an over-allotment facility for up to a further £10 million) through the issue of new Shares in order to maintain and expand the Company's portfolio of investments in UK small and medium-sized enterprises (SMEs).

Background

The business environment remains challenging despite the substantial impact of the COVID-19 pandemic receding. The war in Ukraine continues and supply chains remain strained while energy prices and persistent inflation have led to a series of interest rate increases. The threat of recession is the new economic reality, with consumer demand severely subdued. In addition, the financial markets were rocked by the collapse of both Silicon Valley Bank and Credit Suisse in March 2023 but fortunately the turmoil was short-lived and further contagion limited. Heightened nervousness in the financial markets and recent changes to banks' capital adequacy rules are beginning to reduce the level of funding available for smaller businesses and whilst consumer and business confidence in the UK understandably remains fragile, a reduction in funding levels may equally result in an increase in investment opportunities for the Company.

Despite such fragility, the Board believes that the careful planning, help and advice the Manager provides to all the portfolio companies will continue to be relevant to the current and future economic situations. While there will be bumps in the road, we believe that the portfolio is in good shape to withstand what we currently see ahead.

Part I: Introduction

The Company's portfolio in aggregate has remained resilient amid economic and political turmoil that has plagued 2023. Many of the portfolio companies have successfully adapted to the new economic landscape, with some performing extremely well and demonstrating the strength of their management teams. A minority of the portfolio companies struggled in this environment, which is considered to result from a fall in consumer demand and inflationary pressures. However, these businesses are now, in general, beginning to show signs of recovery.

In the six months ended 30 June 2023, 21 companies in the portfolio recorded a combined increase in valuation of £9.3 million, offset by 14 companies recording an aggregate fall in valuation of £6.1 million.

The Company

Recent performance

As at 31 December 2022 the audited net assets of the Company were £138.5 million (64.9p per Share). During the six months to 30 June 2023, the unaudited net assets of the Company increased to £148.2 million (an increase of 7.0% during the period). Similarly, the previously audited NAV per Share of 64.9p as at 31 December 2022 decreased to 63.4p as at 30 June 2023 (a decrease of 1.5p since 31 December 2022). The Total Return performance during this period (NAV movement plus the dividends of 3.3p per Share paid during the period) was 1.8p or 2.8%.

The Total Return performance over the one, three and five years to 30 June 2023 (this being the most recently published unaudited NAV per Share) is 4.4%, 41.6% and 27.9% respectively. Further information on the performance over the last five years is detailed on page 27 of this document.

Letter from the Chair_{continued}

The Company_{continued}

Recent performance_{continued}

In light of the COVID-19 pandemic, during 2020 deployment of funds into new investments was slower than targeted. Opportunities, however, increased thereafter and the Manager completed 16 new investments and follow-on investments into 13 companies totalling £24.6 million and £8.2 million respectively from 1 January 2021 to 30 September 2023.

The Company has also recently achieved a number of successful exits. Highlights include the sale of the investment in Datapath Group Limited in March 2023, which provided a cash-on-cash return of 11.6 times the original investment, the sale of the investment in TFC Europe Limited in June 2022, which provided a cash-on-cash return of 12.5 times the original investment and the sale of the investment in Codeplay Software Limited in June 2022, which provided a cash-on-cash return of 16.0 times the original investment.

Investment objective

The Company seeks to provide investors with regular dividends whilst maintaining capital value from a portfolio of fast-growing unquoted UK companies.

Strategy

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

- growth in net asset value total return above a 5% target while continuing to grow the Company's assets;
- payment of annual dividends of at least 5% of the NAV per Share based on the opening NAV per Share of that financial year;

- implementation of a significant number of new and follow on qualifying investments every year, exceeding deployment requirements to maintain VCT status; and
- maintaining a programme of regular share buy backs (the Board continues to have an objective of achieving and maintaining buybacks at a discount of 5% over the medium term, subject to market conditions).

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

The Manager

The Manager has a specialist focus on investment opportunities in growing UK-focused companies, with enterprise values typically between £5 million and £25 million. The Manager has been a growth capital investor for over 35 years. Since 2010, excluding environmental projects, the Manager has made over 110 growth capital investments across its private equity funds. Key requirements include strong management teams, attractive market characteristics and a defensible competitive position, with investments made in the most attractive opportunities without sector bias.

Established VCT recognition

In recent years, the Manager's reputation has been recognised with awards such as 'Best VCT Investment Manager' at the Growth Investor Awards 2022, 'UK Small-Cap House of the Year' at the Real Deals Private Equity Awards 2023 and 'Best EIS Investment Manager' at the Enterprise Investment Scheme Association Awards 2023, where it was also highly commended in the 'EISA Impact' category.

This year, the Manager also featured on the shortlist for 'UK Small-Cap Deal of the Year' at the 2023 Real Deals Private Equity Awards for its exit from Codeplay Software Limited. The Manager has also been shortlisted for several awards at the 2023 Growth Investor Awards, including 'Growth Investor of the Year', 'Best Investor Return' for Codeplay Software Limited, 'Exit of the Year' for TFC Europe Limited, 'Best VCT Investment Manager' and 'Best Business Relief Investor Manager - Unlisted'.

Claire Alvarez, a partner in the Manager's private equity team, was listed in Real Deals' Future 40 Investment Leaders 2022 listings and has also been shortlisted for 'Dealmaker of the Year' at the 2023 Northwest Dealmaker Awards. Chris Wardle, a managing director in the Manager's private equity team, was also listed in Real Deals' Future 40 Investment Leaders 2023 listings.

These recognitions reflect the investments made and the achievements of the Manager's private equity team members and the Manager as a whole.

In addition to the strength of the investment team, there are at least four key reasons why you might consider an investment in the Company to be an attractive opportunity.

Regional presence

Unlike a number of VCT managers which are exclusively London-based, The Foresight Group has ten offices across the UK and Ireland. This creates a large origination network which allows investment opportunities across the whole geography to be identified.

It is the Manager's experience that companies of comparable quality to those in London and the South East, but which are found outside these regions, may often attract less investor attention, leading to lower initial valuations due to such reduced competition. The Manager believes that its regional presence can benefit investors because entering investments at a lower price can result in better returns.

Letter from the Chair continued

The Manager continued

Institutional investor

Over the last seven years, the Manager's private equity investment team have won a number of institutional mandates from local authority pension funds, the British Business Bank and the Scottish Government. Institutional investors carry out extensive due diligence before making investments, so the Manager's success in winning these mandates evidences their credentials and track record. The flexibility of these institutional funds attracts a much broader range of investment opportunities than seen in the VCT market, including buyouts, which offers the Company a valuable additional source of deal flow in which to make development capital investments.

Diversification

Despite VCT market inflows growing substantially, the number of VCT investment management teams has more than halved since 2006 from 44 to 21. This is driven by recent market consolidation coupled with very few new market entrants. As such, building a diversified portfolio of investments in VCTs can be challenging for investors, especially considering a number of VCTs follow similar strategies, often investing in limited sectors, technologies and geographies. In contrast, the Company invests across a broad range of sectors, geographies and company maturities, which can add real diversification for investors with an existing investment in such other VCTs.

ESG focus

The Foresight Group (this being the Manager and companies and undertakings within the same group) has also established a good reputation for its sustainability and environmental, social and governance (ESG) oriented investment approach, most obviously visible in its renewable energy infrastructure portfolio of projects. This is evidenced in its UN Principles for Responsible Investment five-star ratings for its Private Equity division, its Infrastructure division and for The Foresight Group itself.

The Foresight Group has received multiple awards in recognition of its work to support small businesses on their journey to ESG best practice and to improve the impact these businesses have on their communities, as well as its efforts to improve ESG across its own operations. The Manager won the 'Most Innovative Fund Launch' award at the ESG Clarity Awards 2022 and has been shortlisted for 'ESG Champion of the Year' and 'Most Impactful Regional Investment' for the Growth Investor Awards 2023. Other nominations in 2023 include Real Deals' ESG Awards for 'ESG – Small-Cap House of the Year' and 'Impact Investment Fund' for Foresight Regional Investment LP. The Foresight Group has been shortlisted for 'ESG Investor of the Year' at the Business & Finance ESG Awards in Ireland, and for 'Environmental, Social and Governance – GP (Mid-cap)' at the Real Deals Private Equity Awards 2023, as well as 'Sustainable Investment Fund Management Group of the Year (AUM under £50bn)' and 'Best Sustainable Investment Education Initiative' at the Sustainable Investment Awards 2023.

The Foresight Group has since May 2018 applied the same ESG approach to all small and medium sized investments including those made for the Company, assessing every investment opportunity against a set of ESG principles to ensure each investment company abides by the standards of corporate and social responsibility post investment and throughout the investment period. In 2023, The Foresight Group collaborated with PwC and Salesforce to design and develop a bespoke sustainability data platform to enhance sustainability reporting across The Foresight Group and the private equity portfolio. Using this system enables The Foresight Group to support the move towards a net zero emissions economy and the numerous initiatives in which many of the SMEs in the portfolio are involved. The platform will enable better tracking of sustainability metrics across The Foresight Group's offices and private equity SME investments. The Foresight Group's ambition is to create a positive impact across its investments and in the way that it manages its corporate business.

Sunset Clause

The 'Sunset Clause' for VCT and EIS reliefs has to be reviewed by the government before 6 April 2025. The clause provides that income tax relief will no longer be given to subscriptions made on or after 6 April 2025, unless the legislation is amended to make the VCT and EIS schemes permanent, or the schemes are extended. The government has the power to extend or remove the 'Sunset Clause' through secondary legislation, which would allow the VCT and EIS schemes to operate in their current form beyond the current expiry date of the scheme.

Letter from the Chair^{continued}

Sunset Clause^{continued}

The then Chancellor Kwasi Kwarteng announced during his mini-budget of 23 September 2022 that the schemes would be safeguarded beyond 2025 but no further details were given as to how this would be implemented. However, through correspondence with the Treasury Select Committee in March 2023, the Chancellor has stated that it remains the UK Government's firm intention to extend the VCT and EIS schemes beyond 5 April 2025 and that further details will be provided in due course. The Treasury Select Committee's report on early stage investment published in July 2023 further supported the important role played by VCTs and called for early action on the 'Sunset Clause'. It also notes that the UK should be able to extend the scheme without European Commission approval, clarified by the recently announced Northern Ireland Protocol, the Windsor Framework.

The Offer

This Offer provides Shareholders and new investors with the opportunity to invest in the Company, gaining immediate access to a diversified portfolio of investments in over 35 trading companies, many of which are making good progress and generating revenues.

The VCT Scheme was introduced in 1995 to incentivise UK tax payers to invest in early-stage UK companies. Since that time, VCTs have raised over £11 billion. VCTs offer Qualifying Investors (subject to annual investment limits) three attractive tax reliefs:

- up to 30% up-front income tax relief (on the amount subscribed for new shares and subject to the shares being held for a minimum of five years);
- tax-free dividends; and
- tax-free capital gains.

The Offer opens on 13 October 2023 and will close for Applications at 12.00 noon on 3 April 2024 in respect of the 2023/2024 tax year and 12.00 noon on 30 April 2024 in respect of the 2024/2025 tax year (or, if earlier, as soon as the Offer is fully subscribed or otherwise at the Board's discretion). Offer Shares will be issued using a Pricing Formula that takes into account the costs incurred by an investor to create a bespoke Offer price.

Applications from any existing shareholders in any of the Foresight VCTs (subject to the discretion of the Promoter) will receive a loyalty discount of 0.5% on the Direct Offer Costs. Further details of the Existing Foresight Shareholder Loyalty Discount are set out on page 53 of this document.

The additional funds raised will allow the Company to maintain liquidity levels to take advantage of investment opportunities, maintain its dividend policy, make market purchases of its own shares and support its running costs. The regular outgoings of the Company, made up chiefly of dividend payments (excluding special dividends), management fees and the cost of buying back shares, amount, on average, to approximately £15 million per annum, alongside the new investment deployment target totalling approximately £13 million per annum (of which approximately £12 million is targeted for investments in new investee companies).

Despite the reduced investment activity during the last few years, in particular during the COVID-19 pandemic, the Board anticipates that the current cash resources of the Company, together with funds raised from this Offer, should be substantially deployed by the Manager over the following 18 to 24 months based on the recent increased activity and opportunities.

More details relating to the Company, The Foresight Group and the Offer are set out in the following pages.

We very much hope that existing Shareholders will add to their holdings and look forward to welcoming new investors.

Yours faithfully



Raymond Abbott

Chair

Investment Opportunity

The opportunity

The Manager has a specialist focus on investment opportunities in growing UK-focused companies, with enterprise values typically between £5 million and £25 million.

Key requirements include strong management teams, attractive market characteristics and a defensible competitive position, with investments made in the most attractive opportunities without sector bias.

The Company aims to invest in businesses with realistic growth prospects that are either profitable or making manageable losses with a medium-term ambition and path to reach EBITDA profitability.

Following amendments to the VCT legislation in 2015, which targeted investment into earlier stage companies, the Company has, and remains, focused on growth capital investments. The Manager has been a growth capital investor for over 35 years. Since 2010, excluding environmental projects, the Manager has made over 110 growth capital investments across its private equity funds. The Company, however, continues to have a significant portion of its portfolio represented by investments made prior to the VCT rule changes in 2015. Approximately 39.9% (by value as at 30 June 2023) of the portfolio is represented by investments made prior to these rule changes. These include investments in management buyouts and equity release deals, which tended to be in later stage, more mature companies than the current rules allow. The Manager believes the current portfolio is well diversified by sector and transaction type.

The Manager has an established and proven investment process developed over 35 years of activity and continues to experience strong deal flow.

Generalist but specific about the type of companies we decide to invest in, preferred characteristics include...

-  Growing, non-cyclical markets
-  Technology-enabled and scalable
-  Strong management teams
-  Strong market positioning reflected in margins
-  Well formulated strategies
-  Attractive entry valuations and structures



Investment Opportunity_{continued}

The opportunity_{continued}

Investment in the UK

The UK remains an excellent place to start and sell a business, with broad pools of talent and an entrepreneurial culture.

The StartupBlink's Startup Ecosystem Rankings 2023 report identified the UK as the second-best country globally to start up and scale a digital enterprise. This entrepreneurial ecosystem is not limited to London or the South East, with Manchester, Cambridge and Oxford featuring in the top 100 cities in the world and Bristol, Edinburgh, Leeds, Newcastle, Nottingham and Belfast featuring in the top 250.

This is in line with the Manager's experience of the wider UK SME market and is the reason the Manager's private equity team source deal flow from across the UK and Ireland through its ten offices.

Recent economic uncertainty, inflation, increases in interest rates and energy prices have contributed to a challenging environment for many small companies and widened the existing investment funding gap leading to a reduction in bank appetite to lend to SMEs, increasing the attraction of VCT investment to entrepreneurs.

Whilst each opportunity is assessed in relation to its own individual circumstances, the following themes are collectively driving opportunities for equity investments in SMEs.

Timing within the economic cycle

Against a backdrop of high inflation, supply chain interruptions, increased energy prices and a potential period of recession, availability of finance to SMEs may become constrained. Availability of capital has been impacted by the Basel III regulations, implemented at the beginning of 2023. These are designed to mitigate risk within the banking sector by requiring banks to increase their capital reserves. The Board and the Manager believe that this lack of available investment finance will strengthen the VCT investment case as entrepreneurs will seek to fill the funding gap for working capital caused by economic uncertainty and to repair their companies' balance sheets to aid recovery.

It is imperative that SMEs across the UK have the required support, both financial and advisory, to adapt, recover, grow and find opportunities during this period of volatility.

To date, the Manager is continuing to see encouraging levels of activity from smaller UK companies seeking growth capital, as well as continued strong levels of interest from potential acquirers of portfolio companies.

Tax incentives to grow and sell small businesses

UK tax legislation includes favourable incentives for entrepreneurs to grow and develop businesses. Both Enterprise Management Incentive (EMI) share option schemes, which apply only to smaller businesses (which are often suitable for VCT investment), and Business Asset Disposal Relief (formerly Entrepreneurs' Relief) can reduce business owners' capital gains tax liability on a sale of the business and provide management teams with strong incentives to grow and realise value from their businesses.

In March 2020, the lifetime limit for Business Asset Disposal Relief was reduced from £10 million to £1 million, and although this is a substantial reduction in the relief available to an entrepreneur, the capital gains tax rate up to the £1 million threshold is still, at the date of this document, only 10%. This compares favourably with a capital gains tax rate of 20% or more on other gains and tax rates charged on dividends or income for high earners which could be as high as 45% (or even higher in Scotland).

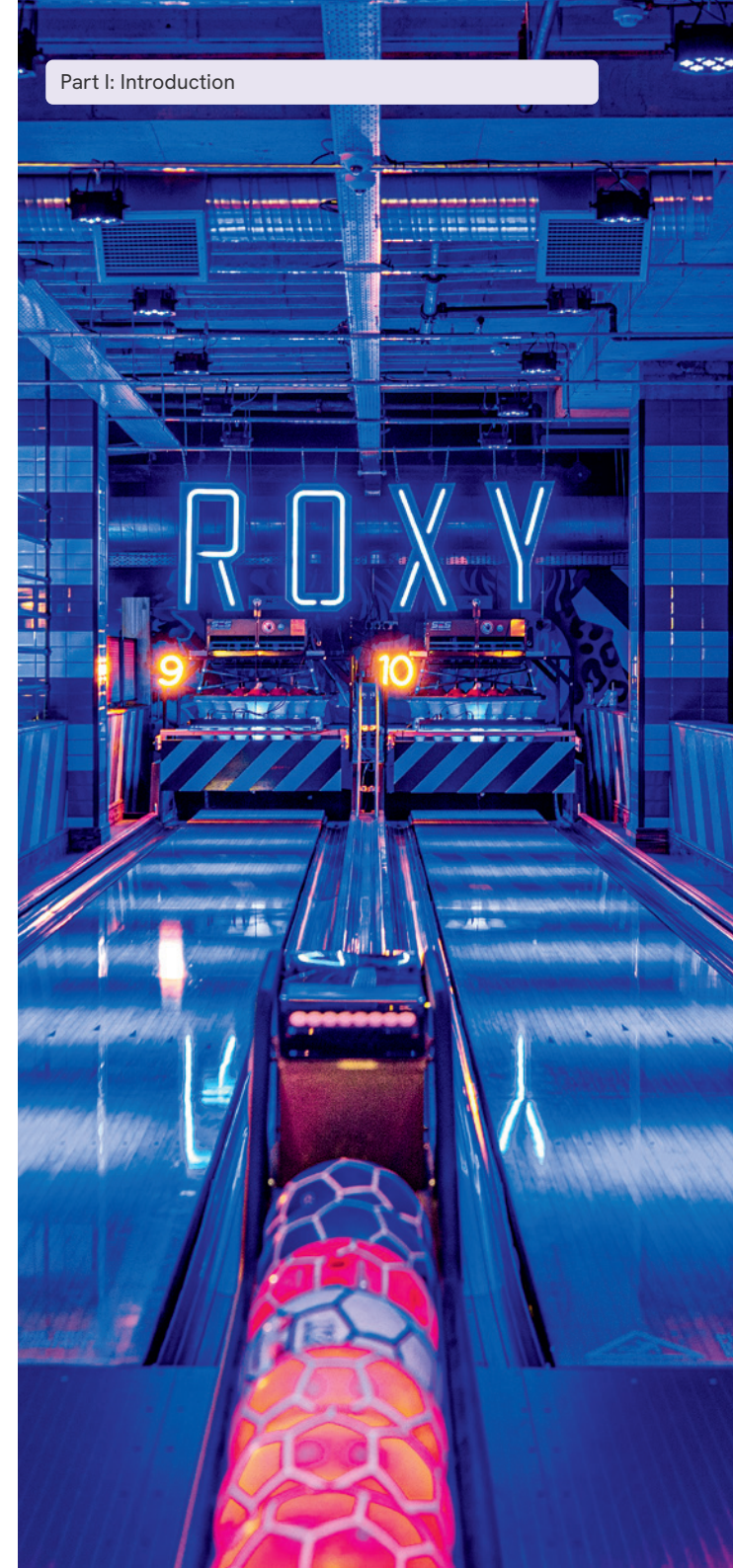
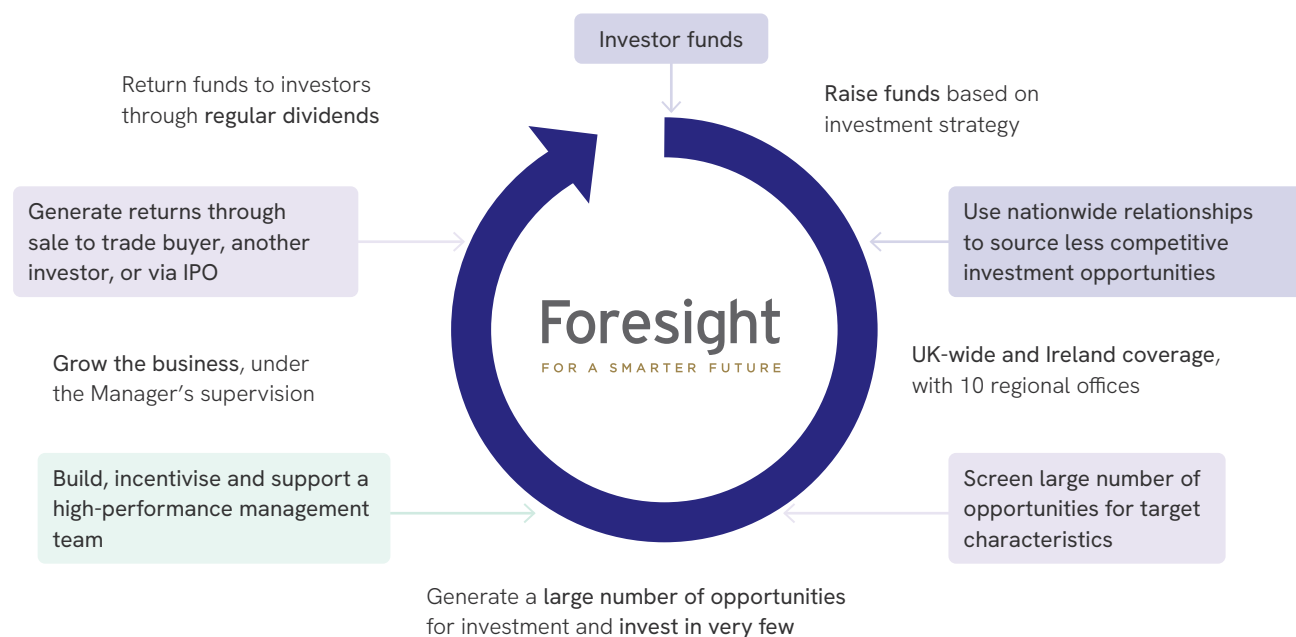
Investment Opportunity_{continued}

The opportunity_{continued}

Reduced interest from some private equity competitors for smaller companies

While many private equity firms continue to concentrate on mid-market and larger transactions, the Manager has remained focused on generating attractive returns for investors by applying its expertise in finding and supporting smaller growth companies.

According to the BVCA, 78% of all capital raised in 2022 in the UK was for buyout funds, with only 7% of all capital raised for growth capital investing. The Manager continues to see more investment firms focusing on larger transactions and investments, which results in relatively less competition for assets at the lower mid-market level where the Manager specialises.



Investment Opportunity_{continued}

Recent Investments

The Manager applies a very high degree of selectivity

Despite the challenging economic environment created by global political uncertainty and inflationary pressures, the Manager has continued to search for high quality businesses that have demonstrated resilience during these difficult times. It has made new investments on behalf of the Company into a number of growing businesses, alongside follow-on rounds into existing portfolio companies, throughout 2022 and 2023 to date.

From 1 January 2022 to 30 September 2023, the Manager has concluded the following new investments on behalf of the Company:

Investee Company	Sector	Description	Investment by the Company	Aggregate investment across all Foresight Funds
HomeLink Healthcare Limited	Healthcare	A specialist provider of clinical services to patients in their own homes	£1.1m	£2.2m
So-Sure Limited	Consumer & Leisure	A digital insurance platform for consumer mobile phones and home contents	£1.6m	£4.2m
Strategic Software Applications Ltd (trading as Ruleguard)	Business Services	A SaaS technology provider supporting regulatory compliance for financial institutions	£1.8m	£3.5m
Copptech UK Limited	Industrials & Manufacturing	A provider of patented microparticles that provide anti-bacterial, anti-fungal and anti-viral properties for use in polymers, plastics and building materials.	£2.5m	£4.9m
Sprintroom Limited	Industrials & Manufacturing	A designer and manufacturer of drives for controlling electric motors in light and heavy industrial applications, as well as recovering and reusing otherwise lost energy	£1.0m	£2.5m
Firefish Software Ltd.	TMT	A customer relationship management and marketing software platform targeting the recruitment sector	£1.5m	£4.0m
Red Flag Alert Technology Group Limited	TMT	A proprietary SaaS intelligence platform with modular capabilities spanning compliance, prospecting, risk management and financial health assessments	£1.8m	£3.5m
Project Kent Topco Limited (Five Wealth)	Financial Services	A financial planning business operating across the North West of England	£0.7m	£6.7m
TKC Group Holdings (Europe) Limited (The KSL Clinic)	Healthcare	A provider of hair replacement treatments with clinics in Manchester and Kent	£1.0m	£8.8m
Loopr Ltd	TMT	A data analytics platform for film and TV content distributors, and video-on-demand streaming services	£1.8m	£3.5m

Most of these businesses have good growth potential, have been relatively resilient during the recent economic and market turbulence, and demonstrate a strong competitive position in their markets.

However, it is likely that the next 12 months at least will present further challenges in light of potential low levels of economic growth, supply chain loss and disruption, increasing interest rates, currency volatility, continuing high levels of inflation and energy costs and a potential period of recession.

From 1 January 2021 to 30 September 2023, the Company also made follow-on investments into 13 companies, totalling £8.2 million. Follow-on investments were made to support the growth of the relevant companies.

Investment Opportunity_{continued}

Realisations

The Manager has achieved a number of full and partial realisations on behalf of the Company. Investments have been sold to domestic and international trade buyers as well as to mid-market private equity firms or refinanced. Below are some examples since 2020.

Protean Software Limited

In July 2023, Protean Software (Protean), a provider of Field Service Management software to SMEs, was sold to Joblogic, a competitor of Protean. The Company invested in Protean in July 2015 as one of its last investments in buyout transactions prior to the changes in VCT legislation.

Over the holding period the Manager helped Protean transition its legacy product into a modern software product sold on a SaaS basis. The transaction generated proceeds of £3.5 million on completion. When added to cash returned during the holding period of £0.1 million, this implies a total cash-on-cash return of 2.4 times the original investment, an IRR of 12%.

Initial investment:
July 2015

Sold: July 2023

Price: Not disclosed

Foresight Enterprise
VCT plc
return: £3.6m

Multiple: 2.4x

Protean
Software

Innovation Consulting Group Limited

In March 2023, Innovation Consulting Group Limited (GovGrant), one of the UK's leading providers of R&D tax relief, patent box relief and other innovation services was sold to Source Advisors, a US corporate buyer backed by BV Investment Partners. The transaction generated proceeds of £6.8 million at completion. When added to £0.6 million of cash returned during the holding period, the total cash-on-cash return was 4.5 times the capital of £1.65 million invested in October 2015, an IRR of 25%.

Since the original investment, the Manager had supported Datapath through a period of material growth with Datapath's revenues growing from approximately £7 million to £24 million. In this time, Datapath has developed a market leading hardware and software product suite for the delivery of multi-screen displays and video walls, which are sold globally to a diverse customer base across a range of sectors.

Initial investment:
October 2015

Sold: March 2023

Price: Not disclosed

Foresight Enterprise
VCT plc
return: £7.4m

Multiple: 4.5x

GovGrant | 
our insight, your reward

Investment Opportunity_{continued}

Realisations_{continued}

Datapath Group Limited

In March 2023, Datapath, a global leader in the provision of hardware and software solutions for multiscreen displays was sold to an undisclosed buyer. The transaction generated proceeds of £10.1 million at completion with an additional £2.3 million payable over the subsequent 24 months. When added to £10.8 million of cash returned during the holding period, this implies a total cash-on-cash return of 11.6 times the original investment, equivalent to an IRR of 37% since the initial investment in 2007.

Since the original investment, the Manager had supported Datapath through a period of material growth with Datapath's revenues growing from approximately £7 million to £24 million. In this time, Datapath has developed a market leading hardware and software product suite for the delivery of multi-screen displays and video walls, which are sold globally to a diverse customer base across a range of sectors.

Initial investment:
September 2007

Sold: March 2023

Price: Not disclosed

Foresight Enterprise
VCT plc
return: £23.2m

Multiple: 11.6x



TFC Europe Limited

In June 2022, TFC Europe Limited, predominantly a supplier of technical fasteners across Europe, was sold to AFC Industries, an Ohio-based distributor of fasteners backed by Bertram Capital.

The sale generated proceeds of £15.4 million at completion. When added to £2.2 million of cash returned during the holding period, this implies a total cash-on-cash return of 12.5 times the original investment, equivalent to an IRR of 22%.

Since the original investment, the Company took a proactive approach to supporting TFC, helping to extend its network in the UK and Germany. TFC also rapidly expanded its vendor managed inventory service, growing the customer base, so it now provides a market-leading service to SMEs and international global brands operating across a range of industries.

The Company supported three acquisitions as well as considerable investment in new and existing facilities, opening new sites in England, Northern Ireland and Czech Republic.

Initial investment:
March 2007

Sold: June 2022

Price: Not disclosed

Foresight Enterprise
VCT plc
return: £17.6m

Multiple: 12.5x



Investment Opportunity continued

Realisations continued

Codeplay Software Limited

In June 2022, the Company sold its investment in Codeplay Software Limited to a US corporate buyer. Codeplay is one of the UK's leading providers of solutions for the semiconductor industry, accelerating the performance of computer chips that run artificial intelligence and other high-performance software.

Since the Company made its original investment in 2018, Codeplay continued to develop a suite of high-performance software and positioned itself at the centre of an increasingly important ecosystem that improves the performance of chips, used in both high performance and low-power environments; from supercomputers to self-driving cars.

Codeplay also developed its routes to market, selling its solutions not just to chip companies but also to downstream users, for example to manufacturers of diagnostic healthcare equipment. The Manager also introduced a new chair and through the Manager's joint venture with WAE Technologies Limited, the business was able to access the automotive market.

The business was sold to a leading computer chip developer in a transaction that generated proceeds of £4.3 million at completion with a further £0.5 million of escrow expected by the end of 2023. Overall the transaction represents a cash-on-cash return of 16.0 times the initial investment of £0.3 million, equivalent to an IRR of 99%.

Initial investment:
July 2018

Sold: June 2022

Price: Not disclosed

Foresight Enterprise VCT plc
return: £4.8m

Multiple: 16.0x



Accrosoft Limited

In October 2021, Accrosoft Limited, a recruitment and employee onboarding software business, was sold to Acendre Midco, Inc., a global HR software company headquartered in the US. Prior to completion, Weduc, a leading communication platform for schools, was spun out of Accrosoft with the Company retaining its existing shareholding in that division.

Following the original investment in August 2018, the Manager took a proactive approach alongside the management team to strengthen the business, accelerating both product development and commercial activities.

The company established several strategic partnerships to extend the platform's functionality and developed a range of features to strengthen its offering in its core markets, including education, the public sector, leisure and retail. Several senior hires were made including a new sales director with extensive experience at Midland HR, one of the UK's largest HR software businesses, with the performance of the sales team improving substantially after he joined.

In a little more than three years, this successful exit returned £1.9 million, or 1.9 times cost at an IRR of 27%, to the Company including a small amount of deferred consideration due, with further upside potential given the ongoing investment in Weduc.

Initial investment:
August 2018

Sold: October 2021

Price: Not disclosed

Foresight Enterprise VCT plc
return: £1.9m

Multiple: 1.9x



Investment Opportunity_{continued}

Realisations_{continued}

Mologic Ltd.

In July 2021, Mologic, a health diagnostics company providing both Contract Research services for clients and developing its own range of proprietary Point of Care diagnostics products, was sold to Global Access Health, a not-for-profit company financed by the Soros Economic Development Fund, the impact investing arm of the Open Society Foundation, and a group of other philanthropic organisations and investors.

The return to the Company of £2.7 million and the return multiple of 2.6 times, equivalent to an IRR of 34% excludes the current value attributed to deferred consideration.

During the investment period, the Mologic team worked to strengthen the business, advancing the product portfolio, increasing its turnover by 165% and increasing its number of employees by over 40%. The company also developed a presence in the US through opening an office on the East Coast as well as exploring manufacturing partnerships in West Africa and in South Asia.

Initial investment:
April 2018
Sold: July 2021
Price: Not disclosed
Foresight Enterprise VCT plc return: £2.7m
Multiple: 2.6x



FFX Group Limited

In January 2021, FFX, an independent supplier of high-quality power tools, fixings and building supplies, was sold to H2 Equity Partners, a leading private equity firm. The return to the Company of £5.8 million and the return multiple of 4.2 times the original investment, equivalent to an IRR of 32% excludes the current value attributed to a small amount of deferred consideration.

Following the Foresight VCTs' investment in October 2015, a proactive approach was taken to supporting the senior management team. This included introducing George Adams as chair who has extensive experience in the sector, including sixteen years at Kingfisher, notably Screwfix.

With support from the Foresight VCTs' investment, the company opened a new 60,000 square foot distribution centre and a head office in Kent. The business updated its brand and launched an extensive range of own brand products. A direct sales team was established in order to expand FFX's customer base to include larger contractors and specialist subcontractors and sell direct to site. Due to the company's successful execution of its e-commerce channel, FFX traded well throughout the COVID-19 pandemic.

Initial investment:
October 2015
Sold: January 2021
Price: Not disclosed
Foresight Enterprise VCT plc return: £5.8m
Multiple: 4.2x



* Past performance is not necessarily a guide to future performance. The above are examples only and, as with any diversified portfolio, returns on other investments have been less and there have also been realised losses and/or permanent impairments over the same period. It should also be noted that some of these examples relate to investments made to support management buy-outs prior to the change in the VCT rules. The return multiple shown includes exit proceeds and income earned during the holding period and is based on original cash investment, not accounting cost. Cash-on-cash return is calculated by taking the total cash inflows (i.e. aggregate value of the returns received on the investment) and dividing by the total cash outflows (i.e. aggregate amount of money invested in respect of the investment).

** Opportunities to realise investments can be unpredictable and may be impacted by the current economic and market conditions. Investments made following the VCT rule changes in November 2015 are in earlier stage companies and, as a result, may take longer to achieve a successful exit.

Investment Opportunity_{continued}

Performance of the Company*

The Company's Total Return performance is shown below.

From 1 July 2018 to 30 June 2023 (five-year performance to the Company's most recently published unaudited NAV per Share):

Total Return Performance per Share	1 Year to 30 June 2023	3 Years to 30 June 2023	5 Years to 30 June 2023
NAV as at the start of the period	67.5p	57.2p	69.6p
NAV as at the end of the period	63.4p	63.4p	63.4p
Cumulative dividends paid during the period	7.1p	17.6p	25.6p
Total Return as at end of period (NAV plus cumulative dividends paid in period)	70.5p	81.0p	89.0p
Total Return performance over the period	4.4%	41.6%	27.9%

From 1 January 2018 to 31 December 2022 (five-year performance to the Company's most recent audited financial period end):

Total Return Performance per Share	1 Year to 31 December 2022	3 Years to 31 December 2022	5 Years to 31 December 2022
NAV as at the start of the period	69.1p	65.0p	69.4p
NAV as at the end of the period	64.9p	64.9p	64.9p
Cumulative dividends paid during the period	7.3p	14.3p	22.3p
Total Return as at end of period (NAV plus cumulative dividends paid in period)	72.2p	79.2p	87.2p
Total Return performance over the period	4.5%	21.8%	25.6%

* Past performance is not necessarily a guide to future performance. It should also be noted that the past performance to a material extent relates to investments made to support management buy-outs prior to the change in the VCT rules.

The Portfolio

The Company's current portfolio comprises investments in over 35 companies, diversified by sector and transaction type.

Investors will receive immediate exposure to the Company's existing portfolio, which currently comprises a diversified range of holdings in 35 trading companies (ignoring those investments held at nil value and money market funds). None of the Company's investments comprise assets admitted to trading on a regulated market.

The Manager expects full and partial realisations from the portfolio to continue over the medium term. A new VCT fund, in contrast, could take some years to build up a diversified portfolio before there are any realisations.

Information on the Company's existing portfolio as at the date of this document is detailed below. Information on investments held, valuation and sector exposure has been extracted from the Company's accounting records and unaudited financial information as at 30 June 2023 (other than the movements which have occurred since that date as detailed on page 36).

The percentage of the Company's net assets which the investment holding represents is based on the unaudited net assets of the Company as at 30 June 2023. Accounting cost includes, where applicable, the value at which Foresight 3 VCT plc's holding was transferred to the Company pursuant to the merger of Foresight 3 VCT plc into the Company in June 2017, whereas the amount invested reflects Foresight 3 VCT plc's original investment cost. The accounting cost may be higher than the amount invested due to the value of the investment at the time of the merger with Foresight 3 VCT plc.

The information on investee companies' revenues and, as applicable, profit before tax, profit and loss account or retained earnings in relation to the Top Ten Investments below has been sourced from the relevant company's latest published financial year end (where such detail is disclosed as some companies only publish very limited financial information). All such third party information has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published by the relevant company, no facts have been omitted which would render such reproduced information inaccurate or misleading.

The Portfolio continued

Top Ten Investments

The investments below represent the Company's largest ten investments (ignoring cash and money market investments), which represent 38.4% of the Company's net assets.

1.

Specac International Limited

Kent

www.specac.com

Sector: Industrials & Manufacturing

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

Recent Trading Update

Specac continues to trade well, driven by market demand for its products and a continued focus on sales to non-OEM (original equipment manufacturer) customers. Trading is roughly consistent with prior year, with March to June 2022 being a particularly strong trading period.

Year of investment	2015
Amount invested (£'000)	1,300
Accounting cost (£'000)	2,055
Valuation (£'000)	10,884
Valuation basis	Discounted earnings multiple
Revenues at first investment (£'000)*	5,871
Current revenues (latest available) (£'000)**	14,960
Profit/(loss) before tax (latest available) (£'000)**	2,231
Net assets/(liabilities) (£'000)**	7,560
% of net assets of the Company	7.3%

* Approximate revenues of the operating company acquired by the new holding company funded by the Company

** Sourced from the latest audited financial year end consolidated group accounts to 31 March 2023 published by Specac International Limited

2. Callen-Lenz

Callen-Lenz Associates Limited

Salisbury

www.callenlenz.com

Sector: Industrials & Manufacturing

Callen-Lenz develops, designs and manufactures air vehicles, vehicle components and navigation and communication software for high performance unmanned aerial vehicles (UAVs) globally.

Recent Trading Update

Callen-Lenz is delivering significant revenue growth and is investing in outsourced manufacturing to meet future demand for aircraft, whilst also developing additional aircraft types. Maintaining close links with customers will be key for anticipating future demand and the business currently enjoys a strong order book.

Year of investment	2021
Amount invested (£'000)	2,375
Accounting cost (£'000)	2,375
Valuation (£'000)	9,283
Valuation basis	Discounted revenue multiple
Revenues at first investment (£'000)	Not disclosed
Current revenues (latest available) (£'000)*	Not disclosed
Profit/(loss) before tax (latest available) (£'000)*	Not disclosed
Net assets/(liabilities) (£'000)**	3,268
% of net assets of the Company	6.3%

* Sourced from the latest unaudited financial year end accounts to 28 February 2022 published by Callen-Lenz Associates Limited

The Portfolio continued

3. HOSPITAL SERVICES LIMITED

Hospital Services Group Limited

Belfast

www.hsl.ie

Sector: Healthcare

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

Recent Trading Update

HSL has continued to trade strongly with robust demand in healthcare markets across Ireland, Northern Ireland and Great Britain. The business has recently bolstered the management team, adding an experienced chief operating officer, and has moved into larger premises in Belfast allowing better integration of a prior acquisition and providing room for growth.

Year of investment	2015
Amount invested (£'000)	1,200
Accounting cost (£'000)	1,200
Valuation (£'000)	6,907
Valuation basis	Discounted earnings multiple
Revenues at first investment (£'000)*	7,073
Current revenues (latest available) (£'000)**	37,003
Profit/(loss) before tax (latest available) (£'000)**	2,037
Net assets/(liabilities) (£'000)**	6,617
% of net assets of the Company	4.7%

* Approximate revenues of the operating company acquired by the new holding company funded by the Company

** Sourced from the latest audited financial year end consolidated group accounts to 30 September 2022 published by Hospital Services Group Limited

4. ROXY LEISURE LTD

Roxy Leisure Holdings Limited

Leeds

www.roxyleisure.co.uk

Sector: Consumer & Leisure

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

Recent Trading Update

Trading remains strong despite challenging macro-economic conditions. Q2 was particularly impacted by a period of exceptionally hot weather, with consumers preferring outdoor activities. However, Roxy has seen a very encouraging bounce back at the start of Q3 with like-for-like trading returning to positive growth. Roxy continued its site roll out strategy in the first half of the year, opening venues in Cardiff and Leicester. It has also launched its first family focused bowling venue "King Pins", which is trading well.

Year of investment	2019
Amount invested (£'000)	2,500
Accounting cost (£'000)	2,500
Valuation (£'000)	5,791
Valuation basis	Discounted earnings multiple
Revenues at first investment (£'000)*	Not disclosed
Current revenues (latest available) (£'000)*	12,136
Profit/(loss) before tax (latest available) (£'000)*	1,749
Net assets/(liabilities) (£'000)*	867
% of net assets of the Company	3.9%

* Sourced from the latest audited financial year end consolidated group accounts to 31 December 2021 published by Roxy Leisure Holdings Limited

The Portfolio continued



TLS Holdco Limited

London

N/A

Sector: Other

TLS Holdco (previously Galinette Limited) holds investments in smaller companies, most notably True Lens Services Limited (TLS). TLS is based in Barwell, Leicestershire and is a specialist provider of lens manufacturing, refurbishment and servicing to the film and television markets.

Recent Trading Update

TLS continues to trade well and relocated to a new, larger property in April 2023, which has significantly increased its operating capacity and is also helping to recruit new staff. TLS continues to build its order book, which in turn underpins the growth of the business.

Year of investment	2015
Amount invested (£'000)	0.1
Accounting cost (£'000)	0.1
Valuation (£'000)	4,892
Valuation basis	Discounted earnings multiple
Revenues at first investment (£'000)	—
Current revenues (latest available) (£'000)*	—
Profit/(loss) before tax (latest available) (£'000)*	1,341
Net assets/(liabilities) (£'000)*	3,708
% of net assets of the Company	3.3%

* Sourced from the latest unaudited financial year end accounts to 31 December 2022 published by TLS Holdco Limited



Fourth Wall Creative Limited

Wirral

www.fourthwallcreative.com

Sector: Consumer & Leisure

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

Recent Trading Update

Fourth Wall continues to grow both revenues and customers in the year, with sales up significantly from the previous year. It now serves approximately 900k members via football clubs and sporting organisations either through its technology platform directly or by providing club-branded products to fans on behalf of the clubs.

Year of investment	2019
Amount invested (£'000)	2,900
Accounting cost (£'000)	2,900
Valuation (£'000)	4,334
Valuation basis	Discounted revenue multiple
Revenues at first investment (£'000)	Not disclosed
Current revenues (latest available) (£'000)*	Not disclosed
Profit/(loss) before tax (latest available) (£'000)*	Not disclosed
Net assets/(liabilities) (£'000)*	5,866
% of net assets of the Company	2.9%

* Sourced from the latest unaudited financial year end accounts to 30 September 2022 published by Fourth Wall Creative Limited

The Portfolio continued

7. **SPEKTRIX**

Spektrix Limited

London

www.spektrix.com

Sector: TMT

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

Recent Trading Update

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

Year of investment	2018
Amount invested (£'000)	2,998
Accounting cost (£'000)	2,380
Valuation (£'000)	4,296
Valuation basis	Price of last funding round
Revenues at first investment (£'000)	Not disclosed
Current revenues (latest available) (£'000)*	9,248
Profit/(loss) before tax (latest available) (£'000)*	(1,069)
Net assets/(liabilities) (£'000)*	546
% of net assets of the Company	2.9%

* Sourced from the latest unaudited financial year end consolidated group accounts to 31 December 2021 published by Spektrix Limited

8. **ClubSpark**

Clubspark Group Ltd

London

www.clubspark.com

Sector: TMT

Clubspark is a sports club management and reporting platform for local organisations and national governing bodies.

Recent Trading Update

Clubspark continues to trade well. A new chief financial officer joined the business in June 2023 who is an experienced finance director with recent SaaS experience at Prospectsoft and The Access Group. Clubspark continues to build on its successful relationships in the global tennis software market with the LTA, USTA, Tennis Australia and the ITF. Each provides a unique point of entry to its market, given the affiliation which many of the underlying clubs have with these national or international governing bodies.

Year of investment	2019
Amount invested (£'000)	1,860
Accounting cost (£'000)	1,860
Valuation (£'000)	3,626
Valuation basis	Discounted revenue multiple
Revenues at first investment (£'000)	Not disclosed
Current revenues (latest available) (£'000)*	Not disclosed
Profit/(loss) before tax (latest available) (£'000)*	Not disclosed
Net assets/(liabilities) (£'000)*	1,930
% of net assets of the Company	2.4%

* Sourced from the latest unaudited financial year end accounts to 31 March 2022 published by Clubspark Group Limited

The Portfolio continued

9. Protean Software

Protean Software Limited

Coventry

www.proteansoftware.com

Sector: TMT

Protean develops and sells business management and field service management software for organisations involved in the supply, installation, maintenance and hire of equipment, across sectors such as facilities management, heating, ventilation and air conditioning maintenance, and elevator installation.

Recent Trading Update

Protean has traded in line with expectations for the period. Investment has been made in additional sales and marketing in order to maintain the revenue growth trajectory. Post 30 June 2023 (the date to which financial information in this document has been prepared) the business was successfully sold.

Year of investment	2015
Amount invested (£'000)	1,500
Accounting cost (£'000)	1,795
Valuation (£'000)	3,514
Valuation basis	Sale proceeds
Revenues at first investment (£'000)	Not disclosed
Current revenues (latest available) (£'000)	Not disclosed
Profit/(loss) before tax (latest available) (£'000)	Not disclosed
Net assets/(liabilities) (£'000)*	905
% of net assets of the Company	2.4%

* Sourced from the latest unaudited financial year end accounts to 31 March 2022 published by Protean Software Limited

10. NWEH NorthWest EHealth

Northwest EHealth Limited

Manchester

www.nweh.co.uk

Sector: Healthcare

Northwest EHealth (NWEH) provides software and services to the clinical trials market, allowing pharmaceutical companies and contract research organisations to conduct feasibility studies, recruit patients and run real world drugs trials.

Recent Trading Update

In March 2023, the Company invested a further £1.5 million in NWEH. The investment will be used to support the delivery of a number of new real world trials in 2023/2024, while completing building NWEH's Connexion platform to be compatible with up to 18 million UK healthcare data sources. Since investment, NWEH has won a number of new customers and is considering changing its business model to focus more on 'find and refer' revenues, which will mean a lower cost overhead in the business.

Year of investment	2021
Amount invested (£'000)	3,000
Accounting cost (£'000)	3,000
Valuation (£'000)	3,433
Valuation basis	Discounted revenue multiple
Revenues at first investment (£'000)	6,643
Current revenues (latest available) (£'000)*	6,655
Profit/(loss) before tax (latest available) (£'000)*	(1,283)
Net assets/(liabilities) (£'000)*	3,173
% of net assets of the Company	2.3%

* Sourced from the latest unaudited financial year end accounts to 31 December 2022 published by NorthWest EHealth Limited

The Portfolio continued

Other Investments*

Company	Year invested	Description	Sector	Amount invested (£'000)	Accounting cost (£'000)	Value (£'000)	% of net assets of the Company
Biofortuna Limited	2012	Molecular diagnostics business with unique expertise in the development and manufacture of freeze-dried, stabilised assays	Healthcare	3,518	3,518	3,313	2.2%
Aerospace Tooling Corporation Limited	2013	Provider of specialist inspection, maintenance, repair and overhaul services for components in high-specification aerospace and turbine engines	Industrials & Manufacturing	2,000	415	3,190	2.2%
Ten Health & Fitness Limited	2019	Boutique health and fitness provider with added rehabilitation services	Healthcare	2,400	2,400	2,968	2.0%
Mizaic Ltd (previously IMMJ Systems Limited)	2020	Electronic document management solution for the healthcare sector	Healthcare	2,400	2,400	2,805	1.9%
PH Realisations 2020 Limited (previously Procam Television Holdings Limited)**	2013	Broadcast hire company supplying equipment and crew for location TV production	TMT	1,525	2,163	2,634	1.8%
Copptech UK Limited	2022	Anti-microbial technology company that uses a patented microparticle in polymers, plastics and building materials	Industrials & Manufacturing	2,455	2,455	2,516	1.7%
Newsflare Limited	2021	A curated user generated video platform for corporate use	TMT	2,000	2,000	2,433	1.6%
Hexarad Group Limited	2021	Healthcare technology company, providing teleradiology services to NHS Trusts and UK private healthcare customers	Healthcare	1,550	1,550	2,379	1.6%
HomeLink Healthcare Limited	2022	A specialist provider of clinical services to patients in their own homes	Healthcare	1,075	1,075	2,230	1.5%
Titania Group Limited	2020	Cyber security software	Business Services	1,250	1,250	2,220	1.5%
Strategic Software Applications Ltd (trading as Rulegard)	2022	SaaS technology provider supporting regulatory compliance for financial institutions	Business Services	1,750	1,750	1,937	1.3%
Itad (2015) Limited	2015	Specialist consulting firm focused on evaluating the impact of international development funding	Business Services	1,250	1,372	1,913	1.3%
Positive Response Corporation Ltd	2014	A security company that monitors the safety of people and properties 24-hours a day specialising in lone worker situations	Business Services	1,000	884	1,878	1.3%
Steamforged Holdings Limited	2019	Designer, developer and retailer of table-top board games	Consumer & Leisure	1,600	1,600	1,852	1.3%
Red Flag Alert Technology Group Limited	2023	Proprietary SaaS intelligence platform with modular capabilities spanning compliance, prospecting, risk management and financial health assessments	TMT	1,750	1,750	1,750	1.2%

The Portfolio continued

Other Investments* continued

Company	Year invested	Description	Sector	Amount invested (£'000)	Accounting cost (£'000)	Value (£'000)	% of net assets of the Company
Crosstown Dough Ltd	2021	Producer and supplier of handcrafted doughnuts	Consumer & Leisure	1,500	1,500	1,543	1.0%
Firefish Software Ltd.	2023	Customer relationship management and marketing software platform targeting the recruitment sector	TMT	1,500	1,500	1,500	1.0%
Rovco Limited	2019	Subsea surveyor of offshore assets and provider of related technology	TMT	1,477	1,477	1,477	1.0%
Iphigenie Limited	2015	Investment holding company	Other	0	0	1,261	0.9%
ABL Investments Limited	2015	Distributor of power modules, monitor arms, cable management systems and CPU holders to office furniture manufacturers	Business Services	1,475	1,494	1,253	0.8%
I Mist Group Limited	2020	Manufacturer and installer of water mist fire protection systems for residential buildings	Industrials & Manufacturing	1,615	1,615	1,147	0.8%
TKC Group Holdings (Europe) Limited (The KSL Clinic)	2023	Provider of hair replacement treatments	Healthcare	1,000	1,000	1,000	0.7%
Sprintroom Limited	2023	Designer and manufacturer of drives for controlling electric motors	Industrials & Manufacturing	1,000	1,000	1,000	0.7%
So-Sure Limited	2022	A digital insurance platform for consumer mobile phones and home contents	TMT	1,600	1,600	979	0.7%
Luminet Networks Limited	2018	Provider of fixed wireless access and fibre to businesses	TMT	960	960	978	0.7%
Project Kent Topco Limited (Five Wealth)	2023	Boutique financial planning business	Financial Services	713	713	713	0.5%
Whitchurch PE 1 Limited	2014	Investment holding company	Other	378	378	632	0.4%
Cole Henry PE 2 Limited	2014	Investment holding company	Other	200	200	356	0.2%
Weduc Holdings Limited	2018	Communication platform for parents, teachers and students	TMT	24	24	309	0.2%
Kingsclere PE 3 Limited	2014	Investment holding company	Other	100	100	203	0.1%
Cash	—	—	—	—	—	39,012	26.3%
Net Current Assets	—	—	—	—	—	1,810	1.2%

* The above does not include investments valued at nil.

** The loan position in PH Realisations 2020 Limited (previously Procram Television Holdings Limited), which is no longer trading, is guaranteed by True Lens Services Limited, a camera lens servicing and lens product business.

The Portfolio continued

Significant Movements following 30 June 2023








The following significant movements have occurred since 30 June 2023:

- an investment of £1.8 million was made in September 2023 into Loopr Ltd, a data analytics platform for film and TV content distributors and video-on-demand streaming services;
- a follow-on investment of £0.3 million was made in September 2023 in Weduc Holdings Limited;
- a follow-on investment of £0.01 million was made in September 2023 in Vio Healthtech Limited, a fertility monitoring technology company;
- a follow-on investment of £1.0 million was made in October 2023 in Northwest EHealth Limited; and
- the investment in Protean Software Limited was sold in July 2023, generating proceeds of £3.5 million on completion.

There have been no other material changes to the Top Ten Investments and Other Investments analysis, which is extracted from the Company's accounting records and unaudited financial information as at 30 June 2023, since 30 June 2023 to the date of this document.

Sector Exposure

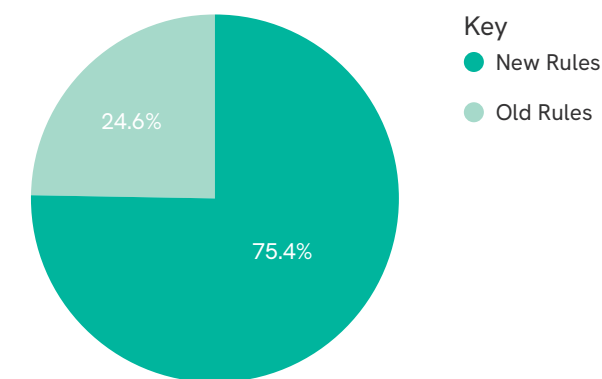
The sector exposure across the Company's venture capital investments as at 30 June 2023 is set out below. Investors should note that the net proceeds of the Offer will be invested in accordance with the Company's investment policy and sector exposure will vary over time.

Sector	% of venture capital investments by value
 Technology, Media and Telecommunications	21.9%
 Healthcare	23.3%
 Industrials and Manufacturing	26.1%
 Consumer and Leisure	12.6%
 Business Services	8.6%
 Financial Planning	0.7%
 Other	6.8%
Total	100.0%

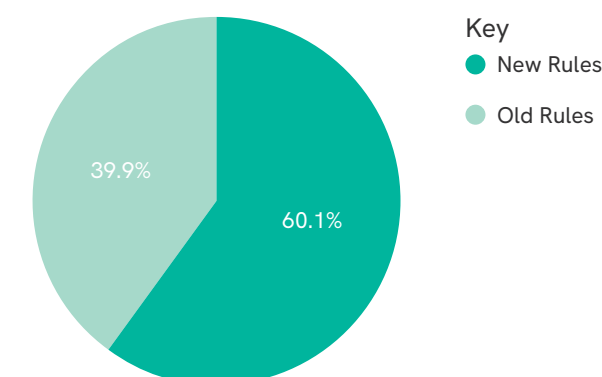
Investment Vintage

The portfolio continues to include a significant portion (both by cost and value as at 30 June 2023) of investments in companies where the initial investment was made prior to November 2015 and, therefore, under less restrictive rules (including supporting management buy-outs). This gives the portfolio a balance between investments in longer established companies and the more recent earlier stage development capital investments.

Old Rules vs New Rules at 30 June 2023 – By Cost



Old Rules vs New Rules at 30 June 2023 – By Value



Case Studies



Clubspark Group Ltd

Company Key Facts

Sector:	Software
Investment type	Growth capital
Initial investment date	January 2019
Aggregate investment by all Foresight VCTs	£4.62m
Latest valuation of the aggregate investment by all Foresight VCTs	£8.93m

Company Background

ClubSpark provides sports clubs and centres with a comprehensive software platform to manage all operational activities, including court and equipment booking, membership, CRM, competitions/tournaments, courses, coaching, reporting, compliance, safeguarding and website development, whilst giving National Governing Bodies insight into participation and activity levels.

The company was founded in 2012 by ex-Lawn Tennis Association (LTA) employees David Ward and Nathan Flood. As a consultant and a developer respectively, they recognised an opportunity to design and develop a platform to manage operations for the LTA member clubs to replace historically inefficient manual methods. Now working with over 7,000 venues and coaches across the world, ClubSpark helps sports organisations expand their reach and increase engagement.

Investment

The Foresight VCTs initially invested £2.13 million of growth capital in January 2019 to help extend the company's international operations, consolidate its position as the de facto standard within tennis and explore new avenues for growth with clients in other sports such as the England Cricket Board and England Athletics. In March 2021, a £2.49 million follow-on investment was completed to roll-out the global tennis platform.

The number of user accounts has grown rapidly, more than doubling since the initial investment, which is expected to continue as tennis activities return to pre-COVID levels. The follow-on investment will continue supporting the product development and global roll-out of the ClubSpark platform.

Through the course of the investment to date, the Manager has encouraged a strengthening of senior management with the appointment of a new chief technology officer, chief revenue officer and chief finance officer.

Trading and Strategy

The Manager believes that Clubspark continues to have the opportunity to lead the global tennis software market, capitalising on its relationship with the LTA, USTA, Tennis Australia and the ITF, which it continues to strengthen. Each provides a unique point of entry to its market, given the affiliation many of the underlying clubs have with these national or international governing bodies. The business will continue with product development and to invest in its UK and US offices.

Clubspark has won significant new business and renewals over the last three months, including English Football Association's Wildcats and Comets programmes. Clubspark also recruited a new chief financial officer, appointed in June 2023, with SaaS experience who plays a key role driving its strategy to increase recurring revenue.

Case Studies continued



Roxy Leisure Holdings Limited

Company Key Facts

Sector:	Consumer & Leisure
Investment type	Growth capital
Initial investment date	December 2019
Aggregate investment by all Foresight VCTs	£4.97m
Latest valuation of the aggregate investment by all Foresight VCTs	£11.41m

Company Background

Roxy is a competitive socialising business with 18 venues across eleven cities throughout the UK in Leeds, Manchester, Liverpool, Nottingham, Sheffield, Bristol, Edinburgh, Birmingham, Cheltenham, Cardiff and Leicester. The venues offer a range of entertainment facilities including pool tables, ping-pong, bowling, shuffleboard, mini golf, arcade games and karaoke.

The company was founded by two brothers, Matt and Ben Jones, who launched the first Roxy site in 2013 to capitalise on the trend towards in-bar entertainment, with the aim of combining several gaming offerings under one roof. Roxy operates in three formats: large flagship sites that typically include all games offerings, bowling-focused 'Roxy Lanes' sites and smaller late-night venues with select games. The venues attract a broad demographic mix of 20-45 year olds and are popular amongst high spending corporate customers. The company has also launched its first family focused bowling venue "King Pins", to further diversify its offering and customer base.

Investment

In December 2019, the Foresight VCTs invested £2.98 million of growth capital in Roxy to fund the opening of new sites and build the senior management team to drive further growth. Foresight Regional Investment LP invested £4.5 million in May 2020 to acquire equity from legacy shareholders.

In December 2020, the Foresight VCTs invested a further £1.99 million to enable the business to maintain its site roll-out plans notwithstanding the COVID-19 restrictions. Roxy is an attractive investment in a well-positioned, high growth entertainment bar group, with a strong brand and site metrics that is led by experienced industry professionals.

Since investment, to strengthen the senior management team, Mark McQuater joined as chair. Mark is a former chief executive of Revolution Bar Group, founder chief executive of Barracuda Group, and former managing director of JD Wetherspoon. He brings significant industry experience and will be key to realising the company's growth strategy.

Trading and Strategy

The Manager believes that Roxy has demonstrated an attractive site format with strong metrics for the leisure sector. Revenue is generated from food and drinks sales and game hire that are considered to drive good site EBITDA margins. Roxy delivered significant revenue and profitability growth, doubling revenues between 2017 and 2019 with further growth being delivered in 2020 prior to the enforced closure of all sites due to COVID-19. Future organic growth will be supported by the maturing site profile and increased footprint with Roxy recently opening sites in Edinburgh in November 2022, Birmingham in February 2023 and Leicester in June 2023 bringing the total number to 18 across the UK.

Case Studies continued



Hexarad Group Limited

Company Key Facts

Sector:	Healthcare
Investment type	Growth capital
Initial investment date	June 2021
Aggregate investment by all Foresight VCTs	£3.08m
Latest valuation of the aggregate investment by all Foresight VCTs	£4.70m

Company Background

Based in Harrow, Middlesex, Hexarad is a teleradiology company, improving patient care by supplying NHS Trusts and private healthcare providers with access to specialist radiology resources.

Hexarad was established in 2017 by six practising consultant radiologists who trained together at St George's Hospital in London. Having experienced the shortage of internal reporting at existing teleradiology providers, they saw an opportunity for a new teleradiology company led by radiologists passionate about quality and with a direct understanding of the challenges faced by clinicians and healthcare organisations.

Investment

Hexarad presented the opportunity to invest in an early stage healthcare technology company with a strong and ambitious management team operating in a fast-growing market, serving a genuine healthcare need driven by long term demographic and technology trends.

In June 2021, Foresight VCTs invested £1.69 million of growth capital in Hexarad. The funding was provided to support the company's growth plan within the UK teleradiology market by winning NHS and private customers and continuing to increase the size of its clinician base.

Since investment, the company has made considerable progress. Several key hires have been made, including a CTO, additional members of the technology team and an operations manager. In addition, Umang Patel has joined as non-executive director, bringing his extensive experience as director at Babylon Health and clinical director at Microsoft.

To support the company's high growth prospects, a further funding round of £1.39 million was completed in August 2022.

Trading and Strategy

Hexarad has performed well since investment and continues to execute its strategic and operational plans, with new contract wins and a growing pipeline reflecting the significant structural market demand for teleradiology services. Radiologist recruitment and the launch of key strategic projects remain on track. Achieving a decrease in NHS waiting times is a national priority and the capacity provided by Hexarad's services supports healthcare providers in this aim.

Case Studies continued



Homelink Healthcare Limited

Company Key Facts

Sector:	Healthcare
Investment type	Growth capital
Initial investment date	March 2022
Aggregate investment by all Foresight VCTs	£2.14m
Latest valuation of the aggregate investment by all Foresight VCTs	£4.42m

Company Background

Based in London, HomeLink has been providing “Hospital at Home” services since 2016. The company employs knowledgeable and experienced nurses and rehabilitation teams to support the NHS by providing services to patients in their own homes. These services deliver a range of clinical interventions, including wound care, intravenous therapies, physiotherapy and rehabilitation. HomeLink has also expanded into the rapidly growing remote monitoring practice and offers a virtual ward solution.

Bed-blocking is an endemic issue across the NHS along with significant delays in the discharge of patients and increasing hospital admissions. HomeLink relieves these pressures by freeing up vital hospital bed space, providing a better experience for patients at home, reducing hospital admissions, and facilitating the efficient discharge of patients.

Investment

HomeLink presented the opportunity to invest in a rapidly growing business with a first mover advantage and differentiated premium service, led by an experienced senior management team. In March 2022, Foresight VCTs invested £2.14 million of growth capital in HomeLink. The funding was provided to consolidate the company’s leadership position and take advantage of the sizeable market opportunity. Demand for HomeLink’s services is forecast to grow significantly in light of recent UK Government initiatives around efficiency, the current backlog of elective surgery patients and NHS England, which has put in place a number of supportive measures.

Trading and Strategy

HomeLink has performed well since investment. With a strong senior management team and a proven business model, it has been growing rapidly, benefitting from clear directives in national NHS policy and a trend of patient care moving away from large-scale hospital settings. The business has been winning new contracts and is targeting further regional expansion, with the next likely target being the South West.

Part II:

The Manager

About The Foresight Group

The Board believes that the performance of any VCT is dependent on the judgement, experience and skills of its manager.

The Manager

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

The Manager is a leading private equity and infrastructure investment manager with its parent company, Foresight Group Holdings Limited, listed on the London Stock Exchange. The individual partners together have combined investment experience of over 200 years across a wide variety of sectors. The investment teams operate on a collaborative basis with a pro-active and pragmatic investment style.

Established in 1984, the Manager is proud of its track record of nearly 40 years of investing in and growing small companies. The Manager and companies and undertakings within the same group (together The Foresight Group) now have more than £12 billion of assets under management (as at 31 March 2023) and a wide and varied investor base of private and institutional investors.

The Manager strives to generate healthy returns for its investors over the long term alongside the additional benefit to UK tax payers of tax reliefs available through Venture Capital Trusts, the Enterprise Investment Scheme and Business Property Relief. The Manager pursues an active investment strategy on behalf of the Company.

The Foresight Group's vision is to be a leader in investing in trends ahead of others through its dynamic and entrepreneurial values of flexibility, innovation, problem-solving and a commitment to attracting and retaining high quality and experienced staff.

Strength of the Team

The Manager's private equity team comprises more than 50 investment professionals with a wide range of experience – from venture capital at Inflexion and Advent Venture Partners, to hands-on operational experience at Manchester Airports Group and Centrica, as well as corporate finance experience at Rothschild, RSM, Grant Thornton and EY together with strategic consulting experience at Accenture and Deloitte.

The Manager's private equity team and wider Executive Committee together have over 300 years of investment experience and combine investors' capital and their own hands-on expertise with the intention of creating long-term shareholder value and generating attractive returns for shareholders. Together they are responsible for the management of a wide and varied investor base of private and institutional investors.

Across the UK, the team generates in the region of 2,500 investment opportunities each year for its funds at various stages of the growth cycle, reflecting the benefits of a larger team with greater regional presence and a continued significant level of activity in the SME market.

About The Foresight Group continued

Strength of the Team continued

With regards to portfolio management, the Manager takes a particularly active, hands-on approach and typically seeks board representation and the ability to appoint a senior industry expert as chairperson. The Manager works particularly closely with the investee companies in the following areas:

- definition and review of strategy and its implementation;
- recruitment and incentivisation of key management and board members;
- planning for growth, international expansion and new product or service introduction;
- fundraising from banks and other external sources;
- mergers, acquisitions and exit planning; and
- sustainability, environmental, social and governance factors.

Venture Capital Trusts

The Foresight Group is one of the largest VCT management houses in the UK (by funds under management), with one of the largest VCT investment teams in the industry managing five VCTs. The Company, formerly named Foresight 4 VCT, was launched in 1998. The Foresight Group was appointed as manager in July 2004. The Foresight Group has also been the manager to Foresight VCT plc and Foresight Technology VCT plc (formerly Foresight Solar & Technology VCT plc) since their respective launches and was recently appointed as manager to Thames Ventures VCT 1 plc and Thames Ventures VCT 2 plc as part of Foresight's acquisition of the technology division of Downing Asset Management Limited.

In recent years, the Manager's reputation has been recognised with awards such as 'Best VCT Investment Manager' at the Growth Investor Awards 2022, 'UK Small-Cap House of the Year' at the Real Deals Private Equity Awards 2023 and 'Best EIS Investment Manager' at the Enterprise Investment Scheme Association Awards 2023, where it was also highly commended in the 'EISA Impact' category.

This year, the Manager also featured on the shortlist for 'UK Small-Cap Deal of the Year' at the 2023 Real Deals Private Equity Awards for its exit from Codeplay Software Limited. The Manager has also been shortlisted for several awards at the 2023 Growth Investor Awards, including 'Growth Investor of the Year', 'Best Investor Return' for Codeplay Software Limited, 'Exit of the Year' for TFC Europe Limited, 'Best VCT Investment Manager' and 'Best Business Relief Investor Manager – Unlisted'.

Claire Alvarez, a partner in the Manager's private equity team, was listed in Real Deals' Future 40 Investment Leaders 2022 listings and has also been shortlisted for 'Dealmaker of the Year' at the 2023 Northwest Dealmaker Awards. Chris Wardle, a managing director in the Manager's private equity team, was also listed in Real Deals' Future 40 Investment Leaders 2023 listings.

Other funds

The same team within The Foresight Group that manages the VCTs referred to above also manages a number of regional institutional funds and two Enterprise Investment Scheme funds (Foresight WAE Technology EIS and Downing Ventures EIS). The funds cover a range of transaction types, from venture to growth and buyouts, as well as different investment sizes.

These funds cover Scotland, the North West, the Midlands and the East of England, with the most recent regional funds launched in 2022 adding the North East and Ireland to The Foresight Group's regional and international presence. Each fund not only seeks to help SMEs achieve their growth potential, but also to make a social impact providing local high-quality employment and support in transitioning to more ESG-focused business processes.

In the case of the AIB Foresight SME Impact Fund the mandate is specifically to support businesses helping to accelerate Ireland's transition to a low carbon economy. All these funds can and do invest alongside the Foresight VCTs and help to unlock differentiated deal flow.

The average return on exits of relevant investments made by the Manager's private equity team from 1 January 2010 (this being when the current senior leadership team within the Manager's private equity team came together) to 30 June 2023 is 3.1 times original cost. Relevant investments include all investments where there has been a full or partial exit (and, in the case of partial exits, taking into account the remaining investment at its carrying value as at 30 June 2023), but exclude environmental and debt investments from other funds for which the Manager's private equity team is responsible, as well as investments made by other fund managers before appointment of the Manager.

About The Foresight Group continued

Network and deal origination

With offices across the UK and Ireland, the Manager has a large origination network that covers the whole of those countries, generating deal flow from a broad range of sources.

Regional presence and adviser network

Through its expanding regional presence, the Manager has built up an extensive network of active corporate finance advisers and other professional SME advisers through investment teams based in its regional offices in Nottingham, Manchester, Leicester, Milton Keynes, Cambridge, Edinburgh and The Foresight Group's head office in London. With the recent new fund launches, this regional footprint has expanded to Dublin, Leeds and Newcastle.

Between 1 May 2022 and 30 June 2023, around 78% of the meetings with advisers by the Manager's private equity team have been with those who are outside London, while approximately 83% of the new investments made have also been in businesses headquartered outside London.

Each of the Manager's private equity team executives is tasked with building relationships in discrete regions of the country. This entails regular meetings with professional advisers to build a mutual rapport and understanding of the Manager's investment criteria and process.

When the adviser has a fundraising opportunity which fits the criteria, the Manager expects to be in the position of being one of the few potential funding institutions with the financial capacity and investment remit to provide the appropriate finance.

Direct origination

In addition, the Manager has developed a team dedicated to direct origination, contacting companies directly to build presence and relationships to position itself in the local business community. Over the past three years this has led to eleven successful investments for the funds it manages (example investments by the Company being Mologic Ltd., Spektrix Limited and I Mist Group Limited).

Pipeline from other funds

The Midlands Engine Investment Fund, the Foresight WAE EIS and Foresight Technology VCT plc (formerly Foresight Solar & Technology VCT plc), which focus on seed and earlier stage investments, are also a potential source of deals for the Company as their portfolio companies begin to mature and require additional follow-on funding via growth capital investment.

Multiple channels of deal flow with an emphasis on regional activity



● ● – Priority Channels

About The Foresight Group continued

In order to deliver sustainable growth and long-term success, The Foresight Group believes it is critical to incorporate sustainability and environmental, social and governance factors (ESG) into its investment management processes.

Responsible investment

Often referred to as 'responsible investment', these principles provide not only a key basis for generating attractive returns for investors, but also to help build better quality businesses in the UK, creating jobs and making a positive contribution to society.

ESG values form an integral part of The Foresight Group's day-to-day decision making and investment management, which it formalises through its ESG policy.

Central to The Foresight Group's investment approach are five ESG principles which it uses to evaluate investee companies throughout the life cycle of an investment.

Over 100 individual key performance indicators are considered under the five 'Principles' and weighted against the Manager's view of a benchmark SME to show progress during the life of the investment. The evaluation is about both the company's existing position and its potential to improve and develop with support. The Foresight Group invests in a wide range of sectors and believes its approach covers the key tests that should be applied to assess an investee company's ESG performance, throughout the life cycle of an investment from selection to exit.



Strategy and Awareness

Does the business demonstrate a good awareness of corporate social responsibility?

Is this reflected in its processes and management structure?



Environmental

Does the company follow good practice for limiting or mitigating its environmental impact, in the context of its industry?

How does it encourage the responsible use of the world's resources?



Social

What impact does the company have on its employees, customers and society as a whole?

Is it taking steps to improve the lives of others, either directly, such as through job creation, or indirectly?



Governance

Does the company and its leadership team demonstrate integrity?

Are the correct policies and structures in place to ensure it meets its legislative and regulatory requirements?



Third Party Interactions

Is the principle of corporate responsibility evidenced in the company's supply chain and customers?

How does it promote ESG values and share best practice?

About The Foresight Group continued

Responsible investment continued

The evaluation of investee companies against each of the five Principles is supported by quantitative and qualitative data, starting at the initial review of an investment opportunity through to exit. This process helps identify both the risks and opportunities that exist within the portfolio and aims to ensure that investments support positive environmental and social outcomes. In conjunction with these are four outcome oriented themes, aligned with the UN's Sustainable Development Goals (SDGs), which allow for the measure of specific ESG contributions over time: (i) health, (ii) quality employment at scale, (iii) research and innovation and (iv) local infrastructure and the environment.

The SDGs also represent a key driver and an important lens through which corporate and investment activities are reviewed.

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

The Manager has been a member of the UK Sustainable Investment and Finance Association since 2009 and a signatory to the United Nations Principles for Responsible Investing since 2013. In 2022, the Manager was recognised once again for its sustainability initiatives, earning the top classification of five stars from the UN Principles for Responsible Investment for both the Private Equity and Infrastructure teams and for The Foresight Group as a whole.

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



About The Foresight Group continued

Awards

2023	Best EIS Investment Manager	Enterprise Investment Scheme Association Awards
	UK Small-Cap House of the Year (EV on entry of less than €25m)	Real Deals Private Equity Awards
	Real Deals' Future 40 Investment Leaders 2023	Chris Wardle, Managing Director, Private Equity Team
	Best VCT Investment Manager (Finalist)	Growth Investor Awards
	Best Investor Return (for our exit from Codeplay Software) (Finalist)	Growth Investor Awards
	Exit of the Year (for our exit from TFC Europe Ltd) (Finalist)	Growth Investor Awards
	ESG - Small-Cap House of the Year (EV on entry less than €20m) (Finalist)	Real Deals ESG Awards
2022	Best VCT Investment Manager	Growth Investor Awards
	Exit of the Year for DA Languages	North West Rainmaker Awards
	VC/Private Equity Team of the Year	North West Rainmaker Awards
	Real Deals' Future 40 Investment Leaders 2022	Clare Alvarez, Partner, Private Equity Team
	Private Equity/Venture Capital Deal of the Year	Insider Northern Ireland Dealmakers Awards
	Deal of the Year (under £10m)	Insider Media South East Dealmakers Awards
2021	ESG Champion of the Year	Growth Investor Awards
	Private Equity/Venture Capital Deal of the Year	Insider South East Dealmakers Awards
	Venture & Growth Cap House of the Year	Unquote British Private Equity Awards
2020	Best Venture Capital Trust Provider (Commended)	Investment Life & Pension Moneyfacts Awards
	Private Equity/Venture Capital Team of the Year (Shortlisted)	North West Dealmakers



The Team

Below are the senior team and key members of the Manager's private equity team who spend a material amount of time on VCT related activities.

The number of investment professionals in the team has more than doubled since 2016 and is now more than 50. Their combined experience aligns with the published investment policy of the Company.

Partners



James Livingston
Partner and Co-Head of
Private Equity

- 19 years' experience, including venture capital
- Three years' strategy consulting and commercial due diligence experience at Deloitte
- First class MA in Natural Sciences and Management Studies from the University of Cambridge



Matthew Smith
Partner and Co-Head of
Private Equity

- 19 years' experience, including venture capital
- Six years' investment banking experience at Rothschilds
- MA in Biological Sciences and diploma with distinction in Physiology, both from the University of Oxford



Claire Alvarez
Partner

- 19 years' experience, including advising banks and company directors on returning value from distressed SMEs
- Five years of M&A and organisational change experience at KPMG
- Degree in Management from the University of Lancaster and MBA (distinction) from Manchester Business School

The Team continued

Managing Directors



Mike Quinn
Managing Director

- 23 years' experience, including SME corporate finance experience, latterly as Head of East Midlands Corporate Finance team at RSM
- Advised on many private equity transactions and spent a year on secondment with Catapult Venture Managers covering the UK from their Leicester base
- Fellow of the ICAEW and holds a degree in Business Economics and Finance from the University of Loughborough



Chris Wardle
Managing Director

- 11 years' experience, including private equity and venture capital
- Four years' M&A experience at Accenture
- Degree in Natural Sciences from University of Cambridge



Andrew Bloxam
Managing Director

- Over 20 years' experience, including private equity and venture capital
- 15 years at JP Morgan and Committed Capital
- MBA from Surrey Business School and Degree in Economics from the University of Cambridge

In addition to the people listed above, members of the Manager's private equity team who are engaged on VCT portfolio matters include:

- five directors with collective transaction experience of more than 85 years across private equity, venture capital and corporate finance transactions; and
- two principals and six senior investment managers with collective transaction experience of more than 100 years across private equity, investment banking, consultancy, law and banking.

Part III:

The Offer

The Offer

The Company is seeking to raise up to £20 million (with an over-allotment facility to raise up to a further £10 million).

The Company is seeking to raise up to £20 million (with an over-allotment facility to raise up to a further £10 million) through the issue of up to 70 million Offer Shares pursuant to the Offer. If the Board decides (in consultation with the Manager) to utilise the over-allotment facility (in whole or part), this will be advised by way of a RIS Announcement.

The Offer opens on 13 October 2023 and will close for Applications at 12.00 noon on 3 April 2024 in respect of the 2023/2024 tax year and 12.00 noon on 30 April 2024 in respect of the 2024/2025 tax year (or, if earlier, as soon as the Offer is fully subscribed or otherwise at the discretion of the Board). The Board reserves the right to extend the Offer but not longer than 12 months following publication of the Prospectus. If the Board decides (in consultation with the Manager) to extend the Offer this will be advised through a RIS Announcement.

Applicants must subscribe a minimum of £3,000 (in aggregate across the two tax years). The Offer is not underwritten. The maximum investment on which income tax relief can currently be claimed by any individual is £200,000 in any one tax year.

Applications will normally be accepted on a first come, first served basis (provided cheques are not post-dated and with priority being given to Applications with cleared funds and fully completed Applications), subject always to the Board's discretion.

The full terms and conditions of the Offer can be found at the end of this document.

Offer Price

The price at which the Offer Shares will be issued to an investor is determined by the Pricing Formula (as detailed below). The Pricing Formula for all investors is based on the latest announced net asset value per Share to which are added applicable up-front costs to generate a bespoke Offer price for each individual investor. As a result, the Offer is not expected to have any material dilutive effect on an existing Shareholder's net asset value per share.

In addition, all up-front costs are paid post investment allowing a Qualifying Investor to obtain VCT tax reliefs in respect of the full amount of their investment.

Costs of the Offer

The Company will pay the Promoter a fee (Direct Offer Costs) equal to (i) 2.5% of the amount subscribed by Retail Client Investors, Professional Client Investors and Execution-Only Investors and (ii) 5.5% of the amount subscribed by Direct Investors. The relevant amount of Direct Offer Costs will be borne by the investors through the Pricing Formula. Additional costs which may apply to non-direct investors are set out further below.

In respect of each investor, the Promoter's fees will, where relevant, be reduced by the Existing Foresight Shareholder Loyalty Discount (as referred to below) and any other discount the Promoter may agree to offer any particular investor or group of investors (i.e. the Direct Offer Costs applicable to the investor are reduced which will increase the number of Offer Shares to be issued to that investor).

The Offer continued

Costs of the Offer continued

In consideration of such fee, the Promoter (as guaranteed by the Manager) will meet all of the costs of the Offer other than financial intermediary commissions, adviser charges and payments to investors from which up-front adviser charges will be facilitated (which are borne by the investor).

Up-front adviser charges can be facilitated by the Company but will be borne by the investor through the Pricing Formula. This is in addition to the Direct Offer Costs referred to above. Ongoing adviser charges will need to be settled directly by the investor.

Initial commission to financial intermediaries will be paid by the Company, but also borne by the investor through the Pricing Formula. This is in addition to the Direct Offer Costs referred to above. Annual trail commission to financial intermediaries will be paid by the Company. Further details on the facilitation of adviser charges and payment of commission are set out below.

By taking into account an investor's up-front direct or indirect Offer costs through the Pricing Formula, a bespoke Offer price is generated for each investor. This results in the number of Offer Shares issued to an investor being reduced accordingly.

Net Proceeds

Assuming full subscription under the Offer utilising the full amount of the over-allotment facility, and assuming that all successful Applicants are Direct Investors (who are not entitled to the Existing Foresight Shareholder Loyalty Discount or any other discount), the Direct Offer Costs (there being no other applicable costs in these circumstances) would be £1.65 million and the net proceeds would be £28.35 million.

It is likely that the net proceeds will be greater as it is anticipated that the majority of the investors will be Retail Client Investors, Professional Client Investors and Execution-Only Investors where the aggregate of up-front costs is expected to be lower than the up-front costs for Direct Investors due to financial intermediaries waiving some or all of their initial commission, up-front adviser charges being on average no more than 3% and a number of investors likely to be entitled to the Existing Foresight Shareholder Loyalty Discount.

Retail Client Investors

Direct Offer Costs*	2.5%
Up-front adviser charges*	Variable – can be facilitated
Ongoing adviser charges*	Variable – payable by the investor

Adviser charges must be agreed between an investor and their adviser and paid for by the investor. Up-front adviser charges can be facilitated by the Company up to a maximum of 4.5%. Up-front charges in excess of this and ongoing adviser charges will need to be settled directly by the investor.

* Expressed as a percentage of an investor's subscription.

In December 2012, the rules on payment of commission to financial intermediaries changed to prevent commissions being paid to a financial adviser making a personal recommendation to Retail Client Investors (investors who classify themselves as retail clients under the FCA Rules).

Instead of commission being determined by a product provider, fees for advice must be agreed between the client and his or her financial adviser and paid by the client. A product provider can, however, facilitate the payment.

Up-front Adviser Charges

The Company can facilitate up-front adviser charges (in whole or part), to the extent an investor requests this, from a payment made to the investor, which is taken into account in the Pricing Formula, increasing the Offer price for the investor and thereby reducing the number of Offer Shares the investor receives.

The maximum amount that will be facilitated is an amount equal to 4.5% of the investment (this should not be taken as a recommendation or guide as to the level of appropriate up-front adviser charges). Any adviser charges agreed in excess of this amount will need to be settled by the investor directly to their adviser. The up-front adviser charge will be facilitated from a payment to the investor made from the Company's share premium account (or reserves created therefrom) attributable to Shares issued prior to 1 January 2020.

Ongoing Adviser Charges

Ongoing adviser charges will need to be settled by the investor directly to their adviser.

The Offer continued

Professional Client Investors and Execution-Only Investors

Direct Offer Costs*	2.5%
Initial commission to financial intermediaries*	3.0%
Annual trail commission to financial intermediaries*	0.5% per annum
Annual trail commission is calculated as a percentage of the Base Net Asset Value at the end of each financial year and is subject to a cumulative trail commission cap of 3.0% of the Offer price (and will not be paid in respect of any period commencing after the sixth anniversary of the closing date of the Offer).	

* Expressed as a percentage of an investor's subscription.

Initial Commission to Financial Intermediaries

Initial commission to financial intermediaries will be paid by the Company but borne by the investor through the Pricing Formula, increasing the Offer price for the investor and thereby reducing the number of Offer Shares the investor receives. Initial commission may be waived (in whole or part) by a financial intermediary for the benefit of the financial intermediary's client. This will reduce the amount of initial commission taken into account in the Pricing Formula reducing the Offer price for the investor and thereby increasing the number of Offer Shares the investor receives.

Annual Trail Commission

Annual trail commission will be paid by the Company. The payment of annual trail commission is subject to the intermediary's client continuing to hold their Offer Shares and payment being permitted under legislation and regulations. Annual trail commission can also only be paid to the point that the investor does not receive advice from the intermediary, and the Promoter and/or the Company should be notified accordingly.

Existing Trail Commission Arrangements

In respect of existing trail commission arrangements to financial intermediaries, such payments will continue (to the extent permitted under legislation and regulations), but not if subsequent financial advice in respect of the holding is given. As a result, should a Shareholder who decides to seek financial advice from their existing execution-only financial intermediary in respect of participating in the Offer, any trail commission which is currently being paid to that financial intermediary pursuant to an existing holding in the Company must cease and the Promoter and/or the Company should be notified accordingly.

Direct Investors

Direct Offer Costs*	5.5%
Investment without financial intermediary involvement.	

* Expressed as a percentage of an investor's subscription.

Existing Foresight Shareholder Loyalty Discount

Existing shareholders in any of the Foresight VCTs will receive a loyalty discount of 0.5% (subject to the discretion of the Promoter). The Existing Foresight Shareholder Loyalty Discount will be applied by reducing the Direct Offer Costs in relation to an investor's subscription and is effectively a reduction in the Promoter's fee for the relevant investor.

Pricing Formula

Investors are invited to subscribe for an amount in pounds sterling rather than apply for a particular number of Offer Shares.

The number of Offer Shares to be allotted to a successful Applicant is determined by dividing the investment amount by the Offer price derived from the Pricing Formula below:

$$\text{Offer Price} = \text{NAV} \div X$$

where:

NAV = the most recently published NAV per Share on the day of the allotment, adjusted for dividends declared and for which the record date for payment has passed at the time of allotment; and

$$X = 1 - \text{Total Net Fees}$$

Total Net Fees means, as applicable, the Direct Offer Costs and, as applicable, any financial intermediary initial commission or up-front adviser charge to be facilitated for the relevant investor, expressed as a percentage of the amount subscribed.

The Offer continued

Pricing Formula continued

For example, if, for a retail investor, the variable up-front adviser charge was an amount equal to 2% of the investment amount and the investor was an existing shareholder in one of the Foresight VCTs entitled to the Existing Foresight Shareholder Loyalty Discount (which reduces the Direct Offer Costs to 2% of the investment amount), Total Net Fees would be 0.04 and X would be 0.96.

The Direct Offer Costs and, as applicable, any financial intermediary initial commission or up-front adviser charge are expected to be the only up-front costs and charges an investor will (directly or indirectly) suffer.

Potential investors should note that the NAV per Share may rise or fall during the Offer period.

The number of Offer Shares to be allotted by the Company will be rounded down to the nearest whole number and fractions of Offer Shares will not be allotted.

Results of the Offer

The following will be announced through RIS Announcements:

- following each allotment, the number of Offer Shares issued and the range of Offer prices relating to the allotment; and
- following close and the final allotment under the Offer, the final results of the Offer.

Share Certificates, CREST and Nominees

The Offer Shares will be issued in the Applicant's name in either registered form (i.e. certificated) or uncertificated form (i.e. via CREST). Investors will (where applicable) receive a share certificate in respect of their holding within ten Business Days of allotment.

The Company is registered with CREST, a paperless settlement system. Applicants can request that Offer Shares be issued into a CREST account and/or a nominee by completing the relevant section of the Application Form.

In all cases, no temporary documents of title will be issued.

Use of Proceeds

It is intended that the net proceeds of the Offer will be pooled with the existing cash resources of the Company and utilised as follows:

- to make new and follow-on investments in accordance with the Company's investment policy;
- to fund the payment of dividends and make market purchases of Shares, subject to having unrestricted (for VCT legislation purposes) distributable reserves; and
- to meet annual running costs.

Investor Profile

The profile of a typical investor for whom Shares in the Company are designed is a retail investor, aged 18 or over, who is a UK tax payer and who is looking for exposure to investments in unquoted companies.

Any decision to invest in the Company should be based on consideration of the Prospectus as a whole as well as the latest publicly available financial information on the Company. An investment in the Company is only suitable for investors who are capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which might result from the investment.

Part IV:

The Company

The Board

The Board comprises four directors, all of whom are non-executive and independent of the Manager and considered independent for the purposes of the UK Corporate Governance Code and the Listing Rules.

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

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.

Kavita Patel was appointed as a non-executive director in September 2023. The Board is also engaged in a recruitment process to appoint an additional independent non-executive director to its Board as further succession planning. An additional appointment is expected to be made towards the end of the year.

The Directors



Raymond Abbott
Chair of the Board

Raymond previously served as chair of Foresight 3 VCT plc from 2014 until the merger with the Company. Prior to this he was a non-executive director of the Company.

Raymond has over 30 years' experience in private equity covering fund investment, direct venture investment, growth capital and buy-outs. This includes his time as managing director of Alliance Trust Equity Partners, developing a £300m fund of funds programme for Alliance Trust focused on Western European lower to mid-market buyout funds. Raymond founded Albany Ventures, with a focus on software and healthcare investments, which was acquired by Alliance Trust.

Raymond has gained extensive experience as a non-executive director in public and private companies helping with strategy, finance and governance.



Gaynor Coley
Chair of the Audit Committee

Gaynor is a chartered accountant with over 30 years of experience in private and public sector finance. She is Chair of the Audit Committee and has extensive experience of governance, compliance and risk management.

She is very familiar with the challenges of stakeholder management, business growth and development. She was part of the founding team of the £140 million award-winning Eden Project, leading the funding and setting up of the innovative social enterprise structure. After 13 years as managing director at the Eden Project, she went on to join the Royal Botanic Gardens, Kew as Director of Public Programmes, responsible for rebranding the gardens and growing the commercial income streams. She was Director of Finance at Plymouth University for five years prior to joining the Eden Project, encouraging spin out companies and enterprise initiatives.

The Board continued

The Directors continued



Michael Gray

**Chair of the Nomination and Management Engagement
and Remuneration Committees**

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

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



Kavita Patel

Kavita joined the Board on 1 September 2023. She is a partner and Head of Investment Funds at law firm, Shakespeare Martineau. Kavita has a wealth of experience advising clients in the financial services arena both in the retail and institutional space on corporate, regulatory and governance matters, and is considered a VCT specialist.

Kavita is also a non-executive director of Nottingham Building Society where she sits on the Board Risk Committee, Board Audit Committee and the Remuneration Committee, as well as being the Board Consumer Duty Champion. Kavita is also a member of the AIC VCT Forum and the EIS Association Regulatory Committee.

Management and Administration

The Board sets the Company's policies and objectives and ensures that its obligations to the Shareholders are met. The Board has overall responsibility for the Company's affairs, including approving valuations (prepared by the Manager) and NAVs (calculated by the Manager) which are published quarterly or more often if required.

The Board is responsible to shareholders for the proper management of the Company and meets at least quarterly and on an ad hoc basis as required.

Board Committees

Audit Committee

The Audit Committee comprises all directors, with Gaynor Coley as chair. All committee members are considered to have sufficient recent and relevant financial experience to discharge the role. The committee meets at least twice a year to consider, amongst other things, the following:

- review the valuation of unquoted investments;
- monitor the integrity of the annual and half-yearly reports of the Company and recommend the accounts to the Board for approval;
- review the Company's internal control and risk management systems;
- make recommendations to the Board in relation to the appointment of the external auditor;
- review and monitor the external auditor's independence; and
- implement and review the Company's policy on the engagement of the external auditor to supply non-audit services.

Nomination Committee

The Nomination Committee comprises all directors, with Michael Gray as chair, and meets at least annually to consider the composition and balance of skills, knowledge and experience of the Board and to make nominations to the Board in the event of a vacancy. The Board has decided that the entire Board of Directors due to its size should fulfil the role of the Nomination Committee.

The Board believes that, as a whole, it has an appropriate balance of skills, experience and knowledge. The Board also believes that diversity of experience and approach, including gender diversity, amongst Board members is important and it is the Company's policy to give careful consideration to issues of Board balance and diversity when making new appointments.

The Board currently comprises two male Directors and two female Directors. There is no formal diversity policy in place however the Board is conscious of the need for diversity and will consider both male and female candidates from all ethnic backgrounds when making new appointments. The Nomination Committee makes recommendations to the Board on the Company's succession plans and also considers the resolutions for the re-election of Directors.

Management Engagement & Remuneration Committee

The Management Engagement & Remuneration Committee comprises all directors, with Michael Gray as chair, and meets at least annually to consider the levels of remuneration of the Directors. The Management Engagement & Remuneration Committee also reviews the appointment and terms of engagement of the Manager. The Board has decided that the entire Board of Directors due to its size should fulfil the role of the Management Engagement & Remuneration Committee.

Management and Administration continued

Board Evaluation

The Board undertakes a formal annual evaluation of its own performance and that of its committees, as recommended by the AIC Code. Initially, the evaluation takes the form of a questionnaire for the Chair and individual Directors. The Chair then discusses the results with the Board (and its committees) and following completion of this stage of the evaluation, the Chair will take appropriate action to address any issues arising from the process. The Board intends for an external evaluation of its own performance and that of its committees to take place in 2024, which was pushed back by one year to allow for the Board to be refreshed.

Corporate Governance

Internal Controls

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

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

The Board, therefore, has decided that it is not necessary to have its own internal audit function. It has decided that the systems and procedures employed by the Manager, the Audit Committee and other third party advisers provide sufficient assurance that a sound system of internal control, which safeguards Shareholders' investments and the Company's assets, is maintained. In addition, the Company's financial statements are audited by external auditors.

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

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

The Board is provided with reports highlighting all changes to the risk ratings and confirming the action that has been, or is being, taken. This process covers consideration of the key business, operational, compliance and financial risks facing the Company and includes consideration of the risks associated with the Company's arrangements with the Manager, Shakespeare Martineau LLP and other service providers.

The Board, through the Audit Committee, performs a review of the effectiveness of the system of internal control, together with a review of the operational and compliance controls and risk management, as it operated during the year and reports its conclusions to the Board. While the Manager supports the aims and objectives of the Stewardship Code, it is not currently a signatory to the code which is more applicable to listed securities.

UK Corporate Governance Code

The FCA requires all listed companies to disclose how they have applied the principles and complied with the provisions of the UK Corporate Governance Code (the UK Code) issued by the Financial Reporting Council.

As a VCT, the Company's day-to-day responsibilities are delegated to third parties and the Directors are all non-executive. The Board considers that reporting against the principles and provisions of the 2019 AIC Code of Corporate Governance (AIC Code), which has been endorsed by the Financial Reporting Council, provides more relevant information to Shareholders. The AIC Code addresses the principles and provisions set out in the UK Code, as well as setting out additional provisions on issues that are of specific relevance to the Company.

Management and Administration continued

Corporate Governance continued

UK Corporate Governance Code continued

Unless noted as an exception below, the requirements of the AIC Code and the UK Code were complied with throughout the financial period ended 31 December 2022.

- In light of the responsibilities retained by the Board and its committees and of the responsibilities delegated to the Manager, Shakespeare Martineau LLP and other service providers, the Company has not appointed a chief executive officer, deputy chair or a senior independent non-executive director as recommended by the UK Code. The provisions of the UK Code which relate to the division of responsibilities between a chair and a chief executive officer are, accordingly, not applicable to the Company.
- As the Board has delegated the financial administration to the Manager and procures additional services from other third party providers, the Board has decided that it is not necessary to have its own internal audit function.

Investment Management and Administration

The Company has appointed the Manager to provide investment management services. The Board has delegated investment decisions to the Manager (save for where conflicts of interest and/or regulatory requirements require the Board to make investment decisions) pursuant to the investment management arrangements.

The Company has also appointed the Manager to provide administration services which include company secretarial, bookkeeping and accounting and safe-custody of documents of title services required in connection with the business and the operation of the Company.

The Company has and will continue to have custody of its own assets:

- monetary assets will be held in bank accounts and/or money market accounts in the Company's own name; and
- investments (both unquoted and, if applicable, quoted) and the corresponding share certificates will also be held in the Company's own name.

The Manager, Foresight Group LLP, is a subsidiary undertaking of Foresight Group Holdings Limited and is registered in England and Wales. The Manager is authorised and regulated by the FCA (registration number 198020) to provide investment advisory and management services, arrange deals in investments and to make arrangements with a view to transactions in investments. The business of the Manager, primarily being the provision of investment management and advisory services, was originally carried out by VCF Partners, formed in 1984, before being novated to the Manager. Its principal place of operation is The Shard, 32 London Bridge Street, London SE1 9SG (tel: 020 3667 8100 and website: <https://www.foresightgroup.eu>).

Further details on the Manager are set out in Part II of this document.

VCT Status Monitoring

Shakespeare Martineau LLP provides legal advice and assistance in relation to the maintenance of VCT tax status of the Company, including reviews of the investment portfolio of the Company to ensure continuing compliance. Reviews of prospective investments are carried out by advisers assisting on the relevant investment transaction.

Investor Communications

The Board places a great deal of importance on communicating with its Shareholders and supports open communication with Shareholders. In addition to the announcement and publication of the annual report and the half-yearly financial report, the Manager also publishes fact sheets for the March and September quarters which can be accessed via the Company's website: www.foresightenterprisevct.com.

Year End	31 December
Announcement and publication of annual report	April
Announcement and publication of half-yearly results	September

* These websites do not form part of the Prospectus unless that information is incorporated by reference.

Objectives and Policies

Investment Objective

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

Investment Policy

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

Investment Securities

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

UK Companies

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

Asset Mix

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

Risk Diversification and Maximum Exposures

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

Investment Style

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

Borrowing Powers

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

Co-investment Policy

The Company may invest alongside other funds managed or advised by The Foresight Group. Where more than one fund is able to participate in an investment opportunity, allocations will generally be made in proportion to the net cash raised for each such fund, other than where (i) a fund has a pre-existing investment where the incumbent fund will have priority, (ii) priority agreed in relation to a particular fund, (iii) the availability of monies to make the investment and (iv) other portfolio considerations, such as the portfolio diversity and the need to maintain VCT status, all of which is set out in The Foresight Group private equity allocation policy as agreed with the Board from time to time. This may mean that the Company may receive a greater or lesser allocation than would otherwise be the case under the normal allocation policy.

Where the Company invests in companies in which other funds managed or advised by The Foresight Group have invested or are investing, conflicts of interest may arise and the Board will exercise its judgement in managing such conflicts. In such circumstances, the Manager will apply The Foresight Group's conflicts policy in order to reconcile the conflict in the first instance and thereafter, if required, the Board will exercise its independent judgement, so far as it is able, to protect the interests of the Company. It may not, in such circumstances, be possible to fully protect the interests of the Company.

Objectives and Policies continued

Dividend Policy

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

Investors should note that the Company only pays dividends by way of bank transfer direct to investors' accounts.

Share Buyback Policy

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

Share buybacks will be subject to having appropriate authorities from Shareholders, the Listing Rules and any applicable law at the relevant time. Shares may be bought back into treasury or cancelled at the Board's discretion.

Dividend Reinvestment Scheme

The Company operates, through Computershare Investor Services PLC, a dividend reinvestment scheme whereby Shareholders can elect to have their dividends reinvested in further Shares. Under the scheme, dividends are reinvested at the last published NAV per Share prior to allotment (adjusted for dividends). The terms of the scheme can be accessed via the Company's website: www.foresightenterprisevct.com.

Investors under the Offer can elect to participate in the

dividend reinvestment scheme by completing the relevant section in the Application Form.

Valuation Policy

Investments held by the Company have been valued in accordance with the International Private Equity and Venture Capital Valuation (IPEV) guidelines (December 2022 and further COVID-19 guidance for March 2020) developed by the British Venture Capital Association and other organisations. Through these guidelines, investments are valued as defined at 'fair value'. Where the investment being valued was made recently, its cost would normally provide a good starting point for estimating fair value. At each measurement date, fair value is estimated using appropriate valuation techniques. Investments quoted or traded on a market are valued at bid price.

The portfolio valuations are prepared by the Manager, reviewed and approved by the Board quarterly and are subject to annual review by the auditors. The Company's net asset value will be calculated quarterly and published by way of a RIS Announcement.

In the event of any suspension of listing, valuations will be held at the suspended price and the view is taken with consideration to best market practice and information from advisers. The Directors do not anticipate any circumstances arising under which the calculation of the net asset value may be suspended. Should the determination of the net asset value differ from that set out above then this will be communicated to investors in the Company through a RIS Announcement.

Conflicts

The Manager's fees are based on a percentage of net assets and, therefore, there is a conflict in the valuations it proposes in relation to investments. This conflict is managed by the valuation of investments being reviewed each quarter and approved by the Board, and reviewed annually by external auditors.

The Manager (and the wider Foresight Group) may also receive arrangement, transaction, exit and directors' fees in connection with investments made by the Company subject to certain limits or otherwise as approved by the Board.

The Manager and the wider Foresight Group currently manage 46 funds/sub-funds, which they are managing under delegation. Where the Company invests in companies in which other funds managed or advised by the Manager and The Foresight Group have invested or are investing, conflicts of interest may arise and the Board will exercise its judgement in managing such conflicts. In such circumstances, the Manager will apply The Foresight Group conflicts policy in order to reconcile the conflict in the first instance and thereafter, if required, the Board will exercise its independent judgement, so far as it is able, to protect the interests of the Company. It may not, in such circumstances, be possible to fully protect the interests of the Company.

Travel and other expenses that are recoverable from the Company may be considered benefits to the Directors. Where applicable, any associated tax liability will be settled by the Company.

Save as set out above, there are no material potential conflicts of interest which any of the Directors, the Manager, The Foresight Group or any other of the service providers to the Company may have as between their duty to the Company and the duties owed to third parties and/or their other interests.

Annual Expenses

Investment Management and Administration Fees

The Manager receives an annual investment management fee of an amount equal to 2% of the net assets of the Company. Management fees are calculated and paid quarterly in advance. Supplemental management fees are paid in relation to funds raised during the quarter.

The Manager also receives an annual administration fee. The fee for the 12 month period to 31 March 2024 is £201,722, with such amount thereafter annually uplifted on 1 April in each year for RPI (on a compounding basis). The administration fee is calculated and paid quarterly in advance subject to VAT.

The Manager is responsible for any fees payable to any of its delegates, associates or service providers.

Annual Expenses Cap

The normal annual running costs of the Company (these being the normal expenses incurred in its ordinary course of business) are capped at an amount equal to 2.35% of the net assets of the Company as at the end of each financial year with any excess being borne by the Manager. The annual expenses for the financial year 31 December 2022 were an amount equal to approximately 2.30% of the net assets. The annual expenses cap is expected to be in operation for the year ended 31 December 2023.

Normal annual running costs include annual investment management and administration fees, directors' remuneration, normal fees payable to the Company's registrars, stockbroker, auditors, solicitors and VCT status advisers and irrecoverable VAT. It does not include performance incentive fees, trail commission or exceptional items.

Performance Incentive Arrangements

The Manager is entitled to a performance incentive arrangement of an amount equal to 15% of dividends paid to Shareholders, subject to the NAV per Share plus cumulative dividends (paid on or after 11 January 2011) exceeding 100p per Share (High Watermark) both immediately before and immediately after the fee is paid.

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

As a result of previous performance incentive fee payments made (including a performance incentive fee of £734,233 which is currently due and payable), the current High Watermark is 110.3p. The total return as at 30 June 2023 on the above basis (i.e. net asset value plus cumulative dividends paid per Share paid on or after 11 January 2011) is 111.0p.

Financial Information

2022 Annual Report

The Company has produced statutory accounts for the financial year ended 31 December 2022 (2022 Annual Report) and an unaudited half-yearly report for the six month period ended 30 June 2023 (2023 Half-Yearly Report).

The 2022 Annual Report was audited by Deloitte LLP, 20 Castle Terrace, Edinburgh EH1 2DB and was reported on without qualification and contained no statements under section 495 to section 497A of CA 2006. Deloitte LLP is registered to carry on audit work by the Institute of Chartered Accountants in England and Wales.

The 2022 Annual Report and the 2023 Half-Yearly Report were prepared in accordance with UK generally accepted accounting practice (GAAP), the requirements of CA 2006 and the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' and contain a description of the Company's financial condition, changes in financial condition and results of operation and is being incorporated by reference and can be accessed via the Company's website: www.foresightenterprisevct.com.

Where these documents make reference to other documents, such other documents are not incorporated into and do not form part of this Prospectus. The two tables below comprise a cross-referenced list of information incorporated by reference. The parts of these documents which are not being incorporated by reference are either not relevant for an investor or are covered elsewhere in the Prospectus.

Description	2022 Annual Report	2023 Half-Yearly Report
Balance Sheet	Page 78	Page 33
Income Statement (or equivalent)	Page 76	Page 31
Statement showing all changes in equity (or equivalent note)	Page 77	Page 32
Cash Flow Statement	Page 79	Page 34
Accounting Policies and Notes	Pages 80 to 95	Pages 35 to 36
Auditor's Report	Pages 70 to 75	N/A

This information has been prepared in a form consistent with that which will be adopted in the Company's next published annual financial statements having regard to accounting standards and policies and legislation applicable to those financial statements.

Such information also includes operating/financial reviews as follows:

Description	2022 Annual Report	2023 Half-Yearly Report
Objectives	Pages 10 to 13	Page 5
Financial Highlights	Pages 2 and 3	Pages 2 and 3
Chair's Statement	Pages 4 to 6	Pages 4 to 7
Manager's Report	Pages 14 to 21	Pages 9 to 15
Portfolio Summary	Pages 32 to 35	Pages 23 to 25
Investment Policy	Page 12	N/A
Valuation Policy	Page 54	N/A

Financial Information continued

2022 Annual Report continued

Certain financial information of the Company is also set out below:

	Six month period ended 30 June 2022 (unaudited) (£'000 unless otherwise stated)	Year ended 31 December 2022 (audited) (£'000 unless otherwise stated)	Six month period ended 30 June 2023 (unaudited) (£'000 unless otherwise stated)
Investment Income	£264	£871	£1,048
Total income before operating expenses	£5,389	£9,899	£6,409
Profit on ordinary activities before taxation	£3,753	£6,222	£4,046
Performance fee (accrued/paid)	£nil	£280	£734
Investment management fee (accrued/paid)	£1,327	£2,724	£1,492
Any other material fees (accrued/paid) to service providers	£164	£313	£225
Earnings per Share	1.9p	3.1p	1.8p
Dividends paid per Share (in the period)	3.5p	7.3p	3.3p
Total assets	£134,931	£138,932	£149,685
Net assets	£134,757	£138,450	£148,154
NAV per Share	67.5p	64.9p	63.4p

Most recently published NAV per Share

As at 30 June 2023, the date to which the most recent unaudited net asset value per Share has been published, the NAV per Share was 63.4p. The unaudited net assets of the Company as at that date were £148.2 million.

Financial Information continued

Recent investments

The following investments have been made by the Company since 30 June 2023:

- an investment of £1.8 million was made in Loopr Ltd in September 2023;
- a follow-on investment of £0.3 million was made in Weduc Holdings Limited in September 2023;
- a follow-on investment of £0.01 million was made in Vio Healthtech Limited in September 2023; and
- a follow-on investment of £1.0 million was made in Northwest EHealth Limited in October 2023.

Save as set out above, there have been no material investments made by the Company since 30 June 2023. In the ordinary course, there are a number of potential investments which are in progress, but no firm commitments have been made in respect of these.

Capitalisation and Indebtedness

The capitalisation of the Company as at 31 August 2023 (extracted without material adjustment from the Company's unaudited internal records), is set out below.

Shareholders' Equity	£'000
Called-up share capital	£2,337
Share premium account	£83,327
Other reserves	£62,490
Total	£148,154

There has been no material change to the capitalisation of the Company between 30 June 2023, the date to which the 2023 Half-Yearly Report was made up to, and 12 October 2023, the latest practicable date before the date of publication of this document.

As at 12 October 2023 (the latest practicable date prior to the publication of this document), the Company had no indebtedness, whether guaranteed, unguaranteed, secured, unsecured, direct, indirect and/or contingent and there is no current intention of incurring any such indebtedness for at least the 12 month period from the date of this document.

Working Capital Statement

The Company is of the opinion that the working capital available to the Company is sufficient for its present requirements; that is for at least the twelve month period from the date of this document.

When calculating the working capital available to the Company, the Company has assessed whether it is able to access cash and other available liquid resources in order to meet its liabilities as they fall due. The Company has not taken into account the proceeds of the Offer in calculating the working capital available to it. When calculating its present requirements, the Company has taken into account the terms of its investment strategy and investment policy.

Significant Change Statement

There has been no significant change in the financial position of the Company since 30 June 2023, the date to which the 2023 Half-Yearly Report was made up to.

Part V:

Other Information

Other Information

1 Constitution and Status

- 1.1 The legal and commercial name of the Company is Foresight Enterprise VCT plc (previously Foresight 4 VCT plc).
- 1.2 The Company was incorporated and registered in England and Wales under CA 1985 as a public company with limited liability on 3 February 1998 with registered number 03506579 and the name Advent 2 VCT plc. The Company changed its name to Foresight 4 VCT plc on 4 August 2004. The Company changed its name to Foresight Enterprise VCT plc on 8 July 2021. The Company was issued with a trading certificate under section 117 of CA 1985 (now section 761 of CA 2006) on 5 February 1998.
- 1.3 The principal legislation under which the Company operates, and under which the Shares are created, is CA 2006 (and regulations made thereunder). The Company's registered office and principal place of business is at The Shard, 32 London Bridge Street, London SE1 9SG. The Company is domiciled in England. The Company does not have, nor has it had since incorporation, any subsidiaries, or employees.
- 1.4 The Company revoked its status as an investment company under section 266 of the CA 1985 (now section 833 of CA 2006) on 25 October 2000 for the purposes of paying a capital dividend and does not intend to re-apply for such status.
- 1.5 The memorandum of association, which, by virtue of section 28 of CA 2006, is now treated as being part of the Articles, provides that the Company's principal object and purpose is to carry on the business of a VCT. The objects of the Company are set out in full in clause 4 of the memorandum of association.
- 1.6 HMRC has granted approval of the Company as a VCT under section 259 of ITA 2007. The business of the Company has been, and it is intended will be, carried on so as to continue to comply with that section to maintain full VCT approval.
- 1.7 In order for the future of the Company to be considered by the members, the Directors shall at the annual general meeting falling after the fifth anniversary of the last allotment (from time to time) of shares in the Company, and thereafter at five yearly intervals, invite the members to consider and debate the future of the Company (including, without limitation, whether the Company should be wound up, sold or unitised) and as soon as practicable following that meeting shall convene a general meeting to propose such resolution as the members attending the annual general meeting may by ordinary resolution require.

- 1.8 The Company's shares are admitted to the Official List of the FCA and to trading on the main market of the London Stock Exchange and have an International Securities Identification Number of GB00B07YBS95. The Company's Legal Entity Identity number is 213800MWJNR3WZZ3ZP42.
- 1.9 The Company is not regulated by the FCA or an equivalent European Economic Area regulator but it is an alternative investment fund for the purposes of the Alternative Investment Fund Managers Directive (2011/61/EU). The Company is its own alternative investment fund manager for the purposes of that Directive. The Company was registered with the FCA as a small internally managed alternative investment fund on 6 August 2014. In addition, as a premium listed entity on the main market of the London Stock Exchange, the Company is subject to the rules and regulations issued by the FCA from time to time and is also subject to regulation by HMRC under the VCT rules in order to qualify as a VCT. The Company is not otherwise regulated.
- 1.10 The Company and its Shareholders are subject to the provisions of the City Code on Takeovers and Mergers and CA 2006 which require shares to be acquired/transferred in certain circumstances.

2 Share Capital

- 2.1 As at 31 December 2021, the issued share capital of the Company was 192,806,963 Shares (all fully paid-up). No shares in the Company were held in treasury.
- 2.2 The issued share capital history of the Company since 31 December 2021 is as follows:
 - (i) During the financial year ended 31 December 2022, the Company issued 22,897,240 Shares and bought back 2,387,781 Shares. As at 31 December 2022, the issued share capital of the Company comprised 213,316,422 Shares, none of which were held in treasury.
 - (ii) During the current year to 12 October 2023 (being the latest practicable date prior to the publication of this document) the Company issued 23,679,974 Shares and bought back 3,304,720 Shares.
- 2.3 At the date of this document, the Company has 233,691,676 Shares in issue (all fully paid up). No Shares are held in treasury.

Other Information continued

2 Share Capital continued

2.4 The following resolutions were passed at the annual general meeting of the Company held on 8 June 2023:

- (i) That, in substitution for all existing authorities, the Directors were generally and unconditionally authorised in accordance with section 551 of CA 2006 to exercise all the powers of the Company to allot Shares and to grant rights to subscribe for, or to convert any security into, Shares (Rights), up to an aggregate nominal amount of £1,150,000, provided that this authority shall expire (unless renewed, varied or revoked by the Company in a general meeting) on the fifth anniversary of the date of the passing of this resolution, save that the Company shall be entitled to make offers or agreements before the expiry of such authority which would or might require Shares to be allotted or Rights to be granted after such expiry and the Directors shall be entitled to allot Shares and grant Rights pursuant to any such offers or agreements as if this authority had not expired.
- (ii) That, in substitution for all existing authorities, the directors were empowered pursuant to section 570 and section 573 of CA 2006 to allot equity securities (within the meaning of section 560 of CA 2006) for cash either pursuant to the authority conferred by the resolution referred to above or by way of a sale of treasury shares as if section 561(1) of CA 2006 did not apply to any such allotment, provided that this power shall be limited to:
 - (a) the allotment of equity securities with an aggregate nominal amount of up to but not exceeding £550,000 pursuant to offer(s) for subscription;
 - (b) the allotment of equity securities with an aggregate nominal amount of up to but not exceeding an amount equal to 10% of the issued share capital from time to time pursuant to the dividend reinvestment scheme operated by the Company at a subscription price per Share which may be less than the net asset value per Share, as may be prescribed by the scheme terms;
 - (c) the allotment of equity securities with an aggregate nominal amount of up to but not exceeding £100,000 by way of an issue of Shares (which may be at a subscription price per Share which is less than the net asset value per Share) pursuant to performance incentive arrangements with the Manager and relevant individuals of the Manager's investment team; and

- (d) the allotment (otherwise than pursuant to sub-paragraphs (a) to (c) of this resolution) to any person or persons of equity securities with an aggregate nominal amount of up to but not exceeding an amount equal to 10% of the issued share capital from time to time,

in each case where the proceeds may be used in whole or part to purchase shares in the capital of the Company, and shall expire (unless renewed, varied or revoked by the Company in a general meeting) on the conclusion of the annual general meeting of the Company to be held in the year 2024, or, if earlier, on the date falling 15 months after the passing of this resolution save that the Company shall be entitled to make offers or agreements before the expiry of such authority which would or might require equity securities to be allotted after such expiry and the directors shall be entitled to allot equity securities pursuant to any such offers or agreements as if the authority conferred hereby had not expired.

- (iii) That, in substitution for all existing authorities, the Company was empowered to make market purchases (within the meaning of section 693(4) of CA 2006) of its own shares provided that:
 - (a) the aggregate number of Shares to be purchased shall not exceed 35,280,252 or, if lower, such number of Shares (rounded down to the nearest whole Share) as shall equal 14.99% of the Company's Shares in issue at the date of passing this resolution;
 - (b) the minimum price which may be paid for a Share is 1p (the nominal value thereof);
 - (c) the maximum price which may be paid for a Share is the higher of (1) an amount equal to 105% of the average of the middle market quotation for a Share taken from the London Stock Exchange daily official list for the five business days immediately preceding the day on which the Shares are purchased, and (2) the amount stipulated by Article 5(6) of the Market Abuse Regulation (EU) 596/2014 (as such regulation forms part of UK law and as amended);
 - (d) the authority conferred by this resolution shall expire (unless renewed, varied or revoked by the Company in a general meeting) on the conclusion of the annual general meeting of the Company to be held in the year 2024 or, if earlier, on the date falling 15 months after the passing of this resolution; and

Other Information continued

2 Share Capital continued

- (e) the Company may make a contract to purchase Shares under the authority conferred by this resolution prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Shares pursuant to such contract.
- 2.5 There are no other shares or loan capital in the Company in issue or under option or agreed conditionally or unconditionally to be put under option nor does the Company hold shares in treasury.
- 2.6 Following the issue of Offer Shares pursuant to the Offer (assuming the maximum 70 million Offer Shares are allotted pursuant to the Offer, including in connection with, if utilised, the over-allotment facility) the issued share capital of the Company is expected to be as follows:

Shares	Issued	
	Number	£ (nominal)
	303,691,676	3,036,917

- 2.7 The issue premium on an Offer Share will be the difference between the issue price of that share and the nominal value thereof of 1p.
- 2.8 The Company will be subject to the continuing obligations of the Listing Rules with regard to the issue of securities for cash and the provisions of section 561 of CA 2006 (which, confers on shareholders rights of pre-emption in respect of the allotment of equity securities which are or are to be paid in cash) will apply to the balance of the share capital of the Company which is not subject to the disapplication referred to in paragraph 2.4.
- 2.9 As at 12 October 2023 (this being the latest practicable date prior to publication of this document), the Company is not aware of any person who, immediately following the issue of the Offer Shares, directly or indirectly, has or will have an interest in the capital of the Company or voting rights which is notifiable under UK law (under which, pursuant to CA 2006, the Listing Rules and the Disclosure Guidance & Transparency Rules, a holding of 3% or more must be notified to the Company).

3 Dilution

- 3.1 If the full 70 million Offer Shares available are allotted pursuant to the Offer, the interests of the existing Shareholders who hold 233,691,676 Shares would represent 77.0% of the enlarged issued share capital, assuming no participation in the Offer by existing Shareholders.
- 3.2 Annual trail commission payments are capped at a cumulative 3% of the relevant Offer Price, and this only applies to Applications through certain intermediaries. As a result, the dilution from annual trail commission across the Company's total funds is considered to be small.
- 3.3 The costs of the Offer will be borne by investors through the Pricing Formula and/or the Promoter as set out on page 53 of this document.

4 Directors' Interests

- 4.1 As at 12 October 2023 (this being the latest practicable date prior to publication of this document), the interests of the Directors' (and their immediate families) in the issued share capital of the Company were as follows:

	Shares	% of Issued Share Capital
Raymond Abbott*	60,818	0.03
Gaynor Coley	—	—
Michael Gray	28,448	0.01
Kavita Patel**	12,639	0.01

* including 10,744 Shares held by a connected person

** including 8,239 Shares held by a connected person

- 4.2 Save as set out above, no Director, family member or any person connected with any Director (within the meaning of section 252 of CA 2006) has an interest in the capital of the Company which is or would, immediately following the Offer, be required to be notified pursuant to section 809 of CA 2006 or which is or would be required to be entered in the register maintained under section 809 of CA 2006.

Other Information continued

4 Directors' Interests continued

4.3 None of the Directors have a service contract, nor are any such contracts proposed. Raymond Abbott was appointed as a Director and Chair on 22 June 2017. Gaynor Coley was appointed as a Director on 10 September 2020. Michael Gray was appointed as a director on 14 February 2017. Kavita Patel was appointed as a director on 1 September 2023. The appointments may be terminated on written notice and all Directors are subject to retirement annually. Their appointment does not confer any right to hold office for any period or any right to compensation if they cease to be Directors. The office of non-executive director is also not pensionable.

The annual remuneration (effective from 1 July 2023) receivable by Raymond Abbott as a Director and Chair of the Board is £35,450, by Gaynor Coley as a Director and chair of the Audit Committee is £32,100, by Michael Gray as a Director and chair of the Nomination and Management Engagement and Remuneration Committees is £27,550 and by Kavita Patel as a Director is £26,300 (in each case plus employer's National Insurance Contributions).

Travel and other expenses incurred are recoverable from the Company and may be considered benefits to the Directors. Where applicable, any associated tax liability will be settled by the Company.

For the year ended 31 December 2022, the total remuneration received by the Directors was £116,150 (Raymond Abbott: £33,925; Gaynor Coley: £30,675; Michael Gray: £26,400 and Simon Jamieson (who resigned as a Director on 8 June 2023): £25,150), plus employers National Insurance Contributions. Aggregate Directors' emoluments for the current year to 31 December 2023 are expected to be £113,772 (plus employers National Insurance Contributions).

- 4.4 Save as set out in paragraph 4.3, there are no potential conflicts of interest of any Directors between their duties carried out on behalf of the Company and their private interests and/or other duties. Kavita Patel is a partner at Shakespeare Martineau which provides legal and VCT status advice to the Company. Although Kavita was responsible for the services provided by Shakespeare Martineau to the Company, she ceased this role prior to being appointed and is no longer providing advice to the Company in this capacity. As a result, the Board does not consider her to have any conflicts of interest and regards her to be an independent director.
- 4.5 No Director is or has been interested in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company and which was effected by the Company in the current or immediately preceding financial year or which were effected during an earlier financial year or financial period and which remains in any respect outstanding or unperformed.
- 4.6 No loan or guarantee has been granted or provided by the Company to or for the benefit of any of the Directors.
- 4.7 The Company has taken out directors' and officers' liability insurance for the benefit of its directors, which is renewable on an annual basis.

Other Information continued

4 Directors' Interests continued

4.8 The Directors are currently or have been within the last five years, a member of the administrative, management or supervisory bodies or partners of the companies and partnerships mentioned below:

	Current	Past 5 Years
Raymond Abbott	<ul style="list-style-type: none"> Bensons Estate Agents Limited Castlebrae Sales and Letting Limited Foresight Enterprise VCT plc Integrated Environmental Solutions Limited NAAM Holdings Limited Premier Family Investments Limited Premier Portuguese Property Limited Premier Property Holdings and Letting Limited Premier Property Maintenance Ltd Taylor William Estate Agents Ltd. 	<ul style="list-style-type: none"> Foresight 3 VCT plc (dissolved) SBS Mortgages Limited Schroders Capital Global Innovation Trust plc Scottish Building Society
Gaynor Coley	<ul style="list-style-type: none"> Asia Dragon Trust plc Coley Hill Consultancy Coley Hill Developments Ltd Foresight Enterprise VCT plc How 2 (Cornwall) Limited Lowland Investment Company plc Secured Income Fund plc The Road to Happiness Limited 	<ul style="list-style-type: none"> The Wave Group Limited

Other Information continued

4 Directors' Interests continued

	Current	Past 5 Years
Michael Gray	<p>EPE Special Opportunities Limited</p> <p>Foresight Enterprise VCT plc</p> <p>GCP Infrastructure Investments Limited</p> <p>Jersey AVS Corporate Services Limited</p> <p>Jersey Finance Limited</p> <p>JST Company Limited</p> <p>JTC plc</p> <p>J-Star Jersey Company Limited</p> <p>MMG Consulting Limited</p> <p>MMG Investments Limited</p> <p>Reto Finance Limited</p> <p>Triton Investment Management Limited</p> <p>TEAM plc</p>	<p>Abrdn Latin American Income Fund Limited (in liquidation)</p> <p>TFF III Limited</p> <p>TFF IV Limited</p> <p>TFF Limited</p> <p>Triton Debt Opportunities Managers Ltd</p> <p>Triton Investments Management S.à.R.L.</p> <p>Triton Managers II Limited</p> <p>Triton Managers III Limited</p> <p>Triton Managers IV Limited</p> <p>Triton Managers Limited</p> <p>Triton Value Managers Limited</p> <p>Triton Value Fund Limited</p>
Kavita Patel	<p>AMPA Holdings LLP</p> <p>Foresight Enterprise VCT plc</p> <p>Meaujo Incorporations Limited</p> <p>Nottingham Building Society</p> <p>Philsec Limited</p> <p>Shakespeare Martineau LLP</p> <p>Sprecher Grier Halberstam LLP</p>	

Other Information continued

4 Directors' Interests continued

4.9 No Director has any convictions in relation to fraudulent offences during the previous five years.

4.10 Save as disclosed in this paragraph, in the five years prior to the publication of this document, there were no bankruptcies, receiverships, liquidations or administrations, of any companies or partnership where any of the Directors were acting as (i) a member of the administrative, management or supervisory body, (ii) a partner with unlimited liability, in the case of a limited partnership with a share capital, (iii) a founder where the company had been established for fewer than five years nor (iv) a senior manager, during the previous five years:

- (i) Raymond Abbott was a director of Foresight 3 VCT plc which was placed into voluntary members' liquidation in June 2017 pursuant to a merger with the Company under section 110 of the Insolvency Act 1986 and was later dissolved on 30 November 2018.
- (ii) Michael Gray was a director of Abridn Latin American Income Fund Limited which was put into liquidation following the shareholders passing resolutions to wind up the company at an extraordinary general meeting of the company held on 12 June 2023. Liquidators have been appointed and it was announced on 10 July 2023 that an initial liquidation distribution to all of the shareholders was to be made on 21 July 2023.

4.11 There has been no official public incrimination and/or sanction of any Director by statutory or regulatory authorities (including designated professional bodies) and no Director has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company during the previous five years or convicted of a fraudulent offence during the previous five years.

5 Material contracts

Set out below is a summary of all contracts (not being contracts entered into in the ordinary course of business) entered into by the Company in the last two years that are material and all other contracts (not being contracts entered into in the ordinary course of business) that contain any provision under which the Company has an obligation or entitlement which is material to the Company as at the date of the document.

- 5.1 An investment management agreement dated 30 July 2004 between the Company (1), the Manager (2) and Foresight Fund Managers Limited (3) (as amended and supplemented from time to time by those parties), and as (i) novated to Foresight Group CI Limited and amended on 19 December 2011 by way of a novation and amendment deed (with the agreement being terminated in respect of Foresight Fund Managers Limited) and (ii) novated back to the Manager and amended on 27 January 2020 by way of a further novation and amendment deed (including Foresight Group Holdings Limited being added as a party to the agreement), pursuant to which the Manager provides investment management and administration (including secretarial and accounting) services to the Company.

Other Information continued

5 Material contracts continued

The appointment may be terminated by not less than one year's notice in writing by either party. The appointment may also be terminated in circumstances of material breach by the Company or the Manager (or its delegates, subcontractors and service providers) or by the Company if the Manager is no longer authorised by the FCA to provide such services. The Company may appoint other parties in substitution of the Manager as investment adviser or manager in respect of the whole or part of the Company's investment portfolio if it believes that this is necessary to preserve the status of the Company as a VCT. The Manager may delegate, subcontract, procure services from other parties subject to prior approval from the Board (the Manager, however, remains responsible to the Company for all such services).

The Board has permitted the Manager to procure investment management advisory services from Foresight CI in connection with delivering its investment management services to the Company. Foresight CI (the parent undertaking of the Manager) and Foresight Group Holdings Limited (the parent company of Foresight CI) have also provided a guarantee under the agreement in respect of the obligations of the Manager.

The Manager receives an annual management fee of an amount equal to 2.0% of the net assets of the Company, calculated and payable quarterly in advance, together with any applicable VAT thereon in respect of investment management services. Supplemental management fees are paid in relation to funds raised during the quarter. The Manager also receives an annual administration fee. The fee for the 12 month period to 31 March 2024 is £201,722, with such amount thereafter annually uplifted on 1 April in each year for RPI (on a compounding basis). The administration fee is calculated and payable quarterly in advance and subject to VAT.

The normal annual expenses of the Company are capped at an amount equal to 2.35% of the Company's net assets. Any excess over this amount will be borne by the Manager. Normal annual expenses include the annual expenses of the Company incurred in its ordinary course of business, the annual investment management and administration fees, directors' remuneration, normal fees payable to the Company's registrars, stockbroker, auditors, solicitors and VCT status advisers and irrecoverable VAT. It does not include performance incentive fees, trail commission or exceptional items.

The agreement contains provisions indemnifying the Manager against any liability not due to its default, negligence, fraud or breach of financial services regulatory requirements.

The Manager (and its group companies) may retain any arrangement, transaction, exit and directors' fees which it receives in connection with an investment made by the Company subject to certain limits or otherwise as approved by the Board.

- 5.2 A carried interest agreement dated 11 January 2011 between the Company (1) and the Manager (2) pursuant to which the Manager is entitled to a performance incentive fee equal in value to 15% of dividends paid to Shareholders, subject to the net asset value plus cumulative dividends paid per Share (paid on or after 11 January 2011) exceeding 100.0p per Share (**High Watermark**), both immediately before and immediately after the performance related incentive fee is paid.

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

As a result of performance incentive fee payments made (including a performance incentive fee of £734,233 which is currently due and payable), the current High Watermark is 110.3p. The total return as at 30 September 2023 on the above basis (i.e. net asset value plus cumulative dividends paid per Share paid on or after 11 January 2011) is 111.0p.

The fee can be paid in cash or through triggering a conditional right to subscribe for Shares.

- 5.3 Letters of appointment with each of the Directors, the terms of which are summarised in paragraph 4.3 above.
- 5.4 A letter of engagement dated 21 August 2023 between BDO LLP (1) and the Company (2) pursuant to which BDO LLP has been appointed as sponsor to the Company for the purposes of the Offer. The letter contains warranties and representations given by the Company to BDO LLP in connection with the Prospectus. The engagement may be terminated if any statement in the Prospectus is untrue or any material omission from the Prospectus arises. The fees payable to BDO LLP are part of the costs of the Offer for which the Promoter is responsible.

Other Information continued

5 Material contracts continued

- 5.5 A promoter's agreement dated 14 October 2022 between the Company (1), the Promoter (2) and the Manager (3) whereby the Promoter agreed to act as promoter in connection with the October 2022 Offer. The agreement contained warranties and indemnities given by the Company to the Promoter. The Company agreed a fee to the Promoter of 2.5% of the amount subscribed by investors (other than direct investors) and 5.5% of the amount subscribed by direct investors, less any discounts the Promoter agreed to offer a particular investor or group of investors. In consideration of this fee, the Promoter agreed to meet all costs, expenses and charges of, or incidental to, the October 2022 Offer (other than financial intermediary commissions, adviser charges and payments to investors from which up-front adviser charges were facilitated). The Manager provided a guarantee under the agreement in respect of the obligations of the Promoter including the agreement to meet the October 2022 Offer costs for which the Promoter took responsibility.
- 5.6 A promoter's agreement dated 13 October 2023 between the Company (1), the Promoter (2) and the Manager (3) whereby the Promoter has agreed to act as promoter in connection with the Offer. The agreement contains warranties and indemnities given by the Company to the Promoter. The Company will pay to the Promoter a fee of 2.5% of the amount subscribed by Retail Client Investors, Professional Client Investors and Execution-Only Investors and 5.5% of the amount subscribed by Direct Investors. In consideration of this fee, the Promoter has agreed to meet all costs, expenses and charges of, or incidental to, the Offer (other than financial intermediary commissions, adviser charges and payments to investors from which up-front adviser charges will be facilitated). All up-front costs and financial intermediary charges and commissions will be borne by the investor through the price which the investor pays for the Offer Shares. Ongoing adviser charges will be payable by relevant investors. In respect of each investor, the fees in respect of that investor will be reduced by the Existing Foresight Shareholder Loyalty Discount and any other discount the Promoter may agree to offer to a particular investor or group of investors. The Manager has provided a guarantee under the agreement in respect of the obligations of the Promoter including the agreement to meet the Offer costs for which the Promoter is responsible.

6 Share Rights

6.1 Votes of members

Subject to any special rights which may apply to any class of shares that may have been issued or may from time to time be held, every member who is present in person, including any corporation present by its duly authorised representative, or by proxy, at a physical general meeting of the Company shall, on a show of hands, have one vote (save for a duly appointed proxy who, where instructed by one or more members to vote for the resolution (or given discretion as to how to vote) and by one or more members to vote against the resolution (or given discretion as to how to vote) shall have one vote for and one vote against the resolution). On a poll every member present in person or by proxy shall have one vote for each share of which he is a holder.

At an electronic general meeting (or a general meeting being simultaneously held in multiple places one of which is by way of an electronic facility) a resolution put to the vote of the meeting shall be voted on by a poll, which poll votes may, in respect of electronic attendees be cast by such electronic means as the Board in its sole discretion deems appropriate for the purposes of the meeting. The Board may, in its discretion, determine that electronic attendees may cast their votes by way of proxy votes to the chair prior to the meeting only.

Where shares are held jointly, the vote of the senior who has tendered a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the holding.

A member will lose their right to vote at a general meeting or at any separate meeting of the holders of any class of share, whether in person or by proxy, unless all calls presently payable by them in respect of those shares, together with interest and expenses (if any) have been paid in full to the Company, even where those shares are jointly held. The right to vote, together with all other rights and benefits of membership, will also be lost where the member (or any other person claiming to have an interest in such shares) has been issued with a notice pursuant to section 793 of CA 2006 (which requires the member or such other person to declare their interest in the shares) and has failed to give the required information to the Company within the prescribed period of 14 days.

Other Information continued

6 Share Rights continued

6.2 Variation of class rights

Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class may, subject to CA 2006, be varied by the passing of a special resolution at a general meeting of such holders or, the written consent of holders of three quarters in nominal value of the issued shares of the affected class. At such a meeting the necessary quorum shall be at least two members of the class holding (or representing by proxy) not less than one third in nominal amount of the issued shares of that class and at an adjourned meeting one person (whether present in person or by proxy) holding shares of that class in question.

6.3 Transfer of shares

(i) Form of Transfer

A member may transfer any or all of their shares by instrument of transfer in writing in any usual or common form or in any other form acceptable to the Directors. The instrument of transfer should be signed by or on behalf of the transferor and, where the share is not fully paid, by or on behalf of the transferee. The transfer shall not become effective until the name of the transferee is entered into the register of members.

(ii) Right to Refuse Registration

The Directors may in their absolute discretion, and without assigning any reason therefor, refuse to register any transfer of shares where the shares in question are not fully paid up where such refusal does not restrict dealings on an open and proper basis. The Directors may also decline to register any transfer of share (not being a fully paid share) on which the Company has a lien.

The Directors may refuse to recognise an instrument of transfer unless the instrument of transfer is (a) in respect of only one class of share; (b) is in favour of not more than four transferees; and (c) is lodged at the transfer office accompanied by the relevant share certificates and any other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer.

No transfer will be registered where a member, or any other person appearing to be interested in the shares held by them, has been served with a notice under section 793 of CA 2006 and, at the end of the prescribed period, is in default in supplying the information thereby required provided that those shares represent at least 0.25% (calculated exclusively of treasury shares) in nominal value of the issued shares of any class and subject to the exceptions specified in the Articles relating to the disclosure of interests. Restrictions on transfers do not apply to a sale to a bona fide, unconnected, third party.

6.4 Dividends

(i) Declaration of Dividends

The Company may by ordinary resolution and subject to the provisions of CA 2006 and the Articles declare dividends to be paid to members according to their respective rights and interest in the profit of the Company, provided that no dividend shall exceed the amount recommended by the Directors.

The Directors may pay interim dividends and also any fixed rate dividends if it appears to them that they are justified in so doing by the profits of the Company available for distribution.

(ii) Entitlement to Dividends

Except as otherwise provided by the rights that attach to any class of share, dividends shall be apportioned and paid pro rata according to the amounts paid up on the shares in respect of which the dividend is paid (except where those amounts are paid up in advance of calls).

If any dividend remains unclaimed after a period of 12 years from the date of the declaration of that dividend, it shall be forfeited and shall revert to the Company.

The Directors may, with the prior authority of an ordinary resolution of the Company, subject to such terms and conditions as the Directors may determine, offer to holders of shares the right to elect to receive shares credited as fully paid, instead of the whole (or some part, to be determined by the Directors) of any dividend specified by the ordinary resolution.

Other Information continued

6 Share Rights continued

6.5 Distribution of Assets on Liquidation

On a winding-up, any surplus will be divided amongst the holders of shares according to the respective number of shares held by them, subject to any rights of any shares or class of shares which may be issued with special rights and privileges, in accordance with the Articles and CA 2006.

7 Related Party Transactions

Save for the entering into of the agreements set out in paragraph 5.5 above (the fee paid to the Manager thereunder of £502,383 would, before settlement of expenses in connection with the October 2022 Offer, represent 0.34% of the Company's net assets as shown in the 2023 Half-Yearly Report) and paragraph 5.6 above (the maximum fee payable to the Manager thereunder of £1.65 million would, before settlement of expenses in connection with the Offer, represent 1.11% of the Company's net assets as shown in the 2023 Half-Yearly Report), the Company has not entered into any related party transactions within the meaning of IFRS or UK GAAP since 1 January 2023.

8 Overseas Investors

The issue of Offer Shares to persons resident in or citizens of jurisdictions outside the UK may be affected by the laws of the relevant jurisdiction. Such investors should inform themselves about and observe any legal requirements, in particular:

- 8.1 none of the Offer Shares have been or will be registered under the United States Securities Act 1933, as amended, (the Securities Act) or qualify under applicable United States state statute and the relevant clearances have not been, and will not be, obtained from the securities commission of any province of Canada, Australia, Japan, South Africa or New Zealand;
- 8.2 the Company is not registered under the United States Investment Company Act of 1940, as amended and investors are not entitled to the benefits of that Act; and
- 8.3 no offer is being made, directly or indirectly, under the Offer, in or into, or by the use of emails or by means of instrumentality (including, without limitation, facsimile, transmission, telex or telephone) or interstate or foreign commerce, or of any facility in a national securities exchange of, the United States, Canada, Australia, Japan, South Africa or New Zealand.

It is the responsibility of investors with registered addresses outside the UK to satisfy themselves as to the observance of the laws of the relevant jurisdiction in connection with the issue of Offer Shares, including the obtaining of any government or exchange control or other consents which may be required, the compliance with any other necessary formalities which need to be observed and the payment of any issue, transfer or other taxes or duties due in such jurisdiction.

9 General Taxation

The following paragraphs, which are intended as a general guide only and are based on current legislation and HMRC practice, summarise advice received by the Directors as to the position of the Company's Shareholders who hold Shares other than for trading purposes. Any person who is in any doubt as to their taxation position or is subject to taxation in any jurisdiction other than the UK should consult their professional advisers.

- 9.1 Taxation of dividends – under current law, no tax will be withheld by the Company when it pays a dividend.
- 9.2 Stamp duty and stamp duty reserve tax – the Company has been advised that no stamp duty or stamp duty reserve tax will be payable on the issue of the Shares. The Company has further been advised that the transfer of Shares will, subject to any applicable exemptions, be liable to ad valorem stamp duty at the rate of 0.5% of the consideration paid. An unconditional agreement to transfer such shares if not completed by a duly stamped stock transfer will be subject to stamp duty reserve tax generally at the rate of 50p per £100 (or part thereof) of the consideration paid.
- 9.3 Close company – the Directors believe that the Company is not, and expect that following completion of the Offer will not be, a close company within the meaning of ITA 2007. If the Company was a close company in any accounting period, approval as a VCT would be withdrawn.

10 Other

- 10.1 The Directors act and will continue to act independently of the Manager. No majority of the Directors will be directors or employees of, or former directors or employees of, or professional advisers to, the Manager or any other company in the same group as the Manager. The Company has no employees or subsidiaries.

Other Information continued

10 Other continued

- 10.2 The Manager has and will have sufficient and satisfactory relevant experience in advising on investments of the size and type which the Company proposes to make. The Directors will also ensure that the Board and any additional or replacement investment advisers have and will have sufficient and satisfactory experience in advising on such investments.
- 10.3 Foresight Group Promoter LLP is the promoter of the Offer and, save as disclosed in paragraph 5.6 above, no amount of cash, securities or benefits has been paid, issued or given to the promoter and none is intended to be paid, issued or given.
- 10.4 The Board believes that the Offer will result in a significant change to the Company, principally an increase in its net assets of an amount equivalent to the net proceeds of the Offer, expected to be a maximum of £28.35 million as set out on page 52 of this document. The short term impact of the Offer on earnings is expected to be accretive as any interest earned on cash balances raised is expected to be in excess of the Offer costs and, once the net funds raised have been successfully invested, the impact of the investments are expected to be accretive to earnings and the net asset value per Share.
- 10.5 A maximum of 75% of the Company's management expenses will be charged against capital with the balance to be met from income.
- 10.6 There are no governmental, legal or arbitration proceedings of the Company (including any such proceedings which are or were pending or threatened of which the Company is aware) during the 12 months prior to the date of this document which may have had, or had in the recent past, a significant effect on the Company's financial position or profitability.
- 10.7 Save for the first three risks set out under 'Other Risks' in the Risk Factors on page 12 of this document, there are no governmental, economic, monetary, political or fiscal policies and factors which have or could affect the Company's operations.
- 10.8 The Company is subject to the investment restrictions relating to a venture capital trust in ITA 2007, as more particularly detailed in Part VI of this document, and in the Listing Rules which specify that (a) the Company must, at all times, invest and manage its assets in a way which is consistent with its objective of spreading investment risk and in accordance with its published investment policy as set out on page 61 of this document; (b) the Company must not conduct any trading activity which is significant in the context of its group as a whole; and (c) the Company may not invest more than 10%, in aggregate, of the value of the total assets of the Company (at the time an investment is made) in other listed closed-ended investment funds.

Any material change to the investment policy of the Company will require the approval of Shareholders pursuant to the Listing Rules.

The Company intends to direct its affairs in respect of each of its accounting periods so as to qualify as a venture capital trust and accordingly:

- (i) the Company's income is intended to be derived wholly or mainly from shares or other securities, as this phrase is interpreted by HMRC;
- (ii) the Company will not control the companies in which it invests in such a way as to render them subsidiary undertakings;
- (iii) none of the investments, at the time of investment, will represent more than 15% by VCT Value of the Company's investments by VCT Value (including cash); and
- (iv) not more than 20% of Company's gross assets will at any time be invested in the securities of property companies.

10.9 In the event of a breach of the investment restrictions which apply to the Company as described in paragraph 10.8 above, Shareholders will be informed by means of the half-yearly and/or the annual report or through a RIS Announcement.

10.10 The Company's capital resources are restricted insofar as they may only be used in putting into effect the investment policy set out on page 61 of this document and for working capital and the payment of ongoing expenses, dividends and buybacks. There are no firm commitments in respect of the Company's future investments.

10.11 The investment policy set out on page 61 of this document, in the absence of unforeseen circumstances, will be adhered to by the Company for at least three years following the date of close of the Offer. Any material change to the Company's investment policy in any event will only be made with the approval of the Shareholders by ordinary resolution.

10.12 If, at any time, the Company's VCT status is lost, dealing in its shares and valuation of the Company's net asset value will normally be suspended, which will be communicated to shareholders through a RIS Announcement until such time as proposals to continue as a VCT or to be wound up have been further announced. The Directors do not anticipate any other circumstance under which valuations may be suspended.

Other Information continued

10 Other continued

10.13 The Company regularly publishes announcements via the Regulatory Information Service and its website. Below is a summary of the information disclosed in accordance with the Company's obligations under the Market Abuse Regulation (Regulation (EU) 596/2014 and as amended by the Market Abuse (Amendment) (EU Exit) Regulations 2019 over the last 12 months which are relevant as at the date of this Prospectus:

On 3 April 2023, the Company announced the sale of two portfolio companies, Innovation Consulting Group Limited and Datapath Group Limited, each of which took place on 31 March 2023.

On 28 April 2023, the Company announced its audited results for the financial year ended on 31 December 2022.

On 8 June 2023, Simon Jamieson did not stand for re-election as a director at the annual general meeting of the Company and stood down as a director with effect from that date.

On 3 July 2023, the Company announced the appointment of Kavita Patel as a new non-executive director, with effect from 1 September 2023.

On 21 July 2023, the Company announced its intention to launch the Offer.

On 28 September 2023, the Company announced its half-yearly results for the six month period ended 30 June 2023.

10.14 All Shareholders have the same voting rights in respect of the share capital of the Company. The Company is not aware of any person who, directly or indirectly, exercises or could exercise control over the Company, nor of any of the arrangements, the operation of which, may at a subsequent date result in a change of control of the Company. The Company does not have any material shareholders with different voting rights.

10.15 The Company appointed Deloitte LLP as auditor to the Company on 25 November 2019 following a tender process. Deloitte LLP is registered to carry on audit work by the Institute of Chartered Accountants in England and Wales.

10.16 BDO LLP has given and not withdrawn its written consent to the issue of the Prospectus with the inclusion of its name and the references to it in the form and context in which they appear.

10.17 Shareholders do not have the right to complain to the Financial Ombudsman Service (FOS) about the management of the Company. The Manager has established procedures in accordance with the FCA Rules for consideration of complaints. Details of the procedures are available from the Manager on request. Should a Shareholder have a complaint, the Manager should be contacted at either (i) by letter at Foresight Group LLP, The Shard, 32 London Bridge Street London SE1 9SG, (ii) by telephone at +44 (0)20 3667 8181, (iii) on the Manager's website at www.foresightgroup.eu or (iv) by email at investorrelations@foresightgroup.eu. Where the Shareholder is categorised by the Manager as an eligible complainant, if for any reason the Shareholder is dissatisfied with the Manager's final response, the Shareholder is entitled to refer its complaint against the Manager to the FOS. A leaflet detailing the procedure involved will be provided in the Manager's final response.

10.18 The Company is not required to make any payment to Shareholders in respect of their investment. Shareholders have no access to the Financial Services Compensation Scheme (FSCS) and would not be able to make a claim to the FSCS about the Company. A default by the Company or any of the underlying holdings could affect the value of a Shareholder's investment. In the event that the Company be liquidated, the amount a Shareholder would receive for their holding will be based on the value of assets available for distribution after all other liabilities have been paid.

11 Documents available for inspection

Copies of the following documents will be available for inspection during normal business hours on any day (Saturdays, Sundays and public holidays excepted) at the offices of Shakespeare Martineau LLP, 60 Gracechurch Street, London EC3V 0HR and can also be accessed via the Company's website at www.foresightenterprisevct.com whilst the Offer is open:

- (i) the memorandum of association and the Articles of the Company;
- (ii) the 2022 Annual Report and the 2023 Half-Yearly Report;
- (iii) the material contracts referred to in paragraph 5 above;
- (iv) the consent referred to at paragraph 10.16 above; and
- (v) this document.

Other Information continued

12 Use of the Prospectus

- 12.1 The Company and the Directors consent to the use of the Prospectus, and accept responsibility for the content of the Prospectus, with respect to the subsequent resale or final placement of securities by financial advisers and intermediaries, from the date of the Prospectus until the close of the Offer. The Offer will close for Applications on or before 30 April 2024 (or, if earlier, as soon as the Offer is fully subscribed or otherwise at the Board's discretion). The Board reserves the right to extend the Offer but not longer than 12 months following publication of the Prospectus. There are no conditions attaching to this consent. Financial advisers and intermediaries may use the Prospectus in the UK.
- 12.2 Information on the terms and conditions of the Offer will be given to investors by financial advisers and intermediaries at the time that the Offer is introduced to investors. Any financial adviser or intermediary using the Prospectus must state on its website that it is using the Prospectus in accordance with the consent and the conditions attached thereto set out in the above paragraph.

13 October 2023

Part VI:

Tax Considerations

Tax Considerations for Investors

The following information is based on current UK law and practice, is subject to changes therein, is given by way of general summary and does not constitute legal, investment or tax advice. Potential investors are recommended to consult a professional adviser as to the taxation consequences of an investment in a VCT.

The following paragraphs apply to the Company and to the persons holding Shares as an investment and who are the absolute beneficial owners of such Shares. They may not apply to certain classes of persons, such as dealers in securities.

The tax reliefs set out below are those currently available to individuals who are UK tax payers and aged 18 or over who subscribe for Offer Shares under the Offer and will be dependent on personal circumstance. Whilst there is no specific limit on the amount of an individual's acquisition of shares in a VCT, tax reliefs will only be given to the extent that the total of an individual's subscriptions or other acquisitions of shares in VCTs in any tax year do not exceed £200,000 (including shares purchased in the secondary market and through dividend reinvestment schemes). Qualifying Investors who intend to invest more than £200,000 in VCTs in any one tax year should consult their professional advisers.

The tax legislation of an investor's Member State and the Company's country of incorporation may have an impact on the income received from the Offer Shares.

1. Tax reliefs

(a) Income tax

(i) Relief from income tax on investment

A Qualifying Investor subscribing for Offer Shares will be entitled to claim income tax relief on amounts subscribed up to a maximum of £200,000 invested in VCTs in any tax year.

The relief is given at the rate of 30% on the amount subscribed for VCT shares regardless of whether the Qualifying Investor is a higher rate, additional rate or basic rate tax payer, provided that the relief is limited to the amount which reduces the Qualifying Investor's income tax liability to nil. Investments to be used as security for, or financed by, loans may not qualify for relief, depending on the circumstances.

(ii) Dividend relief

A Qualifying Investor, who acquires shares in VCTs (including through dividend reinvestment schemes) in any tax year costing up to a maximum of £200,000, will not be liable to income tax on dividends paid on those shares and there is no withholding tax thereon.

(iii) Purchases in the market

A Qualifying Investor who purchases shares in the secondary market will be entitled to claim dividend relief (as described in paragraph 1(a)(ii) above) but not relief from income tax on investment (as described in paragraph 1(a)(i) above).

(iv) Withdrawal of relief

Relief from income tax on a subscription for VCT shares will be withdrawn if the VCT shares are disposed of (other than between spouses or on death) within five years of issue or if the VCT loses its approval within this period as detailed below.

Dividend relief ceases to be available if the VCT loses its approval within this period, as detailed below, or if shares are no longer owned by a Qualifying Investor.

Tax Considerations for Investors continued

1. Tax reliefs continued

(b) Capital gains tax

(i) Relief from capital gains tax on the disposal of VCT shares

A disposal by a Qualifying Investor of VCT shares will give rise to neither a chargeable gain nor an allowable loss for the purposes of UK capital gains tax. The relief is limited to the disposal of VCT shares acquired within the limit of £200,000 for any tax year.

(ii) Purchases in the market

An individual purchaser of VCT shares in the secondary market will be entitled to claim relief from capital gains tax on disposal (as described in paragraph b(i) above).

(iii) Facilitation of adviser charges

Where investors request an adviser charge to be facilitated, such investors will be due an entitlement from the Company of an amount equal to the amount to be facilitated from which such adviser charge will be paid on behalf of the investor. HMRC's position on rebates out of sums paid by investors on subscribing for their shares for the purposes of facilitating adviser charges is that these reduce the base cost for the purposes of assessing capital gains on disposal. Since Qualifying Investors in VCTs are exempt from capital gains tax, this should not have any adverse tax effect. However, if a VCT bought back shares from the investor, this may be subject to income tax liability, which would be greater as a result of the base cost being reduced.

(c) Acquisition and disposal of shares in the same VCT

The disposal of existing shares in a VCT within six months before or after subscription for new shares in the same VCT (or otherwise where the disposal and subscription is linked) will result in the amount of the investment in the new shares in the VCT to which VCT tax reliefs are available being reduced by an amount equal to the proceeds received on the disposal.

(d) Loss of VCT approval

For a company to be fully approved as a VCT, it must meet the various requirements as set out in VCT Qualifying Conditions below.

If a company which has been granted approval as a VCT subsequently fails to comply with the conditions for approval, approval as a VCT may be withdrawn. In these circumstances, relief from income tax on the initial investment is repayable unless loss of approval occurs more than five years after the issue of the relevant VCT shares. In addition, income tax relief ceases to be available on any dividend paid in any accounting period ending when VCT status has been lost and any gains on the VCT shares up to the date from which loss of VCT status is treated as taking effect will be exempt, but gains thereafter will be taxable.

2. Illustration of effect of tax relief for Qualifying Investors

The table below has been prepared for illustrative purposes only and does not form part of the summary of the tax reliefs contained in this section. The table shows how the initial tax reliefs available can reduce the effective cost of an investment of £10,000 in a VCT by a Qualifying Investor subscribing for VCT shares to only £7,000:

	Effective Cost	Tax Relief
Investors unable to claim any tax reliefs	£10,000	Nil
Qualifying Investor (higher rate tax payer) able to claim full 30% income tax relief	£7,000	£3,000

The combined effect of the initial income tax relief, tax-free dividends and tax-free capital growth can substantially improve the net returns of an investor in a VCT.

3. Obtaining tax reliefs

The Company will provide to each Qualifying Investor a certificate which Qualifying Investors may use to claim income tax relief, either by obtaining from HMRC an adjustment to their tax coding under the PAYE system or by waiting until the end of the tax year and claiming relief in their tax return.

4. Investors not resident in the UK

Investors not resident in the UK should seek their own professional advice as to the consequences of making an investment in a VCT as they may be subject to tax in other jurisdictions as well as in the UK.

VCT Qualifying Conditions

1. Qualification as a VCT

To qualify as a VCT, a company must be approved as such by HMRC. To obtain such approval it must:

- (a) not be a close company;
- (b) have each class of its ordinary share capital listed on a regulated market;
- (c) derive its income wholly or mainly from shares or securities;
- (d) have at least 80% (70% for accounting periods starting before 6 April 2019) by VCT Value of its investments in shares and securities in Qualifying Investments, 70% of which must be in eligible shares (30% in respect of investments made on or before 5 April 2018 from funds raised before 6 April 2011);
- (e) have at least 10% by VCT Value of each Qualifying Investment in eligible shares;
- (f) not have more than 15% by VCT Value of its investments by VCT Value (including cash), at the time of making an investment, in a single company or group (other than a VCT or a company which would, if its shares were listed, qualify as a VCT);
- (g) not retain more than 15% of its income derived from shares and securities in any accounting period;
- (h) not make any non-Qualifying Investment other than those specified in section 274 of ITA 2007;
- (i) not, in respect of any share capital created on or after 6 April 2014, and any reserves created from the cancellation thereof, make any payment out of such share capital and reserves to shareholders within three years from the end of the accounting period in which that share capital was created;
- (j) not invest in a company or group which causes the company or group to receive more than £5 million (£10 million for 'knowledge intensive' companies) of state-aided investment in the 12 months ended on the date of that investment;

- (k) not invest in a company or group which causes that company or group to receive more than £12 million (£20 million for 'knowledge intensive' companies) of state-aided investment during its lifetime;
- (l) invest in companies where the first state-aided investment was within seven years of the first commercial sale in respect of the relevant trade (in respect of 'knowledge intensive' companies such period being ten years from the first commercial sale or, if the company so elects, ten years from the end of the accounting period in which the company's revenues were greater than £200,000), save for in certain limited circumstances where the funds are to be used in connection with a new product or geographical market;
- (m) not permit the use of VCT funding by a company to acquire shares in another company, another business or trade or provide a return of capital to existing shareholders of that company; and
- (n) invest at least 30% of funds raised in an accounting period beginning on or after 6 April 2018 in Qualifying Investments within 12 months after the end of that accounting period.

Conditions (j) to (l) do not apply to investments in shares listed on a recognised stock exchange or to certain investment funds/vehicles.

2. Qualifying Investments

A Qualifying Investment consists of shares or securities first issued to the VCT (and held by it ever since) by a company, in each case satisfying the conditions set out in Chapters 3 and 4 of Part 6 of ITA 2007.

In relation to shares and securities:

- (a) for the purpose of paragraphs 1(d) and (e) above, to be 'eligible shares', the shares issued to the VCT must carry no preferential rights on a winding up and no rights to be redeemed (although they may have certain preferential non-cumulative rights to dividends, provided these are not discretionary); and
- (b) any loan made by the VCT must have a maturity period greater than five years, must not be guaranteed and, in respect of loans made from 15 March 2018, may not be secured and must provide no more than a commercial rate of return on the principal.

VCT Qualifying Conditions continued

2. Qualifying Investments continued

The conditions relating to the investee company are detailed, but include the investee company:

- (i) having a permanent establishment in the UK (but the company need not be UK resident);
- (ii) being unquoted (for VCT purposes companies whose shares are traded on the Aquis and AIM markets are considered to be unquoted, whilst shares in an unquoted company that subsequently becomes listed may still be regarded as a Qualifying Investment for a further five years following listing, provided all other conditions are met);
- (iii) carrying on a qualifying trade (for this purpose certain activities are excluded, such as dealing in land or shares or providing financial services);
- (iv) carrying on, or intending to carry on, the relevant trade (whether itself or by a qualifying subsidiary) at the time of the issue of shares or securities to the VCT (and at all times thereafter);
- (v) having no subsidiaries other than qualifying subsidiaries which must, in most cases, be at least 51% owned;
- (vi) commencing to trade within two years of the issue of shares or securities to the VCT and continuing to trade thereafter;
- (vii) not existing for a disqualifying purpose (e.g. for the purpose of accessing tax reliefs or if in substance it is a financing business);
- (viii) having objectives to grow and develop over the long term (both generally and as referred to in the risk to capital condition referred to below);
- (ix) having gross assets not exceeding £15 million immediately before and £16 million immediately after the investment;
- (x) applying the money raised for the purposes of a qualifying trade within certain time periods;
- (xi) not being controlled by another company;
- (xii) having fewer than 250 full-time (or full-time equivalent) employees (500 in the case of 'knowledge intensive' companies) at the time of the investment; and
- (xiii) meeting the conditions set out in paragraphs 1(j) to (m) above.

In addition, from 15 March 2018 there is a principles-based gateway test (the 'risk to capital' condition) which requires (i) the investee company having objectives to grow and develop over the long term and (ii) the investment to carry a significant risk of losing more capital than the net return (including any tax relief).

3. Approval as a VCT

A VCT must be approved at all times by HMRC. Approval has effect from the time specified in the approval.

A VCT cannot be approved unless the tests detailed above are met throughout the most recent complete accounting period of the VCT and HMRC is satisfied that they will be met in relation to the accounting period of the VCT which is current when the application is made. However, where a VCT raises further funds, VCTs are given grace periods to invest those funds before such further funds become subject to the tests.

The Company has obtained approval as a VCT from HMRC.

4. Withdrawal of approval

Approval of a VCT (full or provisional) may be withdrawn by HMRC if the various tests set out above are not satisfied. The exemption from corporation tax on capital gains will not apply to any gain realised after the point at which VCT status is lost.

Withdrawal of approval generally has effect from the time when notice is given to the VCT but, in relation to capital gains of the VCT only, can be backdated to not earlier than the first day of the accounting period commencing immediately after the last accounting period of the VCT in which all of the tests were satisfied.

VCT Qualifying Conditions_{continued}

5. EU State Aid

Where the European Commission believes that state aid has been provided prior to 1 January 2021 which is not in accordance with the Risk Finance Guidelines, it may require that the UK Government recovers that state aid. There is currently no definitive mechanism for this, but recovery may be from the investee company, the VCT and/or the VCT's shareholders and this may have an adverse effect on Shareholder returns. From 1 January 2021, the requirement to recover unlawful state aid became the remit of the UK Government (in compliance with its ongoing arrangements with the EU under the UK-EU Trade and Cooperation Agreement (TCA)). On 28 April 2022, the UK's Subsidy Control Bill received royal assent, becoming the Subsidy Control Act 2022, and which came fully into force on 4 January 2023. Although this now has statutory footing, the interim regime based on the TCA remains applicable due to ongoing post-Brexit negotiations between the UK and the European Union. In addition, certain provisions of the Subsidy Control Act 2022 are subject to the passing of further regulations and further amendment. Accordingly, it remains unclear the extent to which such new regime will affect the Company and VCTs in general.

A condition of the European Commission's State Aid approval of the UK's VCT scheme in 2015 was the introduction of a retirement date for the current scheme at midnight on 5 April 2025. This was passed into UK law through the Finance (No 2) Act 2015. If the relevant legislation is not renewed or replaced with similar or equivalent legislation before this date, investors issued with new VCT shares (whether through an offer or through a dividend reinvestment scheme) after 5 April 2025 would not be able to claim upfront VCT income tax relief in respect of such shares and further this may have an adverse impact on the continuation of a Company as a VCT or it being able to raise further funds and/or meet its objectives in the future. It was announced in the UK Government's mini-budget on 23 September 2022 (and re-affirmed in the Autumn Statement on 17 November 2022) that this retirement date would be extended beyond 5 April 2025. Through correspondence with the Treasury Select Committee in March 2023, the Chancellor has stated that it remains the UK Government's firm intention to extend the VCT scheme beyond 5 April 2025 and that further details will be provided in due course. However, at the date of this document, no further details have been announced as to the plan and timeframe for such extension. The Treasury Select Committee's report on early stage investment published in July 2023 further supported the important role played by VCTs and called for early action on the 'Sunset Clause'. It also notes that the UK should be able to extend the scheme without European Commission approval, clarified by the recently announced Northern Ireland Protocol, the Windsor Framework.

6. Taxation of a VCT

VCTs are exempt from corporation tax on chargeable gains. A VCT will be subject to corporation tax on its income (excluding dividends received from UK companies) after deduction of allowable expenses.

The above is only a summary of the conditions to be satisfied for a company to be treated as a VCT.

Definitions

Definitions

The following definitions apply throughout this document unless the context otherwise requires:

2022 Annual Report	the report for the Company for the financial year ended 31 December 2022
2023 Half-Yearly Report	the report for the Company for the six month period ended 30 June 2023
Admission	admission of the Offer Shares to the premium segment of the Official List of the FCA and to trading on the London Stock Exchange's main market for listed securities
AIC	Association of Investment Companies
AIC Code	the 2019 AIC Code of Corporate Governance
AIM	the Alternative Investment Market
Applicant	an applicant under the Offer
Application	a valid application by an Applicant for Offer Shares pursuant to the Offer
Application Form	the application form for the Offer made available by the Company dated the same date as this Prospectus or any revised or additional application form that is published or made available in connection with the Offer
Application Procedures	the application procedures on pages 99 to 102 of this document
Aquis	the Aquis Stock Exchange (previously NEX Exchange), a prescribed market for the purposes of section 118 of FSMA

Articles	the articles of association of the Company, as amended from time to time
Base Net Asset Value	the net assets attributable to the Offer Share in question as determined from the audited annual accounts of the Company as at the end of the preceding financial year
BDO LLP	BDO LLP of 55 Baker Street London W1U 7EU, which is authorised and regulated by the FCA and is a FCA registered sponsor
Board	the board of directors of the Company
Brexit	the UK's decision to leave the EU
Business Day	any day (other than a Saturday) on which clearing banks are open for normal banking business in sterling
BVCA	British Venture Capital Association
CA 1985	the Companies Act 1985, as amended
CA 2006	the Companies Act 2006, as amended
Company	Foresight Enterprise VCT plc
CREST	the computerised settlement system to facilitate the transfer of title to securities in uncertified form operated by Euroclear UK & Ireland Limited
CRS	the OECD Common Reporting Standard for Automatic Exchange of Financial Account Information

Direct Investor	an investor who makes an investment in the Company without reference to a financial intermediary (together Direct Investors)
Direct Offer Costs	the costs of the Offer to an investor other than financial intermediary commissions and adviser charges (as more particularly described on page 51 of this document)
Directors	the directors of the Company (and each a Director)
Disclosure Guidance & Transparency Rules	the disclosure guidance and transparency rules of the FCA
EBITDA	earnings before interest, tax, depreciation and amortisation
EIS	enterprise investment scheme as defined in section 156 of ITA 2007
ESG	Environmental, Social and Governance
EU	the European Union
Execution-Only Investor	an investor who invests in the Company pursuant to a transaction which is executed by an FCA authorised firm upon the specific instructions of a client where the firm does not give advice relating to the merits of the transaction or make a personal recommendation (together Execution-Only Investors)

Definitions_{continued}

Existing Foresight Shareholder Loyalty Discount	in respect of an Application received from an existing shareholder of any of the Foresight VCTs, a discount of 0.5% to be applied (subject to the discretion of the Promoter) as set out on page 53 of this document
FATCA	the Foreign Account Tax Compliance Act
FCA	the Financial Conduct Authority
FCA Rules	the Financial Conduct Authority handbook of Rules and Guidance
Foresight CI	Foresight Group CI Limited, which is licensed by the Guernsey Financial Services Commission
Foresight Funds	funds managed or advised by The Foresight Group
Foresight VCTs	VCTs managed or advised by The Foresight Group
FSMA	the Financial Services and Markets Act 2000, as amended
HMRC	HM Revenue & Customs
ITA 2007	the Income Tax Act 2007, as amended
IRS	the Internal Revenue Service of the US
Key Information Document	the key information document published by the Company in relation to its Shares, which can be accessed via the Company's website at www.foresightenterprisevct.com
Listing Rules	the listing rules of the FCA

London Stock Exchange	London Stock Exchange PLC
Manager	Foresight Group LLP, the investment manager, administrator and Company secretary to the Company, which is authorised and regulated by the FCA
Money Laundering Regulations	the Money Laundering Regulations 2019 within the guidance for the UK Financial Sector issued by the Joint Money Laundering Steering Group
NAV	net asset value
October 2022 Offer	the offer for subscription launched and contained in the prospectus issued by the Company dated 14 October 2022
Offer	the offer for subscription to raise up to £20 million, with an over-allotment facility to raise up to a further £10 million, through the issue of Offer Shares as set out in this document
Offer Shares	the Shares being offered for subscription pursuant to the Offer (and each an Offer Share)
Official List	the official list of the FCA
Pricing Formula	the formula to calculate the number of Offer Shares to be issued by the Company in respect of a successful Applicant as set out on page 53 of this document

Professional Client Investor	an investor who is provided with advice or guidance as to the merits of making an investment in the Company by an independent financial adviser where that adviser classifies the investor as a professional client for the purposes of the FCA Rules (together Professional Client Investors)
Promoter	Foresight Group Promoter LLP, which is a subsidiary undertaking and authorised representative of the Manager
Prospectus	this document
Prospectus Regulation Rules	the Prospectus Regulation Rules made by the FCA under the UK Prospectus Regulations
Qualifying Company	an unquoted (including an Aquis traded or AIM-listed) company which satisfies the requirements of Chapter 4 of Part 6 of ITA 2007
Qualifying Investment	an investment in a Qualifying Company satisfying the requirements of Chapter 4 of Part 6 of ITA 2007
Qualifying Investor	an individual aged 18 or over who is resident for tax purposes in the United Kingdom
Receiving Agent	Woodside Corporate Services Limited
Registrar	Computershare Investor Services PLC

Definitions_{continued}

Restricted Territories	Canada, Australia, Japan, New Zealand or South Africa (each a Restricted Territory)
Retail Client Investor	an investor who applies for Offer Shares through their independent financial adviser where the adviser has classified the investor as a retail client for the purposes of the FCA Rules (together Retail Client Investors)
RIS Announcements	regulatory announcements through one of the newswire services designated as a Regulatory Information Service by the FCA for the purposes of Appendix 3 of the Listing Rules (and each a RIS Announcement)
Risk Finance Guidelines	guidance on State Aid to promote risk finance investments (2014/C 19/04)
RPI	the retail prices index as compiled by the Office for National Statistics (or any replacement thereof)
Shareholders	holders of Shares (and each a Shareholder)
Shares	ordinary shares of 1 penny each in the capital of the Company with an International Securities Identification Number: GB00B07YBS95 (and each a Share)
State Aid	any advantage granted by public authorities through state resources on a selective basis to any organisations that could potentially distort competition and trade in the EU

Sterling	the official name for the standard monetary unit of the UK
SME	small and medium-sized enterprises
The Foresight Group	the Manager and companies and undertakings within the same group
Total Return	NAV per Share plus cumulative dividends paid per Share
UK	the United Kingdom of Great Britain and Northern Ireland
UK Code	UK Corporate Governance Code published by the Financial Reporting Council
UK Prospectus Regulations	The UK version of Regulation (EU 2017/1119) as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018
US Citizen	an individual born in the US or naturalised as a US citizen or, if an individual was born outside the US, where one or both of the individual's parents were born in the US or naturalised as a US citizen
United States or US	the United States of America, its states, territories and possessions (including the District of Columbia)
VCT Value	the value of an investment calculated in accordance with section 278 of ITA 2007
VCT or venture capital trust	a venture capital trust as defined in section 259 of ITA 2007

Applications

Terms and Conditions of Applications

The following terms and conditions of Application apply to the Offer.

Save where the context otherwise requires, words and expressions defined in this document have the same meanings when used in these terms and conditions, the Application Procedures and the Application Form. Words importing one gender (where appropriate) include any other gender and words importing the singular shall (where appropriate) include the plural and vice versa.

The Application Procedures and the Application Form (including, for the avoidance of doubt, any revised or additional Application Form(s) made available by the Company in connection with the Offer) form part of these terms and conditions of Application.

1. The maximum amount to be raised under the Offer is £20 million (with an over-allotment facility to raise up to a further £10 million). The maximum number of Offer Shares to be issued pursuant to the Offer is 70 million Offer Shares. If the Board (in consultation with the Manager) decides to utilise, in whole or part, the over-allotment facility (subject to the overall aggregate maximum number of 70 million Offer Shares to be issued pursuant to the Prospectus), the Company will make a RIS Announcement as soon as reasonably practicable. The Offer opens on 13 October 2023 and will close for Applications at 12.00 noon on 3 April 2024 in respect of the 2023/2024 tax year and 12.00 noon on 30 April 2024 in respect of the 2024/2025 tax year (or, if earlier, as soon as the Offer is fully subscribed or otherwise at the Board's discretion). The Board reserves the right to extend the Offer but not longer than 12 months following publication of the Prospectus. If the Board decides (in consultation with the Manager) to extend the Offer this will be advised through a RIS Announcement as soon as reasonably practicable.
2. The contract created by the acceptance of Applications in the manner herein set out will, unless otherwise so resolved by the Board, be conditional upon the Admission of the Offer Shares to the Official List of the FCA and to trading on the London Stock Exchange's main market for listed securities. If any Application is not accepted or if any Application is accepted for a lower amount than applied for, or if there is a surplus of funds from the Application amount, the Application monies or, as the case may be, the balance thereof will (save where the amount is less than £1, in which case the Applicant authorises such amount be paid to the Company and used for its own purpose) be returned (without interest) at the risk of the person(s) entitled thereto by (i) crossed cheque through the post or (ii) by bank transfer to the same bank account from which the monies were received as identified on the Application Form. In the meantime, Application monies will be retained by the Receiving Agent in a separate account.
3. The Company reserves the right to present all cheques and banker's drafts for payment on receipt and to retain documents of title and, if relevant, surplus Application monies pending clearance of the successful Applicants' cheques, banker's drafts and transfers.
4. By completing and delivering an Application Form, you (as the Applicant) acknowledge that your Application is addressed to the Company, the Promoter and the Receiving Agent in respect of acceptance of these terms and conditions and further that you (as the Applicant), in respect of the Offer:
 - (a) irrevocably offer to subscribe the amount of money specified in your Application Form (or such lesser amount for which your Application is accepted) which will be applied to purchase Offer Shares at the Offer price derived from the Pricing Formula, subject to the provisions of (i) the Prospectus; (ii) these terms and conditions of Application; (iii) the Articles; and (iv) any document or information mentioned, and on the basis set out, in paragraph (k) below;
 - (b) agree that, in consideration of the Company agreeing to process your Application, your Application may not be revoked (save in accordance with 'withdrawal rights' under section 87Q of FSMA and Prospectus Regulation Rule 3.4.1 where a supplementary prospectus to the Prospectus is issued by the Company) until the Offer is closed, and that this paragraph constitutes a collateral contract between you and the Company, the Promoter and the Receiving Agent which will become binding on you or your agent's dispatch by post or transmission by electronic communication to, or (in the case of delivery by hand) on receipt by, the Receiving Agent of your duly completed Application Form;
 - (c) agree that your cheque or banker's draft will be presented for payment on receipt, warrant that it will be honoured on first presentation and further agree that, if it is not so honoured, (i) you will not be entitled to receive documents of title in respect of the Offer Shares (nor shall your financial intermediary be entitled to any facilitation of any initial adviser charges or payment of initial commission) or to enjoy or receive any rights or distributions in respect of such Offer Shares unless and until you make payment in cleared funds for such Offer Shares and such payment is accepted by the Company (which acceptance shall be in its absolute discretion and may be on the basis that you indemnify it and the Receiving Agent against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of your remittance to be honoured on first presentation) and (ii) that any documents of title, any Application monies returnable

Terms and Conditions of Applications continued

and any monies payable to your financial intermediary may be retained pending clearance (and that such monies will not bear interest) and that at any time prior to unconditional acceptance by the Company of such late payment in respect of such Offer Shares, the Company may (without prejudice to its other rights), avoid the agreement to allot such Offer Shares and avoid the facilitation of any initial adviser charges or payment of initial commission and may allot such Offer Shares to some other person (in which case you will not be entitled to any payment in respect of such Offer Shares, other than the refund of such late payment (together with any other Application monies returnable) at the risk of the person(s) entitled thereto by (1) crossed cheque through the post or (2) by bank transfer to the same bank account from which the monies were received as identified on the Application Form);

- (d) agree that any Application monies, together with other monies received from other Applicants, will be held by the Receiving Agent in a client account for the purposes of (i) the payment of the Offer price in respect of Offer Shares for which your Application is accepted (which may not take place until several weeks after cleared funds have been received) and/or (ii) the return to you (without interest) in circumstances where such payment(s) as referred to in (i) are not made (and, in circumstances where (ii) applies, you acknowledge that interest earned on such monies will be paid to the Company and used for its own purposes);
- (e) agree that any monies refundable may be retained by the Receiving Agent pending clearance of your remittance and any verification of identity which is, or which the Company and/or the Receiving Agent may consider to be, required in relation to you or any third party payee for the purposes of the Money Laundering Regulations;
- (f) agree that, in respect of those Offer Shares for which your Application has been received and processed, and is not rejected, acceptance of your Application shall be constituted by inclusion in an allotment of Offer Shares to you or, where relevant, your nominee where requested on the Application Form pursuant to the Offer;

- (g) authorise the Company's Registrars to, as relevant, send (at your risk) definitive documents of title for the number of Offer Shares for which your Application is accepted or procure that such Offer Shares are issued in uncertificated form where requested on the Application Form (and further to procure that your name or, where relevant, your nominee where requested on the Application Form, is placed on the register of members of the Company in respect of such Offer Shares);
- (h) authorise the Receiving Agent to send any monies returnable at the risk of the person(s) entitled thereto by way of a crossed cheque by post to your address as set out in your Application Form or bank transfer to the same bank account from which the monies were received as identified on the Application Form;
- (i) agree that all Applications, acceptances of Applications, instructions to facilitate any initial adviser charges, payments of initial commission and contracts resulting therefrom shall be governed by and construed in all respects in accordance with English law and that you submit to the jurisdiction of the English courts and agree that nothing shall limit the right of the Company to bring any action, suit or proceeding arising out of or in connection with any such Applications, acceptances of Applications, instructions to facilitate any adviser charges, any payments of initial commission and contracts in any other manner permitted by law or in any court of competent jurisdiction;
- (j) irrevocably authorise the Receiving Agent and/or the Registrar and/or the Company or any person authorised by any of them, as your agent, to do all things necessary to effect registration of any Offer Shares subscribed by or issued to you into your name (or, where relevant, the name of your nominee where requested on the Application Form) and authorise any representative of the Receiving Agent, the Registrar or the Company to execute any document required therefor;
- (k) agree and acknowledge that, having had the opportunity to read the Prospectus, the statements on the Application Form, the Key Information Document and any supplementary prospectus issued by the Company and filed with the FCA, you are making your Application solely on the basis of the information and statements concerning the Company and the Offer Shares contained in such documents and the latest publicly available financial information and RIS Announcements of the Company, all of which you are deemed to have received and read (whether or not so read);

Terms and Conditions of Applications^{continued}

- (l) confirm that in making such Application you are not relying on any information or representation in relation to the Company other than those contained in the Prospectus, the Key Information Document and any supplementary prospectus issued by the Company and filed with the FCA and you agree that no person responsible solely or jointly for such documents or any part thereof or involved in the preparation thereof shall have any liability for any such information or representation relating to the Company, the Offer Shares or for any change in the law or regulations affecting VCTs;
- (m) confirm and warrant that the information provided on the Application Form is true and accurate, that you have personally signed (or, as applicable, inserted your electronic signature or inserted your name in the signature box on) the Application Form, confirm any instructions thereon in relation to the facilitation of an initial adviser charge and irrevocably authorise the Company (as required) to make such payments from your investor entitlement referred to in paragraph 14 below;
- (n) confirm that you are not a US person as defined under the United States Securities Act of 1933, as amended, or a resident of Canada and that you are not applying for any Offer Shares with a view to their offer, sale, delivery to or for the benefit of any US person or a resident of Canada, and that you have reviewed the restrictions contained in paragraphs 6 and 7 below, and warrant compliance therewith (including that you have observed the laws of all relevant territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your Application in any territory and that you have not taken any action which will or may result in the Company, the Receiving Agent, the Promoter or the Manager acting in breach of the regulatory or legal requirements of any territory in connection with the Offer or your Application);
- (o) agree to provide the Company and/or the Receiving Agent with any information which either may request in connection with your Application and/or in order to comply with the VCT or other relevant legislation and/or the Money Laundering Regulations;
- (p) warrant that you are an individual aged 18 or over;
- (q) declare that a loan has not been made to you or any associate, which would not have been made, or not have been made on the same terms, but for you offering to subscribe for, or acquiring, Offer Shares and that the Offer Shares are being acquired for bona fide commercial purposes and not as part of a scheme of arrangement the main purpose of which, or one of the main purposes of which, is the avoidance of tax;
- (r) warrant that, if you sign the Application Form on behalf of somebody else, you have due authority to do so on behalf of that other person, and such person will also be bound accordingly and will be deemed also to have given the confirmations, warranties, undertakings and authority contained herein and undertake to enclose (where requested) your power of attorney or other authority (or a copy thereof duly certified by a solicitor or bank) with the Application Form;
- (s) acknowledge that the Receiving Agent and the Promoter are acting solely for the Company and no one else and will not be responsible to anyone other than the Company for providing any advice in relation to the Offer and will not treat you (or, where relevant, your nominee) as its customer (and further agree that none of the Receiving Agent, the Promoter and the Manager will regard you as its customer by virtue of you having made an Application for Offer Shares or by virtue of such Application being accepted);
- (t) acknowledge that the information provided in connection with your Application will be provided to the Manager, the Promoter, their delegates and the Registrars to process Applications and shareholding details and send notifications to you;
- (u) authorise the Company and the Promoter (and their delegates and agents) to provide information as provided by you or to you in connection with your Application to your financial intermediary detailed on your Application Form;
- (v) where you have received advice in respect of your Application from a financial intermediary, you (i) authorise the Company and the Promoter (and their delegates and agents) to provide any information in relation to your ongoing investment in the Company, to such financial intermediary detailed on your Application Form (or other authorised financial intermediary who may subsequently be engaged by you to provide advice in connection with your investment in the Company as notified to the Company and/or the Promoter from time to time), (ii) acknowledge that any such communication may be sent to your financial intermediary prior to or, where requested, in place of, being sent to you in such form as may be agreed with

Terms and Conditions of Applications^{continued}

such financial intermediary and that such information may also be provided more frequently where agreed and (iii) you also authorise the Company and the Promoter (and their delegates and agents) to accept instructions relating to your investment in the Company and changes to your personal details as provided by such financial intermediary (subject to such evidence and/or verification as the Company and/or the Promoter and/or their delegates and agents may request);

- (w) acknowledge that the Receiving Agent and/or the Promoter and/or the Company (or their delegates and agents) may, if necessary, disclose information to HMRC and the IRS to satisfy their FATCA or CRS obligations or to other regulatory bodies if required, or considered obliged, to do so in accordance with any statute or regulation or by governmental, judicial and law enforcement bodies; and
- (x) agree that these confirmations, warranties, undertakings and authorities are made and given to the Company, the Promoter and the Receiving Agent.

5. The Company reserves the absolute right to inspect (either itself, through the Promoter and/or the Receiving Agent or through other agents) all Application Forms, and may consider void and reject any Application Form that does not in the sole judgement of the Company satisfy the terms and conditions of the Offer. If an Application Form is not completed or in the Company's determination (in its absolute discretion) has not been validly completed, provided that the Application Form is otherwise in order and is accompanied by the appropriate Application monies, the Application may be accepted as a valid Application in whole or in part at the Company's discretion.

The right is also reserved to treat as valid any application for Offer Shares not complying fully with these terms and conditions of Application, or not in all respects complying with the Application Procedures. In particular, but without limitation, the Company may accept Applications made otherwise than by completion of an Application Form where the Applicant has agreed in some other manner to apply in accordance with, and be bound by, these terms and conditions and may, at its discretion, accept an Application and issue Offer Shares in respect of which payment is not received or cleared by the closing date of the Offer.

6. No action has been or will be taken in any jurisdiction by, or on behalf of, the Company which would permit a public offer of the Offer Shares in any jurisdiction other than in the UK, nor has any such action been taken with respect to the possession or distribution of the Prospectus other than in the UK. No person receiving a copy of the Prospectus, any supplementary prospectus issued by the Company, the Key Information Document or an Application Form in any territory other than the UK may treat the same as constituting an

invitation or offer to them nor should they in any event use such Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to them or such Application Form could lawfully be used without contravention of any regulation or other legal requirements.

It is the responsibility of any person outside the UK wishing to make an Application to satisfy themselves as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.

7. The Offer Shares have not been and will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States. In addition, the Company has not been and will not be registered under the United States Investment Company Act of 1940, as amended. The Manager is not and will not be registered under the United States Investment Advisers Act of 1940, as amended. No subscription will be accepted if it bears an address in the United States.
8. The basis of allocation will be determined by the Company (after consultation with the Promoter and the Receiving Agent) in its absolute discretion. Applications will normally be accepted on a first come, first served basis (save in relation to post-dated cheques, priority being given to cleared funds and fully completed Applications, and further subject always to the discretion of the Board). The right is reserved, notwithstanding the basis so determined, to reject in whole or in part and/or scale down any Application, in particular multiple and suspected multiple Applications which may otherwise be accepted. Applications will not (unless otherwise agreed by the Company) be regarded as valid unless cleared funds are received in respect of the Application.
9. It is expected that dealings in the Offer Shares will commence three Business Days following allotment and that share certificates will be dispatched within ten Business Days of the allotment of the Offer Shares. Allotments will be announced through a RIS Announcement.

Dealing may commence before such notification. Temporary documents of title will not be issued. Dealings prior to the issue of certificates, if applicable, for Offer Shares will be at the risk of Applicants. A person so dealing must recognise the risk that an Application may not have been accepted to the extent anticipated or at all. The Offer cannot be withdrawn after dealings in the Offer Shares issued from time to time under the Offer have commenced.

Terms and Conditions of Applications continued

The Offer is not underwritten. The allotment of Offer Shares will be subject to having the requisite authorities from Shareholders from time to time. The Offer may be withdrawn (in whole or part) at the discretion of the Board. The Offer will also be suspended if at any time the Company is prohibited by statute or other regulations from issuing Offer Shares or to the extent that the Company has insufficient Shareholder authority to issue Offer Shares.

10. Existing shareholders in the Foresight VCTs will receive the Existing Foresight Shareholder Loyalty Discount (subject to the discretion of the Promoter) as described on page 53 of the Prospectus. The determination as to whether an Applicant is such an existing shareholder will be at the Promoter's discretion and, whilst the Promoter shall be entitled to request additional supporting information to confirm eligibility, it and the Company shall be entitled to rely on the Applicant's confirmation on the Application Form. The Promoter may agree to offer discounts to any particular investor or group of investors. Any discounts will be expressed, for the purposes of calculating a bespoke issue price to an Applicant as described in the Pricing Formula, as a percentage of the Application amount to two decimal places.
11. Financial intermediaries who, acting on behalf of their clients where those clients are Execution-Only Investors or Professional Client Investors, return valid Application Forms bearing their FCA number will normally be paid 3% commission on the amount payable in respect of the Offer Shares allotted for each such Application Form. Initial commission will only be paid to the extent permitted under legislation and regulations, and following the allotment of Offer Shares to the authorised financial intermediary's client. The Receiving Agent will collate the Application Forms bearing the financial intermediaries' FCA number and calculate the initial commission payable which will be paid within one month of the allotment.

Financial intermediaries may agree to waive initial commission in respect of an Application. If this is the case then the amount of commission taken into account in calculating an Applicant's bespoke Offer price for Offer Shares under the Pricing Formula will be reduced to the extent that such commission has been waived, thereby increasing the number of Offer Shares to be issued to the Applicant under the Offer.

In addition, provided financial intermediaries continue to act for their client and the client continues to hold such Offer Shares, such intermediaries will be paid an annual trail commission at 0.5% of the Base Net Asset Value for each such Offer Share. It is expected that annual trail commission will be paid quarterly.

The administration of annual trail commission will be managed on behalf of the Company by the Promoter which will maintain a register of intermediaries entitled to annual trail commission. The Company and the Promoter shall be entitled to rely on a notification from a Shareholder that he or she has changed his or her financial intermediary, in which case, the annual trail commission will cease to be payable to the original financial intermediary and will be payable to the new financial intermediary if one is appointed.

No payment of annual trail commission shall be made to the extent that the cumulative annual trail commission would exceed 3% of the Offer price of each such Offer Share or in respect of any period commencing after the sixth anniversary of the closing date of the Offer.

Financial intermediaries should keep a record of Application Forms submitted bearing their FCA number to substantiate any claim for commission.

12. Applicants and financial intermediaries should note that annual trail commission is not payable if the financial intermediary subsequently then gives advice in respect of the holding in the Company. It is the responsibility of the Applicant and the financial intermediary to notify the Company and/or the Promoter as soon as possible if advice is given and payments for this (or for any other reason) must cease (though the Company also reserves the right to cease payments if it believes advice may have been given or for any other reason in its absolute discretion).
13. In respect of existing trail commission arrangements to financial intermediaries, such payments will continue (to the extent permitted under legislation and regulations), but not if subsequent financial advice in respect of the holding is given. As a result, should a Shareholder decide to seek financial advice from his or her existing financial intermediary in respect of participating in the Offer, any trail commission which is currently being paid to that financial intermediary in respect of an existing holding in the Company must cease and the Company and/or the Promoter should be notified accordingly (though the Company also reserves the right to cease payments if it believes advice may have been given or for any other reason in its absolute discretion).
14. Where Application Forms are returned by an Applicant or on his or her behalf by a financial intermediary who has given a personal recommendation in respect of the Applicant's Application having first categorised the Applicant as a Retail Client Investor, the Company can facilitate the payment of any up-front adviser charges (in whole or part) agreed between the Applicant and his or her financial intermediary. Ongoing adviser charges will need to be settled directly by the Applicant.

Terms and Conditions of Applications^{continued}

The maximum amount that will be facilitated in respect of up-front adviser charges is an amount equal to 4.5% of the investment. The amount will be facilitated from a commission payment to the Applicant from the Company's share premium account (or reserves created therefrom) attributable to Shares issued prior to 1 January 2020. Any adviser charges agreed in excess of this amount will need to be settled by the Applicant directly to his or her financial intermediary. Up-front adviser charges will only be paid following the allotment of Offer Shares to the authorised financial intermediary's client.

For the avoidance of doubt, any adviser charge facilitated to a financial intermediary will be expressed, for the purposes of calculating a bespoke issue price to an Applicant as described in the Pricing Formula, as a percentage of the Application amount to two decimal places. This will not, however, affect the amount of adviser charge facilitated to a financial intermediary.

If the initial adviser charge agreed between the Applicant and the financial intermediary is greater than the maximum amount agreed to be facilitated by the Company, then the Applicant will need to make such additional payment direct to his or her financial intermediary. The charging of VAT on an initial adviser charge is the sole responsibility of the financial intermediary. Should any facilitated initial adviser charge undertaken by the Receiving Agent (on behalf of the Company) exclude the payment of any such VAT, the Applicant will, at all times, remain solely responsible to make up such VAT deficit (if any) to his or her financial intermediary.

If the investor and financial intermediary agree that an initial charge is to be facilitated by the Receiving Agent, the Application Form must be countersigned by the financial intermediary to confirm that (i) the facilitation amount has been agreed and (ii) the financial intermediary has read and agrees to be bound by these terms and conditions of Application.

The maximum amount of up-front adviser charges stated above that will be facilitated should not be taken as a recommendation or guide as to the level of appropriate adviser charges.

15. The Application Form(s) form part of these terms and conditions.

The Company reserves the right to publish revised Application Forms from time to time. Applicants and the financial intermediaries should, therefore, check when completing an Application Form that no subsequent version has been published or made available by the Company (which will be downloadable via the Company's website: www.foresightenterprisevct.com).

The Company further reserves the right to provide editable PDF Application Forms or an Application Form that can be completed online or via a portal. Such Application Forms must either include an electronic signature for the Applicant (and, if relevant, the financial intermediary) or have the Applicant's name (and, if relevant, the financial intermediary's name) stated in full within a signature box. The submission of such Application Form by (or on behalf of) an Applicant (and, if relevant, the financial intermediary) shall constitute confirmation by the Applicant (and, if relevant, the financial intermediary) of agreement to these terms and conditions of Application (and any additional terms and conditions stated on such PDF Application Forms or online process).

The Company reserves the right to make the Offer available via one or more platforms (subject to information being received in respect of any Applicant and the intended underlying beneficial holder of Offer Shares as may be requested by or on behalf of the Company and subject to paragraph 5 above).

16. The Company, the Manager (on behalf of itself and the Promoter) and the Receiving Agent respect an Applicant's privacy and are committed to protecting his or her personal information. If an Applicant would like to find out more about how the Company, the Manager (on behalf of itself and the Promoter) and the Receiving Agent use and look after personal information, please refer to their privacy notices, which can be found at:

- The Company/the Manager: <https://www.foresightgroup.eu/privacy-policy/>
- Woodside Corporate Services Limited: https://woodsidecorporateservices.co.uk/WCSL_Privacy-Policy.pdf

You have certain rights in relation to your personal information, including the right to receive a copy of the information that is held about you. For more details, please see the privacy notice referred to above.

17. The Company may, in its absolute discretion, make non-material amendments to these terms and conditions of Application without giving notice to Applicants.

Application Procedures

Application Forms

Application Forms can be requested from the Promoter (tel: 0203 667 8181 or email: investorrelations@foresightgroup.eu) or can be downloaded via the Company's website:

www.foresightenterprisevct.com

Lodging of Application Forms

Completed Application Forms with the appropriate remittance must be posted or delivered by hand (unless agreed otherwise) on a Business Day between 9.00 a.m. and 5.30 p.m. to:

Woodside Corporate Services Limited, Foresight Enterprise VCT Share Offer, First Floor, 12-14 Mason's Avenue, London EC2V 5BT

Applications can also be submitted electronically at the following email address:

clintonboarding@foresightgroup.eu

The Offer opens on 13 October 2023 and will close for Applications at 12.00 noon on 3 April 2024 in respect of the 2023/2024 tax year and 12.00 noon on 30 April 2024 in respect of the 2024/2025 tax year (or, if earlier, as soon as the Offer is fully subscribed or otherwise at the Board's discretion). The Board reserves the right to extend the Offer but not longer than 12 months following publication of the Prospectus.

If you post your Application Form, you are recommended to use first class post and to allow at least two Business Days for delivery. Applications submitted (in particular with a cheque) should allow for a further seven working days for their funds to clear (in particular in relation to ensuring the Receiving Agent is in receipt of cleared funds prior to 12.00 noon on 3 April 2024 in respect of the 2023/2024 tax year).

If you do not receive an acknowledgement of your Application within ten Business Days of sending your Application to the Receiving Agent, please contact the Promoter.

Applications under the Offer will normally be accepted on a first come, first served basis (provided cheques are not post-dated and with priority being given to Applications with cleared funds and fully completed Applications), subject always to the discretion of the Board. Post-dated cheques will not be accepted.

To the extent that an Application is not accepted (in full or part) any excess payment in excess of £1 will be returned without interest at the risk of the person(s) entitled thereto by way of a bank transfer to the same bank account from which the monies were received as identified on the Application Form.

Financial intermediaries are requested to ensure that application forms are reviewed for completeness prior to submission.

To fill out the Application Form:

Before making any Application to acquire Offer Shares you are strongly recommended to consult a financial intermediary authorised under the FSMA.

Please use block capitals and blue/black ink.

Section 1: Personal Information

Insert your full name, address and other personal details. Telephone numbers will only be used in case of a query with regard to your Application and to associate your Application with your payment via the payment reference request.

You must be the intended beneficial owner of the Offer Shares (please do not use a nominee name as this may jeopardise your entitlement to VCT tax reliefs). If you would like your Offer Shares to be issued directly to a nominee and/or into CREST, please also complete Section 2.

Please tick the relevant box in this section if you are an existing shareholder in one or more of the Foresight VCTs. This information will be used to apply the Existing Foresight Shareholder Loyalty Discount (subject to the discretion of the Promoter). If you are a beneficial shareholder you may be asked for additional supporting information for confirmation.

The Registrar will use your personal details to identify whether you are an existing Shareholder and, where identifiable, add your new Offer Shares to your existing holding account designation. Please take care that your title, name and address exactly match those shown on your existing Share certificate(s)/account holding designation. This should help prevent your new shareholding being opened in a separate, duplicate account on the register of members of the Company. Again, if you are a beneficial shareholder you may be asked for additional supporting information for confirmation.

We are legally required to collect information about the tax residency and classifications of Shareholders which may be shared with HMRC.

Application Procedures continued

Section 2: Nominee/CREST Details

If you would like your Offer Shares to be issued directly in the name of your nominee and/or issued into CREST, please complete the relevant details in Section 2. Please note that if the details are not accurate and/or cannot be verified, Offer Shares will be issued in your name in certificated form.

Please ensure that you validate the CREST Participant ID and CREST Member ID with your nominee and provide the nominee contact details.

Section 3: Subscription

Insert (in figures) the total amount you wish to invest. Your Application must be for a minimum of £3,000. You can specify in Section 3 how you would like, if relevant, your Application monies to be split between the 2023/2024 and 2024/2025 tax years.

You can provide your Application monies either by cheque/ banker's draft or via a bank transfer. Please tick the relevant box in Section 3 to confirm the method of payment. Payment should, save as set out below, be made from an account in the sole or joint name of the Applicant. No receipt for payment will be issued.

If you are paying by cheque please make it payable to 'WCSL F ENTERPRISE VCT CLIENT ACC'. Cheques must be honoured on first presentation. A separate cheque must accompany each Application. The cheque or banker's draft must be drawn in sterling on an account at a bank branch or building society in the UK and bear a bank sort code number in the top right hand corner. Where a building society cheque or banker's draft is being used, please ensure the initials, surname and postcode of the person named in Section 1 of the Application Form is written on the back.

If you are making payment via a bank transfer, please see bank transfer details on page 102 of the Prospectus. Please also reference bank transfers with your initials, surname and postcode (enter with no gaps).

Please tick the box to confirm that the payment is being made from an account in your name. Where payment may be made from another individual's account, please confirm who this is and what their relationship is to you and provide their details in Section 3. Please also note that the identity of any third party payee will also need to be verified (please see the Money Laundering Notice below).

Application monies from a corporate account will not, unless otherwise agreed, be accepted.

Please also confirm the source of your funds for this intended investment.

Section 4: Communication

The Company would like to communicate with you electronically in respect of your shareholding in the Company. This means that you will receive notifications by email (where you have provided an email address) that information and/or documents published by the Company are available on the Company's website. If no email address is provided then the Company will make notifications by way of letter. This will apply unless you elect to receive hard copy documents by post.

Please tick the relevant box in Section 4 accordingly (and ensure that your email address is provided in Section 1 to help process your election for email notification if so selected). You have the right to opt out of electronic communications at any time by contacting the Registrar.

If you would like to add a designated contact to your account who can obtain information about your holding on your behalf (other than your financial intermediary) please also complete their details in this section.

Section 5: Dividends

The Company only pays dividends by way of bank transfers into nominated bank accounts.

Please complete your nominated bank details in Section 5, unless you have elected to participate in the dividend reinvestment scheme in Section 6 or have requested that your Offer Shares be issued to a nominee. If this section is not completed, there may be a delay in the payment of dividends to you.

Please complete this section even if you are an existing Shareholder and have previously provided a mandate. Where your new Offer Shares are added to an existing holding account designation, this instruction will (unless your existing holding is in CREST) be applied to your aggregated holding (i.e. both the existing Shares and the new Offer Shares) irrespective of any previous dividend payment instructions.

If you are an existing Shareholder and would like to withdraw from the dividend reinvestment scheme (for the avoidance of doubt, in respect of all Shares, both Offer Shares and existing), please tick the relevant box. This withdrawal election (which will apply only if your Application is accepted and following the allotment of Offer Shares to you and subject to any notice periods required under the terms of the dividend reinvestment scheme) will apply to all Shares held in the existing holding account designation to which your Offer Shares are added. If you hold multiple holdings under different holding account designations, please provide all holding account designations you wish the withdrawal election to apply to.

Application Procedures continued

Section 6: Dividend Reinvestment Scheme

Please tick the box in Section 6 if you wish to participate in the dividend reinvestment scheme. Only registered holders may elect to participate in the scheme. If you have requested that your Offer Shares are to be issued to a nominee, the nominee will need to apply to participate in the dividend reinvestment scheme by completing a separate dividend reinvestment scheme mandate form. Your first dividend may still be paid by bank transfer to allow time to effect your participation in the dividend reinvestment scheme.

Please refer to the terms and conditions of the dividend reinvestment scheme which can be accessed via the Company's website: www.foresightenterprisevct.com. By ticking this box you agree to be bound by such terms and conditions.

If you are an existing Shareholder who has elected to participate in the dividend reinvestment scheme, where your new Offer Shares are added to the same account, your original election to participate in the scheme will automatically extend to the new Offer Shares (whether or not the box in Section 6 is ticked and details provided in Section 5 will be disregarded).

If you are an existing Shareholder who has not previously elected to participate in the dividend reinvestment scheme, your election by ticking the box in Section 6 will apply to all Shares held in the existing account designation to which your new Offer Shares are added. If you hold multiple holdings under different account holding designations, please provide all account holdings designations you wish to have included.

Section 7: Direct or Financial Intermediary Applications

Please confirm in Section 7 whether your application is an advised investment through a financial intermediary, a non-advised investment through a financial intermediary or a direct investment by ticking the relevant box.

Section 8: Adviser Charges

Section 8 should be completed by advised Retail Client Investors only where facilitation of adviser charges is required.

If you have a financial intermediary who has made a personal recommendation in relation to your Application having classified you as a Retail Client Investor, and you would like the payment of your agreed up-front adviser's fee with your financial intermediary to be facilitated, please complete this section.

Please specify the amount of the initial up-front adviser charge agreed between you in relation to this product (the maximum amount which will be facilitated is 4.5% of the subscription amount). Any adviser charge in excess of the maximum amount will need to be settled directly to your adviser. For the avoidance of doubt, any adviser charge payable to a financial intermediary in connection with an Application for Offer Shares will be expressed, for the purposes of calculating a bespoke issue price to an investor under the Pricing Formula, as a percentage of the investment amount. This will not, however, affect the amount of adviser charge payable to a financial intermediary.

Ongoing adviser charges will need to be settled directly by the investor.

Section 9: Signature and Date

Please sign and date the form in Section 9 (noting the declarations/confirmation you give by signing the Application Form as stated below your signature).

Please complete the section below the signature box to confirm whether the Application Form has been signed by you or on your behalf. If the form is signed on behalf of an Applicant by an attorney or other agent, that person should state on the form the capacity in which they are signing and, if such person is not the Financial Intermediary who has completed Sections 10 to 14, the original power(s) of attorney or other authority (or a copy thereof duly certified by a solicitor on each page) must be enclosed for inspection and will be returned in due course.

Sections 10 – 14: Financial Intermediary Sections

These sections are to be completed by your financial intermediary.

Application Procedures continued

MONEY LAUNDERING NOTICE – IMPORTANT

The identity of the Applicant and, if Application monies are being provided by a third party, the identity of that third party payer, will need to be verified in accordance with the Money Laundering Regulations. The personal information that is provided on the Application Form in relation to an Applicant (and/or, if applicable, any such third party payer) will be used to verify their identity with a third party agency.

In addition, in relation to Applications made via a financial intermediary, the financial intermediary should complete verification of the Applicant and, by signing the Application Form, confirms this.

In some circumstances you (or such third party payer) may also be required to provide the following documents before your Application can be accepted:

1. a certified copy of either the passport or the driving licence of the Applicant (and third party payer if different); and
2. an original bank or building society statement or utility bill (no more than three months old), or recent tax bill, in the name of the Applicant (and third party payer if different).

Copies should be certified by a third party professional who is subject to professional conduct rules such as a lawyer, actuary or accountant who is a member of a recognised UK professional body or a director, officer or manager of a financial services business authorised and regulated by the FCA. Some post offices also provide a document certification service.

You may use email and a third party to certify the documents if a face to face meeting with a certifier is not possible. Please contact the Promoter for further information regarding the email and third party validation process.

Alternatively, you may send 'wet signature' certified documentation to the Receiving Agent by post. If you submit original documents for review, they will be returned if requested and by post at your risk.

Further information may be requested by the Company, the Promoter or the Receiving Agent at their discretion.

Please send the entire Application Form and cheque/ banker's draft (unless you have made the payment by electronic bank transfer) by post to the Receiving Agent using the following address:

BY POST

Foresight Enterprise VCT Share Offer
Woodside Corporate Services Limited
First Floor
12-14 Mason's Avenue
London
EC2V 5BT

BANK TRANSFERS

Sort code: 80-20-00
Account number: 10441462
Account name: WCSL F ENTERPRISE VCT CLIENT ACC
Bank: Bank of Scotland
BIC: LOYDGB2L
IBAN: GB64 BOFS 8020 0010 4414 62

Please reference bank transfers with your initials, surname and postcode (enter reference with no gaps). This will help us identify your transfer easily.

Corporate Information

Corporate Information

Directors (Non-Executive)

Raymond Abbott (Chair)
Gaynor Coley
Michael Gray
Kavita Patel

Registered Office and Head Office

The Shard
32 London Bridge Street
London
SE1 9SG

Company Registration Number

03506579

Website

www.foresightenterprisevct.com*

Telephone Number

020 3667 8181

Investment Manager, Administrator and Company Secretary

Foresight Group LLP
The Shard
32 London Bridge Street
London
SE1 9SG
www.foresightgroup.eu*

Solicitors to the Company

Shakespeare Martineau LLP
60 Gracechurch Street
London
EC3V 0HR

Sponsor

BDO LLP
55 Baker Street
London
W1U 7EU

Broker

Panmure Gordon & Co
40 Gracechurch Street
London
EC3V 0BT

Auditors

Deloitte LLP
20 Castle Terrace
Edinburgh
EH1 2DB

Promoter

Foresight Group Promoter LLP
The Shard
32 London Bridge Street
London
SE1 9SG

Receiving Agent

Woodside Corporate Services Limited
First Floor
12-14 Mason's Avenue
London
EC2V 5BT

Registrar

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol
BS99 6ZY

Bankers

Barclays Bank plc
One Churchill Place
London
E14 5HP

* These websites do not form part of the Prospectus unless that information is incorporated by reference.



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This report is printed on Nautilus which is made from FSC® recycled certified post-consumer waste pulp. The FSC® label on this report ensures responsible use of the world's forest resources. Printed sustainably in the UK by Pureprint, a CarbonNeutral® company with FSC® chain of custody and an ISO 14001 certified environmental management system recycling over 100% of all dry waste.



Foresight Enterprise VCT plc

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