

# Foresight VCT plc

Unaudited Half-Yearly Financial Report

30 June 2023

**Foresight**  
FOR A SMARTER FUTURE



# Our Purpose

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

## Key objectives



Payment of annual ordinary dividends of at least 5% of the latest announced NAV



Development of Net Asset Value Total Return above a 5% target

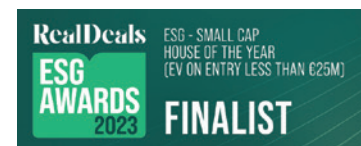


Maintaining a programme of regular share buybacks at a discount of no less than 7.5% to NAV



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

## Awards



## Key dates

Annual results to 31 December 2023	April 2024
Annual General Meeting	June 2024
Interim results to 30 June 2024	September 2024

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

# Financial Highlights

“In the period, the value of the investment portfolio increased by £1.4 million, driven by £9.7 million of deployment and an increase of £6.2 million in the value of investments, offset by successful realisations of £14.5 million.”

£211.0m

Total net assets  
as at 30 June 2023

4.4p

Dividend paid  
30 June 2023

£6.2m

Uplift in investment valuations  
in period to 30 June 2023

85.9p

NAV per share  
as at 30 June 2023

- Total net assets **£211.0 million**
- A final dividend of **4.4p** per share was paid on 30 June 2023, costing **£10.7 million**
- Post-period end, a special dividend of **4.0p** per share was paid on 18 August 2023, costing **£9.8 million**, following the successful realisations of Mowgli Street Food Group Limited, Datapath Group Limited and Innovation Consulting Group Limited
- The value of the investment portfolio increased by **£1.4 million**, driven by **£9.7 million** of deployment and an increase of **£6.2 million** in the value of investments, offset by realisations of **£14.5 million**
- Net Asset Value per share decreased by **1.8%** from **87.5p** at 31 December 2022 to **85.9p** at 30 June 2023. After adding back the **4.4p** dividend paid on 30 June 2023, NAV Total Return per share was **90.3p**, which made the total return for the half-year **3.2%**
- The offer for subscription launched in January 2023 was closed on 13 April 2023 and raised a total of **£23.1 million** after expenses

# Financial Highlights continued

## Key metrics

	6 months 30 June 2023	12 months 31 December 2022
Total net assets	£211.0m	£191.7m
Net Asset Value per share	85.9p	87.5p
Movement in Net Asset Value Total Return during the period <sup>1</sup>	3.2%	6.5%
Share price	78.5p	76.5p
Share price total return <sup>1,2</sup>	229.5p	227.1p
Dividend per share paid in the period <sup>1</sup>	4.4p	8.5p
Dividend yield <sup>1</sup>	5.6%	11.1%
Shares in issue	245,495,673	219,151,944

	6 months 30 June 2023	12 months 31 December 2022
Discount to NAV <sup>1</sup>	8.6%	12.6%
Average discount on buybacks <sup>1,3</sup>	7.5%	10.0%
Shares issued through fundraising	26,579,310	20,797,803
Shares issued under the dividend reinvestment scheme	2,481,313	4,192,856
Shares bought back during the period under review	2,716,894	11,429,802
Ongoing charges ratio (based on net assets) <sup>1</sup>	2.3%	2.2%

1. Definitions of these Alternative Performance Measures ("APMs") can be found in the Glossary on page 37.

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

3. As noted in the 2022 Annual Report and Accounts, the Board now has a current objective of maintaining a programme of regular share buybacks at a discount of no less than 7.5% (2022: 10.0%) to the prevailing NAV per share.

## Place of business of portfolio companies



### Key

- Technology, Media & Telecommunications
- Industrials & Manufacturing
- Healthcare
- Business Services
- Consumer & Leisure
- Financial Planning
- General

# Chair's Statement



“NAV per share at the half-year was 90.3p representing a total return of 3.2%.”

**Margaret Littlejohns**  
Chair of Foresight VCT plc

I am pleased to present the Company's unaudited Half-Yearly Financial Report for the period ended 30 June 2023.

Despite the challenging macroeconomic backdrop, the Company's Net Asset Value (“NAV”), including dividends paid during the period, increased by 2.8p per share to 90.3p. This represents a NAV Total Return of 3.2% for the six months to 30 June 2023.

Although the UK has managed to avoid a recession so far this year, real GDP growth has been sluggish, with a mere 0.2% recorded in the second quarter of this year. Inflation has remained sticky and stubbornly high, which has led to a series of interest rate increases. 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. However, 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. Understandably, consumer and business confidence in the UK remains fragile.

Nonetheless, the performance of the Company's portfolio in aggregate has remained robust in these circumstances. The Manager has worked closely with the individual companies and developed a good understanding of their current business requirements.

Many of the portfolio companies successfully adapted to the new economic landscape, with some performing extremely well while a minority struggled as a result of a fall in consumer demand, inflationary pressures, surging energy prices, a weak fundraising environment and labour shortages. The overall solid performance of the Company in the first half of 2023 demonstrates the advantages of a well-diversified portfolio.

## Strategy

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

- Growth in Net Asset Value Total Return above a 5% target while continuing to grow the Company's assets
- Payment of annual ordinary dividends of at least 5% of the NAV per share per annum (based on the latest announced NAV per share) while endeavouring, at a minimum, to maintain the NAV per share on a year-on-year basis
- Implementing a significant number of new and follow-on qualifying investments every year, exceeding deployment requirements to maintain VCT status
- Maintaining a programme of regular share buybacks at a discount of no less than 7.5% to the prevailing NAV per share

The Board and the Manager believe that these key objectives remain appropriate and the Company's performance in relation to each of them over the past six months is reviewed in more detail on the following pages.

## Portfolio overview

52

Investments as at  
30 June 2023

£6.2m

Uplift in valuation of investment in  
the period ended 30 June 2023

£14.5m

Investment sales proceeds in  
the period ended 30 June 2023

# Chair's Statement continued

## Net Asset Value and dividends

The NAV of the Company grew over the period from £191.7 million at 31 December 2022 to £211.0 million at 30 June 2023, which is in line with the Board's objective of growing the Company's assets.

At the end of 2022, 89% of the Company's assets were already invested and the Board believed it would be in the Company's best interest to raise further funds to provide liquidity for its activities in 2023 and beyond. On 20 January 2023, the Company launched an 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 new shares. The offer was closed on 13 April 2023 having raised gross proceeds of £24.1 million, £23.1 million after expenses. We would like to thank those existing shareholders who supported the offer and welcome all new shareholders to the Company.

The final dividend for the year ended 31 December 2022 of 4.4p per share was paid on 30 June 2023, at a total cost to the Company of £10.7 million, including shares allotted under the dividend reinvestment scheme.

Post-period end, the Company paid a special dividend of 4.0p per share on 18 August 2023 following the successful sales of Mowgli Street Food Group Limited, Datapath Group Limited and Innovation Consulting Group Limited in the first quarter. These generated proceeds of £14.3 million at completion. Since initial investment, the three exits combined have returned to the Company a total of £21.4 million, with a further £2.8 million of deferred consideration due as at the period end. This is an exceptional achievement from a combined initial investment of £4.2 million and represents a cash-on-cash multiple of 5.8 times.

The Company continues to achieve its target dividend yield of 5% of NAV, which was set in 2019 in light of the change in portfolio towards earlier-stage, higher-risk companies, as required by the VCT rules.

The Board and the Manager hope that this level may continue to be exceeded in future by payment of additional "special" dividends as and when particularly successful portfolio disposals are achieved.

## Investment performance and portfolio activity

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

In brief, during the six months under review, the Manager completed five new investments, in a range of sectors, and five follow-on investments costing £5.9 million and £3.8 million respectively. The Company also disposed of three investments very successfully, as described above.

The Board and the Manager are confident that a more significant number of new and follow-on investments can be achieved in 2023.

After the period end, in September 2023, £1.7 million was invested in Loopr Ltd, trading as Looper Insights, a data analytics platform to film and TV content distributors and video-on-demand streaming services. The Company also sold its holding in Protean Software Limited on 14 July 2023 which generated proceeds of £5.9 million at completion. Including cash returned to the date of this report, the exit delivered a return multiple of 2.4 times the original investment. Furthermore, the Company sold its holding in Fresh Relevance Limited on 12 September 2023 which generated proceeds of £10.6 million at completion. Including cash returned to the date of this report, the exit delivered a return multiple of 3.8 times the original investment. Further details of these investments and realisations can be found in the Manager's Report.

The Company and Foresight Enterprise VCT plc have the same Manager and share similar investment policies. The Board closely monitors the extent and nature of the pipeline of investment opportunities and is reassured by the Manager's confidence in being able to deploy funds without compromising quality and to satisfy the investment needs of both companies.



# Chair's Statement continued

## Responsible investing

The analysis of environmental, social and governance ("ESG") issues is embedded in the Manager's investment process and these factors are considered key in determining the quality of a business and its long-term success. Central to the Manager's responsible investment approach are five ESG principles that are applied to evaluate investee companies, acquired since May 2018, throughout the lifecycle of their investment, from their initial review and acquisition to their final sale. Every year, the portfolio companies are assessed and progress is measured against these principles. More detailed information about the process can be found on pages 26 to 27, of the Manager's Review.

## Buybacks

During the period the Company repurchased 2,716,894 shares for cancellation at an average discount of 7.5%, in line with its revised objective of maintaining regular share buybacks at a discount of no less than 7.5% to the prevailing NAV per share. The Board and the Manager consider that the ability to offer to buy back shares at no less than 7.5% is fair to both continuing and selling shareholders and continues to help underpin the discount to NAV at which the shares trade.

Share buybacks are timed to avoid the Company's closed periods. Buybacks will generally take place, subject to demand, during the following times of the year:

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

## Management charges, co-investment and performance incentive

The annual management fee is an amount equal to 2.0% of net assets, excluding cash balances above £20 million, which are charged at a reduced rate of 1.0%.

This has resulted in ongoing charges for the period ended 30 June 2023 of 2.3%, which is at the lower end of the range when compared to competitor VCTs.

Since March 2017, co-investments made by the Manager and individual members of the Manager's private equity team have totalled £1.1 million alongside the Company's investments of £90.7 million.

The co-investment scheme requires that the individual members of the team invest in all of the Company's investments from that date onwards and prohibits selective "cherry picking" of co-investments. If any individual team member opts out of co-investment, they cannot invest in anything during that year. The Board believes that the co-investment scheme aligns the interests of the Manager's team with those of shareholders and has contributed to the gradual improvement in the Company's investment performance.

In addition to the co-investment scheme, a new performance incentive scheme was formally approved by shareholders at a general meeting of the Company held on 15 June 2023. The new arrangements have superseded the previous scheme and any potential outstanding liabilities relating to it have ended. The Manager will now be able to earn an annual performance incentive fee as summarised below.

A performance incentive fee will be payable in respect of each financial year commencing on or after 1 January 2023 where the Company achieves an average annual NAV Total Return per share, over a rolling five-year period, in excess of an average annual hurdle of 5% (simple not compounded). If this hurdle is met, the Manager would be entitled to an amount equal to 20% of the excess over the hurdle subject to a cap of 1% of the closing Net Asset Value for the relevant financial year. No fee will become due in excess of this cap. Where there is a negative return in the relevant financial year, no fee shall be payable even if the five-year average hurdle is exceeded.

However, the potential fee will be carried forward and may become due at the end of the next financial year if the performance hurdle described above for that next financial year is achieved and the negative return in the preceding financial year is recovered in that next financial year. Any such catch-up fees shall be paid alongside any fee payable for the next financial year, but subject to the 1% cap applying to both fees in aggregate. Any such catch-up fees cannot be rolled further forward to subsequent financial years. The new arrangements will be subject to continual review by the Board to ensure continued alignment with the interests of shareholders.

More information on the current performance incentive arrangements can be found in note 8 of this report.

A total of £1.1 million has been accrued as an estimate of the performance fee due in respect of this financial year, based on the Company's average annual performance over the last four and a half years.

## Board composition

The Board continues to review its own performance and undertakes succession planning to maintain an appropriate level of independence, experience, diversity and skills in order to be in a position to discharge its responsibilities. 2023 has seen some planned changes to the composition of the Board.

The Board was delighted to appoint David Ford and Dan Sandhu as Non-Executive Directors in January 2023. After more than 16 years as a Non-Executive Director, including nearly 12 years as Chair of the Audit Committee, Gordon Humphries did not stand for re-election at the AGM on 15 June 2023.

On behalf of the Company, I would once again like to thank Gordon for his significant contribution and dedication to the Company, which has benefited enormously from his wise counsel during his many years of service.



# Chair's Statement continued

## Board composition continued

We will miss Gordon and we wish him the very best for the future. Gordon has been succeeded as Chair of the Audit Committee by Patty Dimond, who has already served on the Board for over two years.

## Shareholder communication

We were delighted to meet with some shareholders in person at the AGM on 15 June 2023. We hope many of you will be available to attend our next in-person investor forum event on 19 October 2023 at The Shard. These events have proven very popular with our shareholders in the past and provide the opportunity to learn first-hand about some of our investee companies from their founders and management.

## Sunset clause

As explained in last year's Annual Report, a "sunset clause" applies to the current approved scheme for EIS and VCT tax reliefs. This clause provides that income tax relief will expire on subscriptions made for VCT shares on or after 6 April 2025, unless the legislation is amended to make the scheme permanent, or the "sunset clause" is extended.

The UK Chancellor has reconfirmed in his Spring Budget the government's commitment to extend the income tax relief available on new VCT shares beyond the tax year ending in April 2025. The Treasury Select Committee's report on early stage investment published in July supported the important role played by VCTs and called for early action on the "sunset clause". It also noted that the UK should be able to extend the scheme without European Commission approval, as clarified by the new Northern Ireland Protocol, the Windsor Framework.

Trade bodies of which the Manager is a member will continue to lobby the government to provide greater clarity on the timing and nature of its plans for removing this obstacle.

## Outlook

We are anticipating that growth in the UK will continue to be weak in 2023: ongoing inflationary pressures, tight monetary policies, supply chain issues, labour shortages and a lack of bank lending appetite may continue to hinder economic recovery. We are conscious that such conditions could prove particularly challenging for our investee companies which are unquoted, small, early-growth businesses and by their nature entail higher levels of risk and lower liquidity than larger listed companies. On the other hand, these younger companies may prove more agile and creative in their approach and better able to adapt their operations swiftly and identify new products and services in response to changing circumstances.

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

The Manager is continuing to see a promising pipeline of potential investments, both new and follow-on. In addition to the funds raised earlier in the year, we have recently announced our intention to raise further funds in the coming months. These combined funds will provide the necessary resources to make selective acquisitions from the increasing number of investment opportunities that are now emerging out of the recent disruption. Although in the short term there may be considerable economic headwinds, we believe the Company's diversified portfolio is well positioned to generate long-term value for shareholders.

**Margaret Littlejohns**

Chair

26 September 2023



# Manager's Review

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# Manager's Review

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



## Portfolio summary

As at 30 June 2023, the Company's portfolio comprised 52 investments with a total cost of £102.6 million and a valuation of £171.2 million. The portfolio is diversified by sector, transaction type and maturity profile. Details of the ten largest investments by valuation, including an update on their performance, are provided on pages 19 to 22.

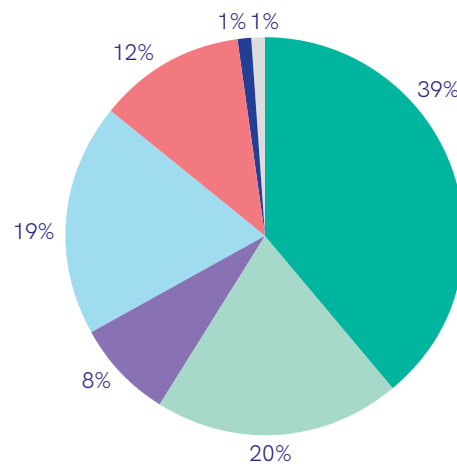
During the six months to 30 June 2023, the value of the portfolio increased by £6.2 million and £9.7 million of new and follow on investment was concluded. There was a strong series of successful exits, realising £14.5 million with a further £2.8 million of deferred consideration recognised at the period end. Overall therefore, the value of the unquoted portfolio increased by £1.4 million in the period.

The Company's portfolio continues to navigate the various economic challenges, including inflation, tight labour markets and soft financial and M&A markets. Many of the portfolio companies are performing extremely well, while others continue to adjust.

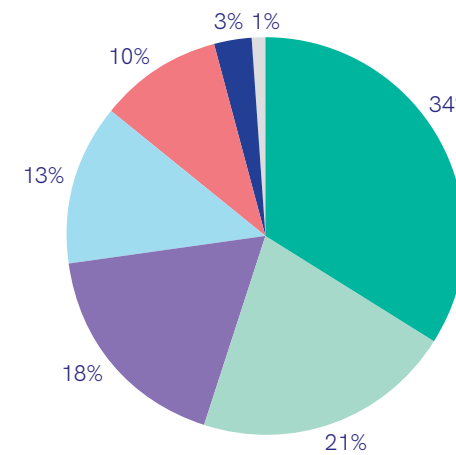
In line with the Board's strategic objectives, the investment team remains focused on continuing to grow the Company's assets whilst paying an annual dividend to shareholders of at least 5% of the last announced NAV per share. The Company has so far achieved this target for the current year and this objective remains the Manager's focus.

## Portfolio diversification

Sector by cost



Sector by valuation



### Key

- Technology, Media & Telecommunications (cost 39% | valuation 34%)
- Healthcare (cost 20% | valuation 21%)
- Industrials & Manufacturing (cost 8% | valuation 18%)
- Consumer & Leisure (cost 19% | valuation 13%)
- Business Services (cost 12% | valuation 10%)
- General (cost 1% | valuation 3%)
- Financial Planning (cost 1% | valuation 1%)

## Manager's Review continued

### New investments

Fostering strong relationships with local deal introducers across the UK and Ireland remains central to the private equity team's approach. The team remains focused on attending in-person meetings and events with both deal introducers and prospective investee companies to generate a flow of pipeline opportunities. The regional presence is central to this approach and the Manager opened three offices over the last year, in Leeds, Dublin and Newcastle. These new regional offices are expected to support stronger relationships with local advisers and increase deal flow from these geographies.

Five new investments were completed in the six months to 30 June 2023, totalling £5.9 million. Post-period end, in September 2023, the Manager invested a further £1.7 million in Loopr Ltd. Further details of each of these are provided to the right hand side of this page. Behind these, there is a strong pipeline of opportunities that the Manager expects to convert during the second half of 2023.



#### Sprintroom Limited

In January 2023, £1.0 million of growth capital was invested in Sprintroom, which trades as Sprint Electric. The business designs and manufactures drives for controlling electric motors in light and heavy industrial applications, as well as recovering and reusing otherwise lost energy. The investment will be used to further develop and commercialise novel alternating current variable speed drive technology.



#### Red Flag Alert Technology Group Limited

In March 2023, the Company invested £1.7 million in Reg Flag Alert Technology Group, a Manchester-based proprietary SaaS intelligence platform with modular capabilities spanning compliance, prospecting, risk management and financial health assessments. The growth capital will be used to support continued product development alongside an increased marketing budget which is expected to accelerate new client acquisition with particular focus on larger enterprise-level customers.



#### Firefish Software Ltd.

In March 2023, the Company invested £1.5 million in Firefish Software, a Glasgow-based customer relationship management and marketing software platform targeting the recruitment sector. The funding will be used to further develop the platform in order to attract a larger enterprise-level customer base and expand its outbound sales team.



#### Five Wealth Limited

In March 2023, the Company invested £0.7 million in Five Wealth, an established boutique financial planning business operating across the North West of England, headquartered in Manchester. Five Wealth's service offering is focused on the provision of independent private client financial advice and wealth planning. This growth capital investment will be used to support increased marketing and advertising to drive top-line growth and greater regulatory and compliance costs which are forecast to increase commensurately with AUM.



#### The KSL Clinic Limited

In April 2023, the Company invested £1.0 million in The KSL Clinic, a leading provider of hair replacement treatments, with clinics in Manchester and Kent. The investment will be used to invest in facilities, create high-quality, sustainable jobs and to expand its geographic reach, resulting in significant improvements in the wellbeing of patients.



#### Loopr Ltd

Post-period end, in September 2023, the Company invested £1.7 million in Loopr Ltd, trading as Looper Insights, a data analytics platform to film and TV content distributors and video-on-demand streaming services. The investment will be used build a sales and marketing team, expand the customer success team and continue the development of the company's software.

# Manager's Review continued

## Follow-on investments

The Manager expects to continue to deploy additional capital into both growing portfolio companies and those that require support to trade through more uncertain periods. Macro factors such as wage, commodity price and energy price inflation may impact some elements of the portfolio, but in general the Manager ensures at the time of initial investment that investee companies are well-capitalised to trade through periods of lower market demand or supply challenges. This is evidenced by the portfolio remaining relatively resilient over the COVID-19 period, supported by the Manager's active style, to ensure risks are identified and mitigated early.

The Company made five follow-on investments in the period, totalling £3.8 million, to support further growth opportunities. Further details are provided to the right hand side of this page.

## Pipeline

At 30 June 2023, the Company held cash of £36.9 million. This will be used to fund new and follow-on investments, buybacks and running expenses, and support the Company's dividend objectives. The Manager has a number of opportunities under exclusivity or in due diligence. The Company remains well positioned to continue pursuing these potential investment opportunities.



### Mizaic Ltd (formerly IMMJ Systems Limited)

In February 2023, £0.6 million was invested in Mizaic, a clinical electronic document management solution supplier to the NHS. The investment will be used to grow the leadership team and bolster the business's abilities to support the digitisation of records, providing easy and efficient access to patient records for clinical care across the NHS.



### Ten Health & Fitness Limited

In March 2023, Ten Health & Fitness, a multi-site operator in the boutique health, wellbeing and fitness market, received an additional investment of £0.6 million. The funding enabled the company to complete its new flagship Kings Cross site and support the company's transition to profitability from Q1 2023. The Kings Cross site opened in March and is already trading well.



### NorthWest EHealth Limited ("NWEH")

In March 2023, the Company invested a further £1.5 million in NWEH, which provides software and services to the clinical trials market, allowing pharmaceutical companies and contract research organisations to conduct feasibility studies, recruit patients and run trials. The investment will be used to support the delivery of a number of new real world trials in FY23, while completing building the company'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 referral revenues, which will mean a lower cost overhead in the business.

## OLLIE QUINN

### Ollie Quinn Limited

In April 2023, the Company invested £1.0 million in Ollie Quinn, a branded retailer of prescription glasses, sunglasses and non-prescription polarised sunglasses based in the UK and Canada. The investment will provide the cash headroom and time for longer-term financing initiatives to be explored.



### Additive Manufacturing Technologies Ltd ("AMT")

In April 2023, the Company invested £0.1 million in AMT, which manufactures systems that automate the post-processing of 3D printed parts. See the key valuation changes in the period section on page 14 for further details.

# Manager's Review continued

## Exits and realisations

Whilst global M&A markets are relatively soft, the Manager has delivered some strong realisations in the period. The Manager has witnessed particularly strong interest from overseas buyers, particularly those that are US funded. Certain acquirers also strategically need to acquire a UK presence following the UK's exit from the EU. However, M&A activity in the broader market has been lower so far in 2023 than recent years, suggesting the market might be cooling slightly in the face of economic uncertainty and rising interest rates.



### Fresh Relevance Limited

In September 2023, the Company achieved the successful exit of Fresh Relevance Limited to Dotdigital Group plc, returning £10.6 million to the Company. Including cash returned to date of £0.2 million, the sale implies a 3.8 times cash-on-cash return on the total investment made of £2.9 million; equivalent to an IRR of 27%.

Headquartered in Southampton, Fresh Relevance is an email marketing and e-commerce personalisation platform. It provides online retailers with flexible software tools to improve customer retention and acquisition. Since the initial investment in March 2017, Fresh Relevance grew revenues nearly threefold and created close to 40 high-quality, sustainable jobs – positively impacting the local economy in Southampton. Many of Fresh Relevance's developers were recruited from the University of Southampton.



### Mowgli Street Food Group Limited

In January 2023, the Company announced the successful exit of casual Indian food chain Mowgli to TriSpan, a global private equity firm with extensive restaurant expertise. The Manager invested in 2017, when the business had three restaurant sites. It has since grown to 15 sites nationally. The Manager introduced Dame Karen Jones as chair, Matt Peck as finance director and helped recruit Lucy Worth as operations director and together with founder Nisha Katona, this team built a market-leading hospitality brand. The business also shared the Manager's commitment to sustainability, creating more than 500 jobs and ranking 16th best UK company to work for in 2022 owing to its focus on employee welfare, local charity support and sustainable sourcing.

The exit resulted in proceeds of £5.2 million, of which £1.6 million will be received over 12 months post the completion of the exit, representing a return of 3.5x cost, equivalent to an IRR of 25% since the initial investment in 2017.



### Datapath Group Limited

In March 2023, the Company announced the notable exit of Datapath, a global leader in the provision of hardware and software solutions for multiscreen displays. The transaction generated proceeds of £5.0 million at completion with an additional £1.2 million payable over the next 24 months. When added to £5.4 million of cash returned to date, this implies a total cash-on-cash return of 11.6 times the original investment, equivalent to an IRR of 38% since the initial investment in 2007.

Since the original investment, the Manager had supported Datapath through a period of material growth, with revenues growing from approximately £7 million to £25 million. Datapath has developed a market-leading hardware and software product suite for the delivery of multiscreen displays and video walls which are sold globally to a diverse customer base across a range of sectors.



### Innovation Consulting Group Limited ("GovGrant")

In March 2023, the Company announced the impressive exit of GovGrant to Source Advisors, a US corporate buyer backed by BV Investment Partners. GovGrant is one of the UK's leading providers of R&D tax relief, patent box relief and other innovation services. The transaction generated proceeds of £6.8 million at completion. When added to £0.5 million of cash returned to date, this implies a total cash-on-cash return of 4.4 times the capital of £1.65 million invested in October 2015, equivalent to an IRR of 24%.

Since the original investment in 2015, the Manager had helped GovGrant through a period of material growth during which it supported the R&D activities of a growing number of customers. GovGrant's high levels of service and innovative products, such as the growing patent box offering, have contributed to driving innovation in the UK economy. The Manager had taken a proactive approach to supporting the exceptional senior management team, all of whom were introduced to the business during the investment period.



### Protean Software Limited

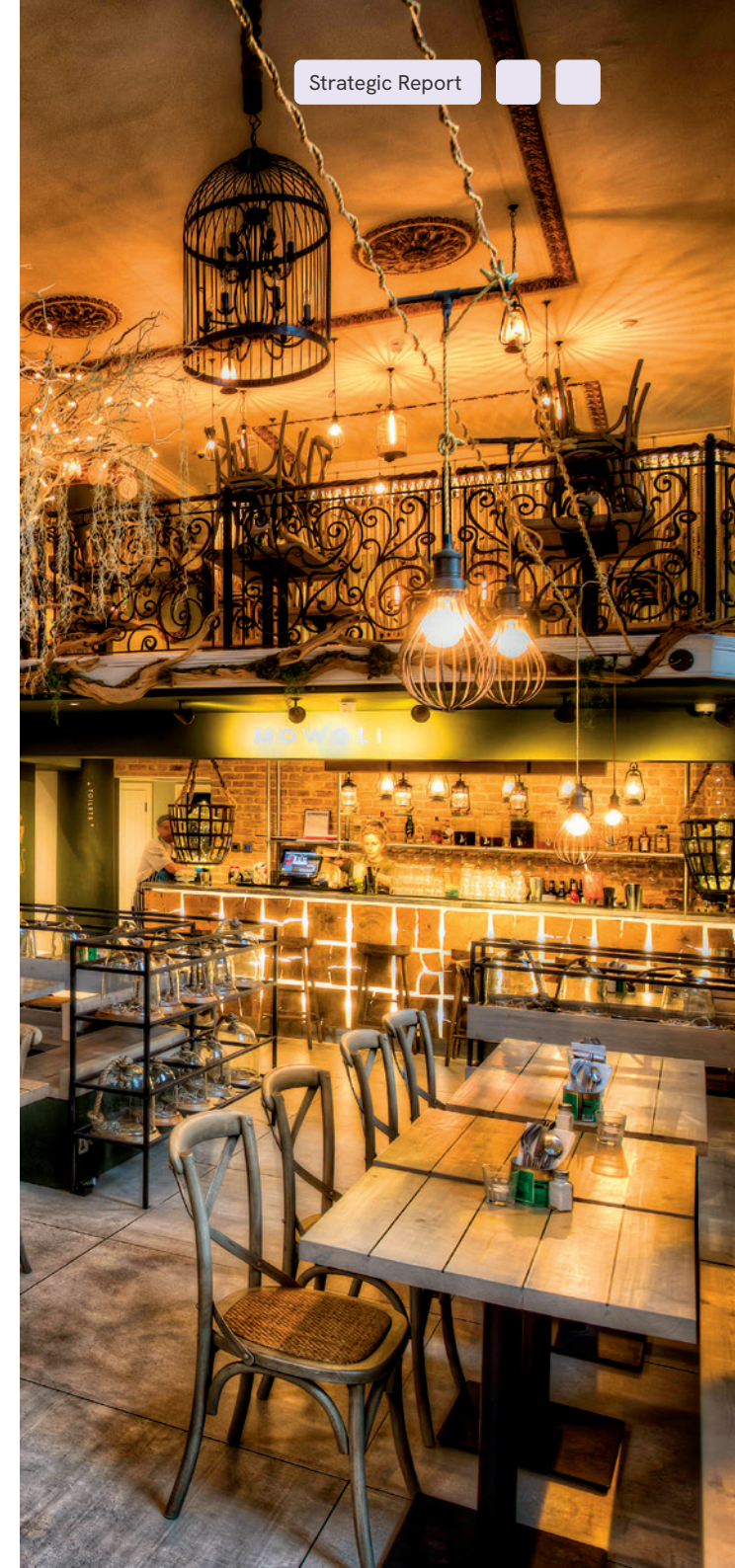
In July 2023, the Company achieved a successful exit of its holding in Protean Software to Joblogic, a UK-based direct provider of Field Service Management software to SMEs, and Protean's direct competitor. The Manager invested in Protean in July 2015 as one of the last buyouts prior to the changes in VCT legislation. Over the holding period the Manager helped Protean transition its highly featured legacy product into a modern software product sold on a SaaS basis. The transaction generated proceeds of £5.9 million on completion. When added to £151,000 of cash returned to date, this implies a total cash-on-cash return of 2.4 times the original investment, equivalent to an IRR of 12% since the initial investment.

# Manager's Review continued

## Disposals in the period ended 30 June 2023

Company	Detail	Total invested <sup>1</sup> (£)	Accounting cost at date of disposal <sup>2</sup> (£)	Exit proceeds and deferred consideration (£)	Total return <sup>3</sup> (£)
Innovation Consulting Group Limited	Full disposal	1,650,000	1,605,000	6,794,768	7,279,469
Mowgli Street Food Group Limited	Full disposal	1,526,750	1,526,750	5,183,006	5,294,466
Datapath Group Limited	Full disposal	1,000,000	7,563,365	6,216,358	11,601,590
200 Degrees Holdings Limited	Loan repayment	225,000	225,000	225,000	322,338
		<b>4,401,750</b>	<b>10,920,115</b>	<b>18,419,132</b>	<b>24,497,863</b>

1. Total invested reflects the total cash investment made by the Company and Foresight 2 VCT plc.
2. The accounting cost includes the valuation of Foresight 2 VCT plc's investment in Datapath at the point it was transferred to the Company as part of the merger in December 2015. The investment cost at the date of transfer was £73,250.
3. Total return includes yield returned to the Company and Foresight 2 VCT plc up to the date of the exit and deferred consideration due in the future at its current holding value.



# Manager's Review continued

## Key portfolio developments

In the first six months of the year, the portfolio has demonstrated continued resilience in the face of the economic headwinds that started mid-way through 2022.

Material changes in valuation, defined as increasing or decreasing by £1.0 million or more since 31 December 2022, are detailed below. Updates on these companies are included below, or in the Top Ten Investments section on pages 19 to 22.

## Key valuation changes in the period

Company	Valuation (£)	Valuation change (£)
Callen-Lenz Associates Limited	9,164,253	3,826,007
Fresh Relevance Ltd	7,632,862	1,697,435
Protean Software Limited	5,857,207	1,475,158
Luminet Networks Limited	3,873,045	1,400,516
Aquasium Technology Limited	4,168,765	1,233,488
Fourth Wall Creative Limited	6,481,057	1,084,401
Ollie Quinn Limited	3,642,983	(1,093,390)
Additive Manufacturing Technologies Ltd	—	(1,814,869)



### Luminet Networks Limited

Luminet is a provider of primarily fixed wireless access ("FWA") across c.400 sq km of central London. It can provide connectivity to businesses via both FWA and fibre, as well as offering secure hosting and managed services. The company serves over 700 business customers, mostly on contracts of 36 months.

#### 30 June 2023 update

Luminet continues to provide a high quality connectivity to London clients and has seen growth as businesses return to offices following COVID. A significant contract was won recently, which is expected to support continued revenue growth over the financial year.



AQUASIUM TECHNOLOGY LTD

### Aquasium Technology Limited

Aquasium manufactures, services and refurbishes electron beam welding ("EBW") equipment and vacuum furnaces ("VF"). EBW is a reliable and efficient method of joining together a wide range of metals, producing clean, high-integrity joints. VFs are used in hardening, tempering and brazing applications.

#### 30 June 2023 update

Trading has been strong for the first half of the financial year, with revenues on budget and materially ahead of the prior year. Both the machine sales and spares and services divisions are trading well, with spares and servicing also benefiting from some degree of catch up, following the pandemic. Discussions are ongoing around the sale of the first EBFLOW machine, with a focus on building the pipeline behind this.

## OLLIE QUINN

### Ollie Quinn Limited

Ollie Quinn is a branded retailer of prescription glasses, sunglasses and non-prescription polarised sunglasses based in the UK and Canada. The company provides high-quality, branded, prescription glasses at a lower price point than other high-end opticians in order to satisfy a gap in the market for affordable luxury.

#### 30 June 2023 update

The £1.0 million follow-on investment was completed in April and preparations for a crowdfund are close to completion with launch expected in September 2023.



### Additive Manufacturing Technologies Ltd ("AMT")

AMT is developing machines for post-production of 3D printed parts: removal of excess polymer ("depowdering"), surface smoothing/polishing, colouring and inspection. AMT's goal is to provide a fully automated end-to-end post-production system, the "DMS", with robots linking each stage.

#### 30 June 2023 update

The business is navigating the challenging economic environment with support from the Manager, providing expertise and guidance in line with its active management approach.



## Manager's Review continued

### Outlook

The global and UK markets have experienced a volatile past six months following a strong recovery in consumer and business demand after the COVID-19 pandemic. The recovery has been somewhat stalled due to various economic factors following the pandemic. Rising input prices, driven by supply chain constraints during COVID-19 and rapidly increasing energy prices following Russia's invasion of Ukraine in Q1 2022, drove inflation to a high of 11.1% in October 2022. This was initially slow to decrease, with inflation remaining at 10.1% in March 2023 and 7.9% in June 2023, partly driven by wage inflation resulting from a tight labour market in the UK.

The Bank of England responded by steadily raising the base interest rate from 0.1% in December 2021 to 5.25% in August 2023. While this is now taking effect with inflation reducing, many analysts predict further increases to interest rates in the short term. The Bank of England is expected to maintain interest rates at their current level in the medium term, with most analysts predicting no meaningful reduction during 2024. Rising wage inflation is limiting the impact of interest rate rises, suggesting a further tightening of monetary policy, which would potentially drive the UK into recession in late 2023 or 2024.

Despite this backdrop, the Company's portfolio is reasonably well positioned to withstand the market volatility and economic headwinds. We have worked to balance risk, with the portfolio exposed to a broad base of both well-established and earlier-stage growth companies across a range of sectors. In the period to 30 June 2023, the portfolio continued to perform well, with the Company realising three investments in this time.

Notable examples that demonstrate our ability to capitalise on high-quality regional opportunities in a variety of sectors are the sale of Mowgli Street Food Group, a UK-wide casual Indian food chain, to TriSpan, delivering a 3.5x return, the sale of Innovation Consulting Group, a St Albans provider of R&D tax relief, patent box relief and other innovation services, to a US corporate buyer backed by BV Investment Partners that generated a 4.4x return on investment, and Datapath Group, a Derbyshire-based global leader in the provision of visual solutions, achieving an impressive cash-on-cash return of 11.7x the original investment. The current portfolio is well diversified with a good mix of earlier-stage and more mature investments that will yield attractive opportunities for the Company over time.

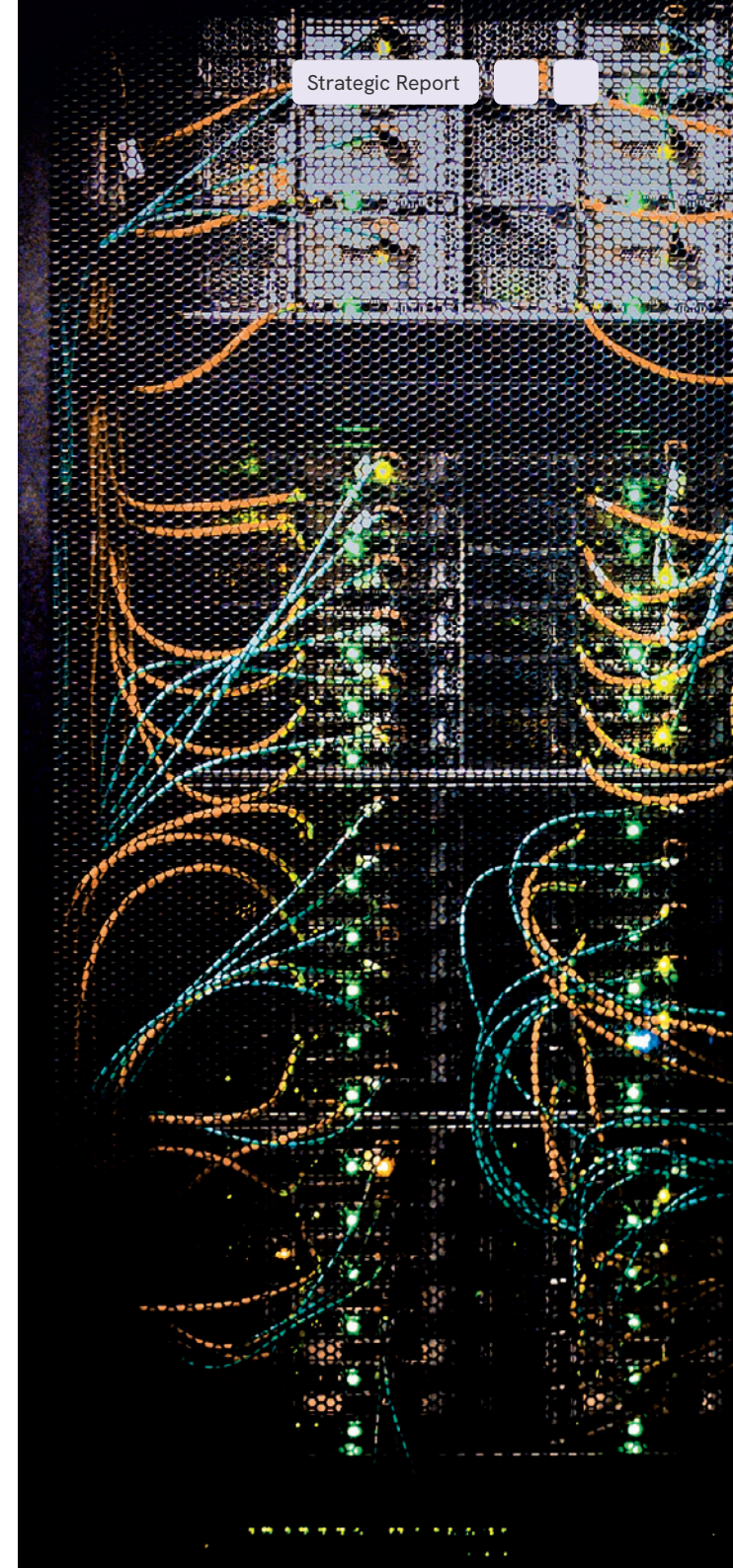
The Manager continues to leverage its regional offices to source the highest quality growth companies where we can employ our extensive advisory network and proactive portfolio management style to drive growth and add value to each investee company. There remains a strong appetite for funding from the smaller UK businesses with growth potential, which manifested itself in a number of exciting deals completed in the past year. Despite shifts in the investment landscape, we continue to see excellent opportunities to support small companies in many sub-sectors, such as health, technology and compliance systems, amongst others.

While the macro environment is precarious, we believe that the Company's portfolio is well placed to cope with a period of uncertainty. The UK undoubtedly remains an exceptional place to start, fund and grow a small business, and the Manager remains committed to supporting the best UK entrepreneurs on their journey.

**James Livingston**

Foresight Group LLP

26 September 2023



## Case Study

### HomeLink key facts

Name	HomeLink Healthcare Limited
Location	Mimet House, 5a Praed Street, London W2 1NJ
Website	<a href="http://www.homelinkhealthcare.co.uk">www.homelinkhealthcare.co.uk</a>
Industry	Healthcare
Foresight VCT plc commitment	£1.1 million
Foresight VCT plc ownership %	11.0% (fully diluted)
Stage	Growth capital
Investment date	March 2022
Total Foresight Group LLP commitment	£2.2 million (£1.1 million of investment made by Foresight VCT plc and £1.1 million of investment made by Foresight Enterprise VCT plc)

# HomeLink Healthcare Limited

Formed in 2015, HomeLink has provided “Hospital at Home” services since 2018. The company employs highly qualified 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 with significant delays in the discharge of patients and increasing hospital admissions due to a lack of viable alternatives. This has been exacerbated by demographic shifts and the pandemic. 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.

Demand for HomeLink’s services is forecast to grow significantly because of recent Government initiatives around efficiency, the elective surgery backlog and NHS England, which has put in place a number of supportive measures. This includes increased funding for community care and virtual wards.



# About the Manager

Foresight Group LLP is a leading infrastructure and private equity investment manager.

## Foresight Group LLP

Sustainability and ESG criteria are central to all investments – Foresight was among the first to prioritise sustainability and ESG and it remains at the forefront of these developing investment themes.

200+

Institutional investors

40,000

Retail investors

44

Investment vehicles

69%

Institutional AUM

31%

Retail AUM

£12.2bn

AUM as at 31 March 2023



## London Stock Exchange

On 9 February 2021, Foresight Group Holdings Limited shares were unconditionally listed on the premium segment of the London Stock Exchange Main Market, under the ticker “FSG”. Foresight Group Holdings Limited was awarded the LSE’s Green Economy Mark, which recognises companies that derive 50% or more of their annual revenues from products and services that contribute to the global green economy.

[www.fsg-investors.com](http://www.fsg-investors.com)

## Infrastructure

Our Infrastructure division is one of Europe’s and Australia’s most established real assets investors, with an investment strategy which focuses on all forms of renewable energy and waste projects, as well as batteries, reserve power and interconnectors. In addition, we invest in transport businesses, social infrastructure, broadband companies and natural capital.

£9.5bn

AUM | 78%  
Revenue | 61%

## Private Equity

Our Private Equity division is one of the most active UK regional SME investors, supporting companies through various economic cycles. We partner with promising SMEs across all sectors and deal stages, and work together to achieve long-term sustainable growth. Each year we review over 2,500 business plans and are currently supporting more than 250 SMEs.

£1.4bn

AUM | 11%  
Revenue | 28%

## Foresight Capital Management

Our Foresight Capital Management (“FCM”) Team applies private market expertise to opportunities in listed markets. The FCM Team and investment approach were established in 2017 to facilitate retail and institutional investors accessing infrastructure, renewables and real estate investment opportunities through actively managed open-ended funds investing in listed securities.

£1.3bn

AUM | 11%  
Revenue | 11%

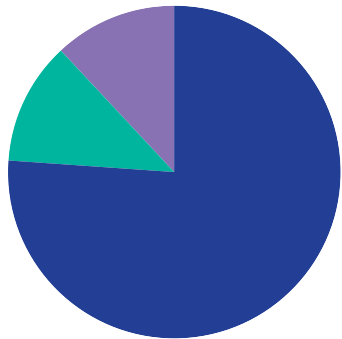
## About the Manager continued

Foresight Group LLP is a leading infrastructure and private equity investment manager.

### £12.2bn

AUM as at 31 March 2023

Group AUM



Key

- Infrastructure (78%)
- Foresight Capital Management (11%)
- Private Equity (11%)



# Top Ten Investments

By value as at 30 June 2023



## Hospital Services Group Limited

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

### Sector: Healthcare

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

### 30 June 2023 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 COO, and has moved into larger premises in Belfast, allowing better integration of a prior acquisition and providing room for growth.

Initial investment	September 2015
Amount invested (£) <sup>1</sup>	3,320,000
Accounting cost (£) <sup>2</sup>	3,320,000
Investment value (£)	19,363,978
Basis of valuation	Discounted earnings multiple
Equity held (%)	45.2%



## Specac International Limited

Kent [www.specac.com](http://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.

### 30 June 2023 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, which is pleasing considering that March to June 2022 was a particularly strong trading period. EBITDA continues to progress as overheads remain well controlled.

Initial investment	April 2015
Amount invested (£)	1,345,000
Accounting cost (£)	800,000
Valuation (£)	10,884,396
Basis of valuation	Discounted earnings multiple
Equity held (%)	42.6%



## Nano Interactive Group Limited

London [www.nanointeractive.com](http://www.nanointeractive.com)

### Sector: Technology, Media & Telecommunications

Nano Interactive Group is an advertising technology business specialising in identity-free online advertising. The business was founded in 2010 and has offices across Europe.

### 30 June 2023 update

Nano continues to make good progress and is seeing improved margins as a result of more competitive media placement pricing across the advertising sector. Investment is being made into the LIIFT platform features which should enable it to reach a broader global customer base.

Initial investment	October 2017
Amount invested (£)	4,434,191
Accounting cost (£)	4,434,191
Valuation (£)	10,824,341
Basis of valuation	Discounted revenue multiple
Equity held (%)	28.7%

1. Including the amount of initial investment by Foresight 2 VCT plc (“F2”).  
2. The accounting cost includes the value at which F2’s holding was transferred to the Company as part of the merger in December 2015.

# Top Ten Investments continued

By value as at 30 June 2023

## 4.

### Spektrix Limited

London

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

#### Sector: Technology, Media & Telecommunications

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 the US.

#### 30 June 2023 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 US during the period. There is continued investment in the technology platform to support continued growth.

Initial investment	<b>December 2018</b>
Amount invested (£)	<b>6,909,811</b>
Accounting cost (£)	<b>5,467,811</b>
Valuation (£)	<b>9,850,828</b>
Basis of valuation	<b>Price of last funding round</b>
Equity held (%)	<b>11.5%</b>

## 5. Callen-Lenz

### Callen-Lenz Associates Limited

Salisbury

[www.callenlenz.com](http://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.

#### 30 June 2023 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.

Initial investment	<b>August 2021</b>
Amount invested (£)	<b>2,351,485</b>
Accounting cost (£)	<b>2,351,485</b>
Valuation (£)	<b>9,164,253</b>
Basis of valuation	<b>Discounted revenue multiple</b>
Equity held (%)	<b>12.3%</b>

## 6. freshrelevance

### Fresh Relevance Ltd

Hampshire

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

#### Sector: Technology, Media & Telecommunications

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

#### 30 June 2023 update

Fresh Relevance continues to perform well with a focus on mitigating churn driven through consolidation of resellers by increasing the focus on the direct sales channel. The business has invested in new product development and features, which have provided opportunities for new technology-led integrations. Post-period end the business was successfully sold, as set out in the Manager's Report on page 12.

Initial investment	<b>March 2017</b>
Amount invested (£)	<b>2,860,324</b>
Accounting cost (£)	<b>2,860,324</b>
Valuation (£)	<b>7,632,862</b>
Basis of valuation	<b>Discounted offer received</b>
Equity held (%)	<b>32.7%</b>

# Top Ten Investments continued

By value as at 30 June 2023



## Fourth Wall Creative Limited

Wirral

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

### 30 June 2023 update

Fourth Wall continues to grow both revenues and customers in the year, with sales up significantly from the previous year. It now serves c.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.

Initial investment	<b>April 2019</b>
Amount invested (£)	<b>4,292,299</b>
Accounting cost (£)	<b>4,292,299</b>
Valuation (£)	<b>6,481,057</b>
Basis of valuation	<b>Discounted revenue multiple</b>
Equity held (%)	<b>24.1%</b>



## Protean Software Limited

Coventry

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

### Sector: Technology, Media & Telecommunications

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, HVAC maintenance and elevator installation.

### 30 June 2023 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. Shortly post-period end the business was successfully sold, as set out in the Manager's Report on page 12.

Initial investment	<b>July 2015</b>
Amount invested (£) <sup>1</sup>	<b>2,500,000</b>
Accounting cost (£) <sup>2</sup>	<b>2,500,000</b>
Investment value (£)	<b>5,857,207</b>
Basis of valuation	<b>Sales proceeds</b>
Equity held (%)	<b>39.7%</b>

1. Including the amount of initial investment by F2.

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



## Roxy Leisure Holdings Limited

Manchester

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

### Sector: Consumer & Leisure

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

### 30 June 2023 update

Trading remains strong despite challenging macroeconomic conditions. Q2 was particularly impacted by a period of exceptionally hot weather, with consumers preferring outdoor activities. However, the company 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 rollout 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.

Initial investment	<b>December 2019</b>
Amount invested (£)	<b>2,467,933</b>
Accounting cost (£)	<b>2,467,933</b>
Valuation (£)	<b>5,620,398</b>
Basis of valuation	<b>Discounted earnings multiple</b>
Equity held (%)	<b>5.3%</b>

# Top Ten Investments continued

By value as at 30 June 2023

## 10. ClubSpark

### Clubspark Group Ltd

London

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

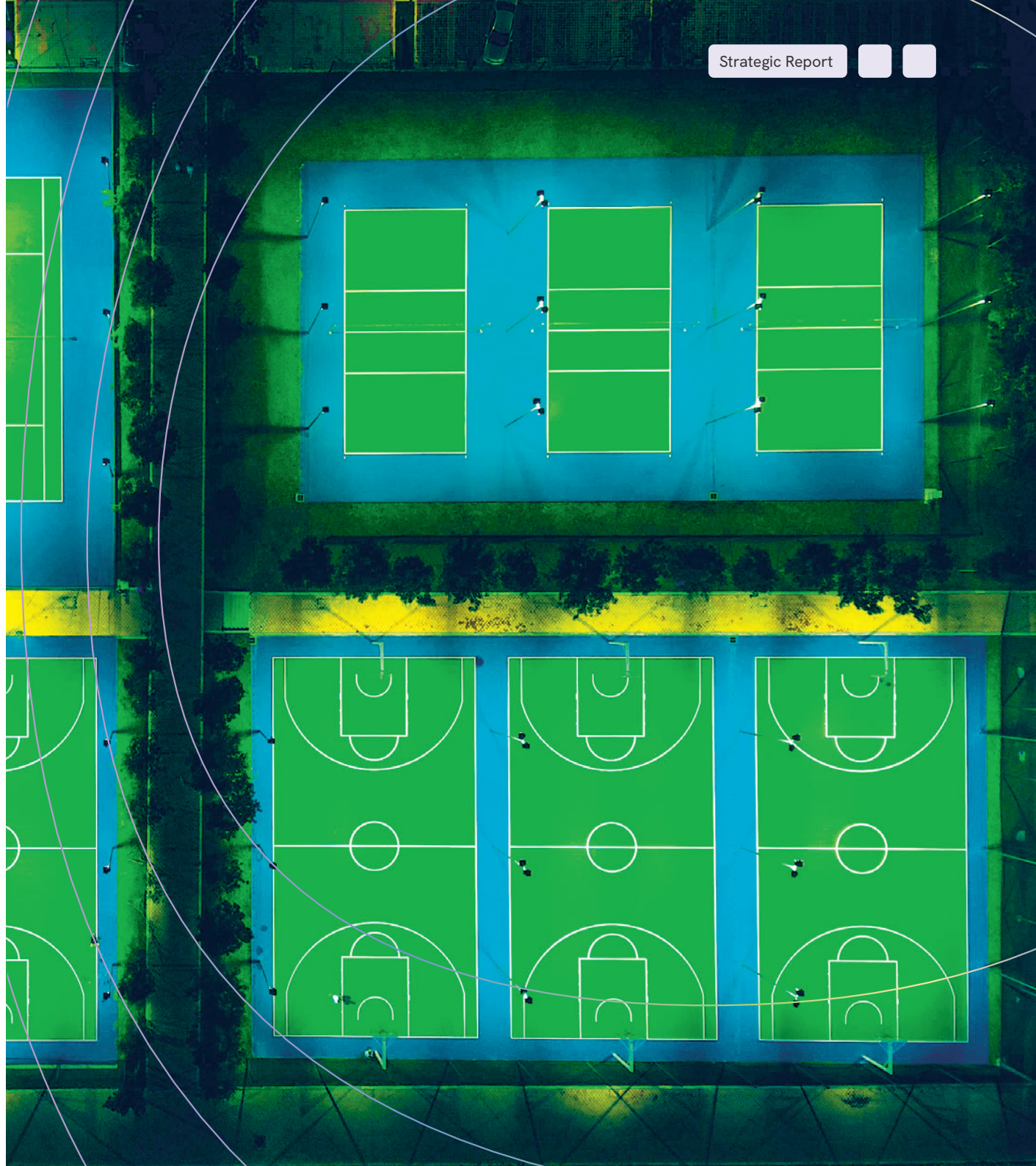
#### Sector: Technology, Media & Telecommunications

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

#### 30 June 2023 update

Clubspark continues to trade well. The new CFO joined the business in June and is an experienced FD 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 many of the underlying clubs have with these national or international governing bodies.

Initial investment	January 2019
Amount invested (£)	2,756,085
Accounting cost (£)	2,756,085
Valuation (£)	5,303,456
Basis of valuation	Discounted revenue multiple
Equity held (%)	17.6%





# Portfolio Overview

Investment by value	30 June 2023		Valuation methodology	31 December 2022	
	Accounting cost £	Valuation £		Accounting cost £	Valuation £
Hospital Services Group Limited <sup>1</sup> ●	3,320,000	19,363,978	Discounted earnings multiple	3,320,000	19,167,345
Specac International Limited <sup>1</sup> ●	800,000	10,884,396	Discounted earnings multiple	800,000	10,788,670
Nano Interactive Group Limited <sup>1</sup> ●	4,434,191	10,824,341	Discounted revenue multiple	4,434,191	11,128,883
Spektrix Limited <sup>1</sup> ●	5,467,811	9,850,828	Price of last funding round	5,467,811	9,850,828
Callen-Lenz Associates Limited <sup>1</sup> ●	2,351,485	9,164,253	Discounted revenue multiple	2,351,485	5,338,246
Fresh Relevance Ltd <sup>1</sup> ●	2,860,324	7,632,862	Discounted offer received	2,860,324	5,935,427
Fourth Wall Creative Limited <sup>1</sup> ●	4,292,299	6,481,057	Discounted revenue multiple	4,292,299	5,396,656
Protean Software Limited <sup>1</sup> ●	2,500,000	5,857,207	Sale proceeds	2,500,000	4,382,049
Roxy Leisure Holdings Limited <sup>1</sup> ●	2,467,933	5,620,398	Discounted earnings multiple	2,467,933	5,760,744
Clubspark Group Ltd <sup>1</sup> ●	2,756,085	5,303,456	Discounted revenue multiple	2,756,085	4,771,558
TLS Management Limited ●	100	5,041,844	Discounted earnings multiple	100	4,826,405
Industrial Efficiency II Limited ●	2,603,260	4,569,826	Discounted cash flow	2,603,260	4,515,126
Ten Health & Fitness Limited ●	3,552,650	4,418,021	Discounted revenue multiple	2,958,591	3,311,458
Itad (2015) Limited ●	2,750,000	4,195,452	Discounted earnings multiple	2,750,000	4,194,944
Aquasium Technology Limited ●	333,333	4,168,765	Discounted earnings multiple	333,333	2,935,277
Luminet Networks Limited ●	3,783,251	3,873,045	Discounted offer received	3,783,251	2,472,529
Cinelabs International Ltd ●	2,216,250	3,659,117	Discounted earnings multiple	2,216,250	3,220,096
Ollie Quinn Limited ●	6,684,016	3,642,983	Discounted revenue multiple	5,693,917	3,746,274
NorthWest EHealth Limited ●	2,970,297	3,385,792	Discounted revenue multiple	1,485,149	2,307,460

1. Top Ten Investments by value shown on pages 19 to 22.

## Key

● Technology, Media & Telecommunications ● Industrials & Manufacturing ● Healthcare ● Business Services ● Consumer & Leisure ● Financial Planning ● General

## Portfolio Overview continued

Investment by value	30 June 2023		Valuation methodology	31 December 2022	
	Accounting cost £	Valuation £		Accounting cost £	Valuation £
Mizaic Ltd (formerly IMMJ Systems Limited) ●	2,376,238	2,781,968	Discounted revenue multiple	1,732,674	2,546,538
Steamforged Holdings Limited ●	2,364,532	2,748,475	Discounted revenue multiple	2,364,532	2,799,144
PH Realisations 2020 Limited ●	1,664,893	2,633,592	Discounted earnings multiple	1,664,893	2,633,592
Coptech UK Limited ●	2,430,694	2,490,625	Discounted revenue multiple	2,430,694	2,430,694
Newsflare Limited ●	1,980,198	2,408,541	Discounted revenue multiple	1,980,198	2,381,763
Aerospace Tooling Corporation Limited ●	150,000	2,392,760	Discounted earnings multiple	150,000	3,226,740
Hexarad Group Limited ●	1,534,653	2,316,717	Price of last funding round	1,534,653	2,316,188
HomeLink Healthcare Limited ●	1,064,356	2,189,095	Discounted revenue multiple	1,064,356	1,666,257
Titania Group Limited ●	1,237,624	2,181,629	Discounted revenue multiple	1,237,624	1,892,817
ABL Investments Limited ●	2,750,000	2,024,815	Discounted earnings multiple	2,750,000	1,800,888
Strategic Software Applications Ltd ●	1,732,673	1,917,553	Discounted revenue multiple	1,732,673	1,732,673
200 Degrees Holdings Limited ●	1,252,832	1,879,247	Discounted earnings multiple	1,477,832	2,150,061
Positive Response Corporation Ltd ●	875,000	1,878,012	Discounted revenue multiple	875,000	1,710,657
Red Flag Alert Technology Group Limited ●	1,732,693	1,732,693	Cost	—	—
Crosstown Dough Ltd ●	1,485,149	1,527,497	Discounted revenue multiple	1,485,149	1,619,888
Firefish Software Ltd. ●	1,485,148	1,485,148	Cost	—	—
Rovco Limited ●	1,457,630	1,457,631	Discounted price of last funding round	1,457,631	1,457,631
iMIST Group Limited ●	1,598,515	1,146,938	Discounted revenue multiple	1,598,515	1,756,063
Biofortuna Limited ●	1,172,517	1,029,446	Discounted revenue multiple	1,172,517	1,171,779

### Key

● Technology, Media & Telecommunications ● Industrials & Manufacturing ● Healthcare ● Business Services ● Consumer & Leisure ● Financial Planning ● General

## Portfolio Overview continued

Investment by value	30 June 2023			31 December 2022	
	Accounting cost £	Valuation £	Valuation methodology	Accounting cost £	Valuation £
The KSL Clinic Limited <span style="color: green;">●</span>	990,099	990,099	Cost	—	—
Sprintroom Limited <span style="color: purple;">●</span>	990,099	990,099	Cost	—	—
So-Sure Limited <span style="color: green;">●</span>	1,584,158	969,699	Discounted revenue multiple	1,584,158	1,584,158
Five Wealth Limited <span style="color: grey;">●</span>	705,445	705,445	Cost	—	—
Weduc Holdings Limited <span style="color: green;">●</span>	54,145	693,549	Discounted revenue multiple	54,145	580,063
Whitchurch PE 1 Limited <span style="color: blue;">●</span>	100,000	271,293	Discounted earnings multiple	100,000	271,399
Cole Henry PE 2 Limited <span style="color: blue;">●</span>	100,000	204,503	Discounted earnings multiple	100,000	204,610
Kingsclere PE 3 Limited <span style="color: blue;">●</span>	100,000	168,430	Discounted earnings multiple	100,000	168,537
Sindicatum Carbon Capital Limited <span style="color: blue;">●</span>	246,075	—	Nil value	246,075	—
Vio Healthtech Limited <span style="color: green;">●</span>	1,648,334	—	Nil value	1,648,334	—
Additive Manufacturing Technologies Ltd <span style="color: green;">●</span>	1,814,869	—	Nil value	1,720,296	1,720,296
Biotherapy Services Limited <span style="color: green;">●</span>	2,220,408	—	Nil value	2,220,408	—
Powerlinks Media Limited <span style="color: green;">●</span>	2,709,360	—	Nil value	2,709,360	—
Oxonica Limited <span style="color: green;">●</span>	2,804,473	—	Nil value	2,804,473	—
Innovation Consulting Group Limited <span style="color: red;">●</span>	—	—	Sold	1,605,000	5,474,353
Datapath Group Limited <span style="color: green;">●</span>	—	—	Sold	7,563,365	5,245,695
Mowgli Street Food Group Limited <span style="color: blue;">●</span>	—	—	Sold	1,526,750	5,183,006
<b>Total</b>	<b>102,556,095</b>	<b>171,153,120</b>		<b>103,765,284</b>	<b>169,775,465</b>

### Key

● Technology, Media & Telecommunications 
 ● Industrials & Manufacturing 
 ● Healthcare 
 ● Business Services 
 ● Consumer & Leisure 
 ● Financial Planning 
 ● General

# Responsible Investment

In order to deliver sustainable growth and long-term success, the Manager believes it is critical to incorporate environmental, social and governance (“ESG”) factors into its investment management processes.

In order to deliver sustainable growth and long-term success, the Manager believes it is critical to incorporate environmental, social and governance (“ESG”) factors into its investment management processes. Often referred to as Responsible Investment, these principles provide not only a key basis for generating attractive returns for investors, but also 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 Manager’s day-to-day decision making, with all new investments made since May 2018 subject to ESG due diligence and ongoing ESG monitoring.

This accounts for 54% of the current portfolio, with the view of reaching 100% as legacy investments are sold. Central to its investment approach are five ESG Principles which are used to evaluate investee companies.

In total, over 100 individual key performance indicators are considered under the five Principles.

The Manager invests in a wide range of sectors and believes its approach covers the key tests that should be applied to assess a company’s ESG performance, throughout the lifecycle of an investment:



## 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 interaction

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?

# Responsible Investment continued

## UN SDGs

The UN's Sustainable Development Goals ("SDGs") also represent a key driver and important lens through which corporate and investment activities are reviewed.

In May 2021, the Manager formalised its Impact Themes for private equity investments into four areas:

- Health
- Quality Employment at Scale
- Research and Innovation
- Sustainable, Inclusive, Local Infrastructure and the Environment

These outcome-focused themes are aligned with the UN's SDGs. They help the Manager assess any opportunities in the business model, and by mapping its investments to them, the private equity team can identify the value and benefits for the companies, society and the environment.

All new portfolio companies since May 2018 are subject to an annual assessment where progress against each of the five Principles and four Impact Themes is measured and an evaluation matrix updated to allow progress to be tracked and continuous improvement encouraged.

The diagram shows the specific SDGs that the Manager has scope to contribute to across all of its activities.



# Governance

## What's in this section

Unaudited Half-Yearly Results  
and Responsibilities Statements

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# Unaudited Half-Yearly Results and Responsibilities Statements

## Principal risks and uncertainties

The principal risks faced by the Company are as follows:

- Market risk
- Strategic and performance risk
- Internal and financial control risk
- Legislative and regulatory risk
- VCT qualifying status risk
- Investment valuation and liquidity risk

The Board reported on the principal risks and uncertainties faced by the Company in the Annual Report and Accounts for the year ended 31 December 2022. A detailed explanation can be found on pages 47 to 49 of the Annual Report and Accounts, which is available on the Company's website [www.foresightvct.com](http://www.foresightvct.com) or by writing to Foresight Group at The Shard, 32 London Bridge Street, London SE1 9SG.

In the view of the Board, there have been no changes to the fundamental nature of these risks since the previous report. The emerging risks identified in the previous report included those of climate change, inflationary pressures, interest rates, supply chain issues, energy prices, the Russian invasion of Ukraine and increased tension between the United States and China over the future of Taiwan. These emerging risks continue to apply and be monitored. The Board and the Manager continue to follow all emerging risks closely with a view to identifying where changes affect the areas of the market in which portfolio companies operate. This enables the Manager to work closely with portfolio companies, preparing them so far as possible to ensure they are well positioned to endure potential volatility.

## Directors' responsibility statement

The Disclosure and Transparency Rules ("DTR") of the UK Listing Authority require the Directors to confirm their responsibilities in relation to the preparation and publication of the Half-Yearly Financial Report.

The Directors confirm to the best of their knowledge that:

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

## Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report of the Annual Report. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are described in the Chair's Statement, Strategic Report and Notes to the Accounts of the 31 December 2022 Annual Report. In addition, the Annual Report includes the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposures to credit risk and liquidity risk.

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

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

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

On behalf of the Board

**Margaret Littlejohns**

Chair

26 September 2023

# Financial Statements

## What's in this section

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# Unaudited Income Statement

For the six months ended 30 June 2023

	Six months ended 30 June 2023 (Unaudited)			Six months ended 30 June 2022 (Unaudited)			Year ended 31 December 2022 (Audited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Realised gains on investments	—	3,595	3,595	—	12,992	12,992	—	13,207	13,207
Investment holding gains/(losses)	—	5,048	5,048	—	(5,070)	(5,070)	—	2,138	2,138
Income	1,915	—	1,915	486	—	486	1,536	—	1,536
Investment management fees	(503)	(2,619)	(3,122)	(464)	(1,096)	(1,560)	(949)	(2,550)	(3,499)
Other expenses	(438)	—	(438)	(295)	—	(295)	(680)	—	(680)
Return/(loss) on ordinary activities before taxation	974	6,024	6,998	(273)	6,826	6,553	(93)	12,795	12,702
Taxation	(93)	93	—	—	—	—	—	—	—
Return/(loss) on ordinary activities after taxation	881	6,117	6,998	(273)	6,826	6,553	(93)	12,795	12,702
Return/(loss) per share	0.4p	2.6p	3.0p	(0.1)p	3.1p	3.0p	(0.1)p	5.9p	5.8p

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

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

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

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

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

# Unaudited Reconciliation of Movements in Shareholders' Funds

For the six months ended 30 June 2023

	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Distributable reserve <sup>1</sup> £'000	Capital reserve <sup>1</sup> £'000	Revaluation reserve £'000	Total £'000
As at 1 January 2023	2,192	56,380	1,195	47,701	16,602	67,659	191,729
Share issues in the period	290	25,936	—	—	—	—	26,226
Expenses in relation to share issues	—	(1,019)	—	—	—	—	(1,019)
Repurchase of shares	(27)	—	27	(2,219)	—	—	(2,219)
Realised gains on disposal of investments	—	—	—	—	3,595	—	3,595
Investment holding gains	—	—	—	—	—	5,048	5,048
Dividends paid	—	—	—	(10,711)	—	—	(10,711)
Management fees charged to capital	—	—	—	—	(2,619)	—	(2,619)
Revenue return for the period before taxation	—	—	—	974	—	—	974
Taxation for the period	—	—	—	(93)	93	—	—
<b>As at 30 June 2023</b>	<b>2,455</b>	<b>81,297</b>	<b>1,222</b>	<b>35,652</b>	<b>17,671</b>	<b>72,707</b>	<b>211,004</b>

1. Reserve is available for distribution; total distributable reserves at 30 June 2023 total £53,323,000 (31 December 2022: £64,303,000).

# Unaudited Balance Sheet

At 30 June 2023

Registered number: 03421340

	As at 30 June 2023 (Unaudited) £'000	As at 30 June 2022 (Unaudited) £'000	As at 31 December 2022 (Audited) £'000
<b>Fixed assets</b>			
Investments held at fair value through profit or loss	171,153	157,171	169,775
<b>Current assets</b>			
Debtors	4,545	12,309	3,037
Cash and cash equivalents	36,938	28,565	19,525
<b>Total current assets</b>	<b>41,483</b>	<b>40,874</b>	<b>22,562</b>
<b>Creditors</b>			
Amounts falling due within one year	(1,632)	(156)	(608)
<b>Net current assets</b>	<b>39,851</b>	<b>40,718</b>	<b>21,954</b>
<b>Net assets</b>	<b>211,004</b>	<b>197,889</b>	<b>191,729</b>
<b>Capital and reserves</b>			
Called-up share capital	2,455	2,237	2,192
Share premium account	81,297	54,692	56,380
Capital redemption reserve	1,222	1,129	1,195
Distributable reserve	35,652	61,539	47,701
Capital reserve	17,671	17,841	16,602
Revaluation reserve	72,707	60,451	67,659
<b>Equity shareholders' funds</b>	<b>211,004</b>	<b>197,889</b>	<b>191,729</b>
<b>Net Asset Value per share</b>	<b>85.9p</b>	<b>88.5p</b>	<b>87.5p</b>

# Unaudited Cash Flow Statement

For the six months ended 30 June 2023

	Six months ended 30 June 2023 (Unaudited) £'000	Six months ended 30 June 2022 (Unaudited) £'000	Year ended 31 December 2022 (Audited) £'000
<b>Cash flow from operating activities</b>			
Loan interest received from investments	850	311	1,249
Dividends received from investments	580	96	132
Deposit and similar interest received	487	27	220
Investment management fees paid	(2,011)	(1,843)	(3,789)
Secretarial fees paid	(65)	(65)	(130)
Other cash payments	(340)	(168)	(457)
<b>Net cash outflow from operating activities</b>	<b>(499)</b>	<b>(1,642)</b>	<b>(2,775)</b>
<b>Cash flow from investing activities</b>			
Purchase of investments	(8,721)	(3,170)	(11,051)
Net proceeds on sale of investments	14,515	10,272	21,922
Net proceeds on deferred consideration	—	51	266
<b>Net cash inflow from investing activities</b>	<b>5,794</b>	<b>7,153</b>	<b>11,137</b>
<b>Cash flow from financing activities</b>			
Proceeds of fundraising	23,692	18,531	18,531
Expenses of fundraising	(589)	(455)	(473)
Repurchase of own shares	(2,313)	(4,468)	(9,234)
Equity dividends paid	(8,672)	(8,075)	(15,182)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>12,118</b>	<b>5,533</b>	<b>(6,358)</b>
<b>Net inflow of cash in the period</b>	<b>17,413</b>	<b>11,044</b>	<b>2,004</b>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Increase in cash and cash equivalents for the period	17,413	11,044	2,004
Net cash and cash equivalents at start of period	19,525	17,521	17,521
<b>Net cash and cash equivalents at end of period</b>	<b>36,938</b>	<b>28,565</b>	<b>19,525</b>
<b>Analysis of changes in net debt</b>			
	At 1 January 2023 £'000	Cash flow £'000	At 30 June 2023 £'000
Cash and cash equivalents	19,525	17,413	36,938

# Notes to the Unaudited Half-Yearly Results

For the six months ended 30 June 2023

## 1

The Unaudited Half-Yearly Financial Report has been prepared on the basis of the accounting policies set out in the statutory accounts of the Company for the year ended 31 December 2022. Unquoted investments have been valued in accordance with IPEV Valuation Guidelines.

## 2

These are not statutory accounts in accordance with S436 of the Companies Act 2006 and the financial information for the six months ended 30 June 2023 and 30 June 2022 has been neither audited nor formally reviewed. Statutory accounts in respect of the year ended 31 December 2022 have been audited and reported on by the Company's auditors and delivered to the Registrar of Companies and included the report of the auditors which was unqualified and did not contain a statement under S498(2) or S498(3) of the Companies Act 2006. No statutory accounts in respect of any period after 31 December 2022 have been reported on by the Company's auditors or delivered to the Registrar of Companies.

## 3

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

## 4 Net Asset Value per share

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

	Net assets	Number of shares in issue
30 June 2023	£211,004,000	245,495,673
30 June 2022	£197,889,000	223,678,255
31 December 2022	£191,729,000	219,151,944

## 5 Return per share

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

	Shares
Six months ended 30 June 2023	232,668,471
Six months ended 30 June 2022	215,848,355
Year ended 31 December 2022	218,519,391

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

## 6 Income

	Six months ended 30 June 2023 £'000	Six months ended 30 June 2022 £'000	Year ended 31 December 2022 £'000
Loan stock interest	848	337	1,184
Dividends receivable	580	122	132
Deposit and similar interest received	487	27	220
	1,915	486	1,536

## 7 Investments at fair value through profit or loss

	£'000
Book cost as at 1 January 2023	103,766
Investment holding gains	66,009
Valuation at 1 January 2023	169,775
Movements in the period:	
Purchases	9,711
Disposal proceeds <sup>1</sup>	(14,515)
Realised gains	3,595
Investment holding gains <sup>2</sup>	2,587
Valuation at 30 June 2023	171,153
Book cost at 30 June 2023	102,557
Investment holding gains	68,596
Valuation at 30 June 2023	171,153

- The Company received £14,515,000 from the disposal of investments during the period. The book cost of these investments when they were purchased was £10,920,000. These investments have been revalued over time and until they were sold any unrealised gains or losses were included in the fair value of the investments.
- Investment holding gains in the Income Statement include the deferred consideration debtor increase of £2,461,000. The debtor movement reflects the recognition of amounts receivable in respect of Mowgli Street Food Group Limited (£1,647,000) and Datapath Group Limited (£1,167,000), offset by an FX movement in respect of Codeplay Software Limited (£42,000) and provisions made against balances in respect of Mologic Ltd. (£241,000) and FFX Group Limited (£70,000). Post-period end, £824,000 of deferred consideration was received in relation to Mowgli Street Food Group Limited.

# Notes to the Unaudited Half-Yearly Results continued

For the six months ended 30 June 2023

## 8 Performance incentive fee

In order to incentivise the Manager to generate enhanced returns for shareholders, the Manager will potentially be entitled to performance incentive payments in respect of each financial year commencing on or after 1 January 2023 where the Company achieves an average annual NAV Total Return per share, over a rolling five-year period, in excess of an average annual hurdle of 5% (simple not compounded). If the hurdle is met, the Manager would be entitled to an amount equal to 20% of the excess over the hurdle subject to a cap of 1% of the closing Net Asset Value for the relevant financial year (and no fee will be due in excess of this cap).

Where there is a negative return in the relevant financial year, no fee shall be payable even if the hurdle is exceeded. However, the potential fee will be carried forward and will become due at the end of the next financial year if the performance hurdle described above for that next financial year is achieved and the negative return in the preceding financial year is recovered in that next financial year. Any such catch-up fees shall be paid alongside any fee payable for the next financial year subject to the 1% cap applying to both fees in aggregate. Any such catch-up fees cannot be rolled further forward to subsequent financial years.

The new performance incentive scheme, as described above, in the Chair's Statement of the Company's 31 December 2022 Annual Report and Accounts and the Circular dated 18 May 2023, was formally approved by shareholders at the General Meeting held on 15 June 2023.

## Estimation of the financial effect

As at 30 June 2023, the NAV Total Return since 31 December 2018 was 33.2p (being the aggregation of NAV per share as at 30 June 2023, before any performance incentive provision, of 86.4p and dividends paid per share in the period totalling 24.9p less the NAV per share as at 31 December 2018 of 78.1p) giving an average annual NAV Total Return per share of 6.6p. This compares to the average annual hurdle of 3.9p based on the opening NAV per share of 78.1p as at 31 December 2018 and therefore an excess of 2.7p over the hurdle.

If NAV Total Return for the year ending 31 December 2023, the Net Asset Value of the Company as at 31 December 2023 and the weighted average number of shares in issue over the five-year period to 31 December 2023 remained unchanged from their positions as at 30 June 2023, the Manager would be entitled to a performance incentive payment of £1.1 million, which has been provided for in the financial statements.

## 9 Related party transactions

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

## 10 Transactions with the Manager

Foresight Group LLP was appointed as Manager on 27 January 2020 and earned fees of £2,011,000 up to 30 June 2023 (30 June 2022: £1,857,000, 31 December 2022: £3,499,000). Performance incentive fees of £1.1 million have been accrued as at 30 June 2023 (30 June 2022: £nil, 31 December 2022: £nil).

Foresight Group LLP is the Company Secretary (appointed in November 2017) and received, directly and indirectly, for accounting and company secretarial services, fees of £65,000 during the period (30 June 2022: £65,000, 31 December 2022: £130,000).

At the balance sheet date there was £nil due to Foresight Group LLP (30 June 2022: £7,000, 31 December 2022: £nil).

# Glossary of Terms

## VCT

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

## Net Asset Value or NAV

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

## Net Asset Value per share or NAV per share

Net Asset Value expressed as an amount per share.

## Movement in Net Asset Value Total Return

The movement in the NAV per share at the start of the period to the NAV per share at the end of the period plus all dividends paid per share in the period. The NAV at the start of the period was 87.5p (30 June 2022: 90.1p, 31 December 2022: 90.1p), dividends paid during the period were 4.4p (30 June 2022: 4.5p, 31 December 2022: 8.5p) with NAV at the end of the period being 85.9p (30 June 2022: 88.5p, 31 December 2022: 87.5p); as such, NAV at the end of the period was 90.3p (30 June 2022: 93.0p, 31 December 2022: 96.0p). Therefore, the movement in Net Asset Value Total Return in the period is 3.2% (30 June 2022: 3.2%, 31 December 2022: 6.5%).

## Share price total return

The sum of the current share price rebased by the conversion ratios set out in the Annual Report and Accounts (0.688075647795 and 0.554417986) of 29.9p (30 June 2022: 30.3p, 31 December 2022: 29.2p) plus all dividends paid per share since inception on 19 August 1997 rebased, being 199.6p (30 June 2022: 196.4p, 31 December 2022: 197.9p). This giving a share price total return of 229.5p (30 June 2022: 226.7p, 31 December 2022: 227.1p).

## Discount to NAV

A discount to NAV is the percentage by which the mid-market share price of the Company of 78.5p (30 June 2022: 79.5p, 31 December 2022: 76.5p) is lower than the Net Asset Value per share as at the period end of 85.9p (30 June 2022: 88.5p, 31 December 2022: 87.5p). This giving a discount to NAV of 8.6% (30 June 2022: 10.2%, 31 December 2022: 12.6%).

## Dividends paid in the period

The total dividends per share paid in the period of 4.4p (30 June 2022: 4.5p, 31 December 2022: 8.5p).

## Dividend yield

The sum of dividends paid during the period of 4.4p (30 June 2022: 4.5p, 31 December 2022: 8.5p) expressed as a percentage of the mid-market share price at the period end date of 78.5p (30 June 2022: 79.5p, 31 December 2022: 76.5p). This giving a dividend yield of 5.6% (30 June 2022: 5.7%, 31 December 2022: 11.1%).

## Shares bought back in the period

The total number of shares which were bought back in the period, being 2,716,894 (30 June 2022: 4,840,841, 31 December 2022: 11,429,802).

## Average discount on buybacks

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

## Ongoing charges ratio

The sum of expenditure incurred in the ordinary course of business, being £2.4 million (30 June 2022: £1.9 million, 31 December 2022: £4.4 million), expressed as a percentage of the average of the quarterly net assets throughout the period in accordance with the AIC's recommended guidance, being £209.3 million (30 June 2022: £197.9 million, 31 December 2022: £197.4 million), adjusted for the number of months in the period in order to give an annual figure.

## Qualifying company

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

## Qualifying investment

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

## Manager

Foresight Group LLP.

# Financial Conduct Authority

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



## Beware of share fraud

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

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

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

## How to avoid share fraud

- Keep in mind that firms authorised by the FCA are unlikely to contact you out of the blue with an offer to buy or sell shares.
- Do not get into a conversation, note the name of the person and firm contacting you and then end the call.
- Check the Financial Services Register from [www.fca.org.uk](http://www.fca.org.uk) to see if the person and firm contacting you is authorised by the FCA.
- Beware of fraudsters claiming to be from an authorised firm, copying its website or giving you false contact details.
- Use the firm's contact details listed on the Register if you want to call it back.
- Call the FCA on **0800 111 6768** if the firm does not have contact details on the Register or you are told they are out of date.
- Search the list of unauthorised firms to avoid at [www.fca.org.uk/scams](http://www.fca.org.uk/scams).
- Consider that if you buy or sell shares from an unauthorised firm you will not have access to the Financial Ombudsman Service or Financial Services Compensation Scheme.
- Think about getting independent financial and professional advice before you hand over any money.
- **Remember:** if it sounds too good to be true, it probably is!

## Report a scam

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

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

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

In association with





# Corporate Information

## Company number

03421340

## Directors

Margaret Littlejohns (Chair)

Patricia Dimond

Jocelin Harris

David Ford (appointed 1 January 2023)

Dan Sandhu (appointed 1 January 2023)

Gordon Humphries (retired 15 June 2023)

## Company Secretary

**Foresight Group LLP**

The Shard

32 London Bridge Street

London

SE1 9SG

## Manager

**Foresight Group LLP**

The Shard

32 London Bridge Street

London

SE1 9SG

## Auditor

**Deloitte LLP**

20 Castle Terrace

Edinburgh

EH1 2DB

## Solicitors and VCT status advisers

**Shakespeare Martineau LLP**

No. 1 Colmore Square

Birmingham

B4 6AA

and

60 Gracechurch Street

London

EC3V 0HR

## Registrar

**Computershare Investor Services plc**

The Pavilions

Bridgwater Road

Bristol

BS99 6ZZ

## Market maker

**Panmure Gordon & Co**

One New Change

London

EC4M 9AF

## Banker

**Lloyds Bank plc**

25 Gresham Street

London

EC2V 7HN

# Additional Information

## Privacy policy

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



## Share buyback dates

Share buybacks are timed to avoid the Company's closed periods. Buybacks will generally take place, subject to demand, during the following times of the year:

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

## Trading shares

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

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

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

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

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

## Important information

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

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

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

# Shareholder Information

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

For details on the Company's investment policy please refer to the Strategic Report in the Company's 2022 Annual Report.

## Enquiries

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

**020 3667 8181**  
**[InvestorRelations@foresightgroup.eu](mailto:InvestorRelations@foresightgroup.eu)**  
**[www.foresightgroup.eu](http://www.foresightgroup.eu)**

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

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

## Dividends

All cash dividends will be credited to your nominated bank/building society account. Your options are:

- Receive your dividends in sterling via direct credit to a UK domiciled bank account
- Reinvest your dividends for additional shares in the Company through our dividend reinvestment scheme

## Key dates

Annual results to 31 December 2023	April 2024
Annual General Meeting	June 2024
Interim results to 30 June 2024	September 2024

## [www.investorcentre.co.uk](http://www.investorcentre.co.uk)

Investors can manage their shareholding online using Investor Centre, Computershare's secure website.

Shareholders just require their Shareholder Reference Number ("SRN"), which can be found on any communications previously received from Computershare, to access the following:

**Holding enquiry** Balances | Values History | Payments | Reinvestments

**Payments enquiry** Dividends | Other payment types

**Address change** Change registered address to which all communications are sent

**Bank details update** Please ensure bank details are up to date in order to receive your dividends

**Outstanding payments** Reissue payments using our online replacement service

**Downloadable forms** Dividend mandates | Stock transfer | Dividend reinvestment | Change of address

**Alternatively, you can contact Computershare by phone on 0370 703 6388**



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# Foresight

FOR A SMARTER FUTURE

Foresight VCT plc

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