



Annual Report and Accounts
31 March 2015

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Important information: the Company currently conducts its affairs so that the shares issued by Foresight 4 VCT plc 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.

Summary Financial Highlights

Ordinary Shares fund

- Net asset value per Ordinary Share at 31 March 2015 was 83.9p (31 March 2014: 86.7p).
- The Ordinary Shares fund provided follow-on funding totalling £1.1 million to eight portfolio companies.
- The Ordinary Shares fund realised £2.5 million from sales and loan redemptions from seven portfolio companies.

C Shares fund

- Net asset value per C Share at 31 March 2015 was 110.8p (31 March 2014: 66.1p).
- One new investment was made by the C Shares fund totalling £0.5 million and two follow-on investments were made totalling £0.7 million.
- The C Shares fund realised £10.5 million from sales and loan redemptions from two portfolio companies.



Chairman's Statement

Performance

During the year to 31 March 2015, the net asset value per Ordinary Share decreased by 3.2% to 83.9p from 86.7p at 31 March 2014. A number of the private equity investments performed well, particularly Aerospace Tooling Corporation, Procam Television Holdings, TFC Europe and CoGen which together generated an increase in net asset value of £3.5 million.

The main reason for the decline in net asset value, resulted from the Board's decision to reduce the valuation of Closed Loop Recycling to £nil with a further, final, provision of £4.0 million in light of the failure to achieve a sale and continuing trading difficulties. The company entered administration on 30 April 2015. Following this write off, the portfolio has little exposure to environmental type investments and the remaining portfolio comprises private equity type investments in a range of sectors. The majority are profitable at EBITDA level and increases in the valuation of these investments helped to largely offset the further provision made against Closed Loop Recycling.

Given the time, effort and money which went into Closed Loop Recycling in an attempt to make it a success, the failure of this investment was particularly disappointing. The Board and Foresight Group, as investment manager, are, however, now entirely focussed on achieving success from the private equity portfolio which, as noted above, predominantly comprises profitable companies. This strategy, which was first trailed several years ago in my statement, is starting to deliver attractive returns.

The C Shares fund net asset value increased significantly by 67.6% to 110.8p per share at 31 March 2015 from 66.1p per C Share at 31 March 2014, mainly due to the sale of Defaqto as well as the positive performance, generally, of its private equity portfolio, notably Aerospace Tooling Corporation and Procam Television.

For a detailed review of all of the Company's investments I refer you to the Manager's Report that starts on page 10 of the Annual Report and Accounts.

Ordinary and C Shares merger

As part of the merger of Acuity Growth VCT plc (Foresight 5 VCT plc) and Acuity VCT 3 plc with Foresight 4 VCT plc in February 2012, through the issue of C Shares, shareholders also approved the conversion of C shares into Ordinary Shares. This Conversion is due to take place on the tenth business day following the publication of these audited results of the Company for the year ended 31 March 2015.

Dividends

It continues to be the Company's policy to provide a flow of tax-free dividends, generated from income and from capital profits realised on the sale of investments. Distributions will however inevitably be dependent on successful realisations, as well as cash generation from the portfolio, capital restructurings and interest payments. The recent and continuing success in generating cash from portfolio investments within the Ordinary Shares fund gives the Board

confidence that it will be able to declare a dividend for the year ending 31 March 2016.

The Board is pleased to announce, principally as a result of the successful sale of Defaqto, the payment of a 25p dividend per C Share to C Shareholders on 6 August 2015. The dividend will have a record date of 10 July 2015 and an ex-dividend date of 9 July 2015.

Top-up Share Issues and Share Buy-backs

No shares were issued during the year.

During the period under review 285,000 Ordinary Shares were repurchased for cancellation at a cost of £163,000.

Alternative Investment Fund Management Registration

The Board has considered the impact on the Company of an EU directive regulating Alternative Investment Fund Managers (AIFM) which applies to most UK investment funds including the Company. To minimise the regulatory and financial cost of compliance as a 'full scope UK AIFM' with this legislation, the Board decided that the Company would register as a 'small registered UK AIFM' directly with the Financial Conduct Authority as permitted by the rules. The application process was completed in June 2014 and approval confirmed in early August 2014. This will not affect the current arrangements with the Manager which will continue to report to the Board and manage the Company's investments on a discretionary basis.

VCT Legislation

VCTs, as tax efficient investment vehicles, are periodically subject to new rules which the Government and/or the European Commission consider appropriate for achieving the VCT scheme's objectives and to comply with the rules relating to state aid to promote risk finance investments.

These proposed new rules were announced in the Chancellor's Budget on 8 July 2015 and, in summary, are as follows:

- Introducing an 'age of company' restriction of 7 years
- Introducing a lifetime investment limit of £12 million
- Restricting VCT investments in buyouts
- All investments to be made with intention to grow and develop a business.

These rules will become effective from Royal Assent of the Finance Bill in 2015.

Annual General Meeting

Prior to the Annual General Meeting at 11.00am on 2 October, Foresight Group, the investment Manager and two investee companies will give presentations between 10.00am and 11.00am.

The Company's Annual General Meeting will take place after the presentations. I look forward to welcoming you to the Meeting, which will be held at the offices of Shakespeare Martineau in London. Details can be found on page 65 of the Annual Report and Accounts.

Directorate Changes

The Board announced on 3 October 2014 that Raymond Abbott, Director, had retired from the Board with immediate effect. Raymond was then appointed to the position of Director of Foresight 3 VCT plc. On behalf of the Board I would like to thank Raymond for all of his hard work during the past two and a half years and wish him well in his new role at Foresight 3 VCT plc.

The Board of Foresight 4 VCT plc also announced on 3 October 2014 the appointment of Simon Jamieson to the Board. Simon was formerly a Director of FF&P Asset Management Ltd and IBIS Media VCT 1 plc.

Outlook

Although there is still considerable uncertainty in continental Europe as a result of stresses within the Euro area, the UK economy is in reasonable health and many portfolio businesses are now making steady progress. Many of the familiar risks, both financial and political, remain and there can be no grounds for complacency as all our investments operate in competitive environments.

The effect of the improvement in the economy has been noticeable in the performance of the private equity part of both the Ordinary Shares and C Shares portfolios which comprise the major part of each portfolio. Within both portfolios, a series of realisations, refinancings and loan repayments has generated significant cash balances. This underpins the Board's dividend commitment to Shareholders and provides sufficient capacity for several new investments to be made over the medium term, which we anticipate will further enhance shareholder returns.

Philip Stephens

Chairman

27 July 2015



Strategic Report

Introduction

This Strategic Report, on pages 4 to 9, has been prepared in accordance with the requirements of Section 414 of the Companies Act 2006 and best practice. Its purpose is to inform the members of the Company and help them to assess how the Directors have performed their duty to promote the success of the Company, in accordance with Section 172 of the Companies Act 2006.

Foresight 4 VCT plc – Ordinary Shares fund

In August 2004, Foresight was appointed to manage Advent 2 VCT plc, which was subsequently renamed Foresight 4 VCT plc.

On 6 February 2012, Foresight Clearwater VCT plc was merged into the existing Ordinary Share class.

The number of Ordinary Shares in issue at 31 March 2015 was 38,284,414.

Foresight 4 VCT plc – C Shares fund

On 6 February 2012, Acuity VCT 3 plc and Foresight 5 VCT plc merged into a new “C” Share class within Foresight 4 VCT plc.

The number of C Shares in the Company in issue at 31 March 2015 was 18,680,907.

Summary of the Investment Policy

The Manager (Foresight Group) will target investments in UK unquoted companies which it believes will achieve the objective of producing attractive returns for shareholders.

Investment Objectives

Ordinary Shares fund

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

C Shares fund

To achieve capital gains and maximise UK tax-free income to its shareholders from dividends and capital distributions. It is intended that this objective will be achieved by investing the majority of the funds in a portfolio of qualifying investments.

Performance and key performance indicators (KPIs)

The Board expects the Manager to deliver a performance which meets the objectives of the two classes of shares. The KPIs covering these objectives are net asset value performance and dividends paid, which, when combined, give net asset value total return. Additional key performance indicators reviewed by the Board include the discount of the share price relative to the net asset value and total expenses as a proportion of shareholders’ funds.

A record of some of these indicators is contained on the following page. The on going charges ratio in the period was 2.8%. Share buy-backs, (excluding enhanced buybacks), have been completed for 285,000 shares, at an average discount of 33.7%. The level of these KPIs are then compared with the wider VCT marketplace, based on independently published information, for reasonableness.

A review of the Company’s performance during the financial period, the position of the Company at the period end and the outlook for the coming year is contained within the Manager’s Report. The Board assesses the performance of the Manager in meeting the Company’s objective against the primary KPIs highlighted above.

	31 March 2015		31 March 2014	
	Ordinary Shares	C Shares	Ordinary Shares	C Shares
Net asset value per share	83.9p	110.8p	86.7p	66.1p
Net asset value total return (including all dividends paid [†])	180.2p	110.8p	183.0p	66.1p
	Ordinary Shares	C Shares	Ordinary Shares	C Shares
Share price	52.0p	72.0p	62.0p	36.0p
Share price total return (including all dividends paid [†])	148.3p	72.0p	158.3p	36.0p
	Ordinary Shares	C Shares	Ordinary Shares	C Shares
Dividends paid	96.3p	—	96.3p	—
Dividends paid in the year	—	—	4.0p	—
Dividend yield %	—	—	6.5	—

[†] Since the date of the merger on 6 February 2012, for the C Shares fund.

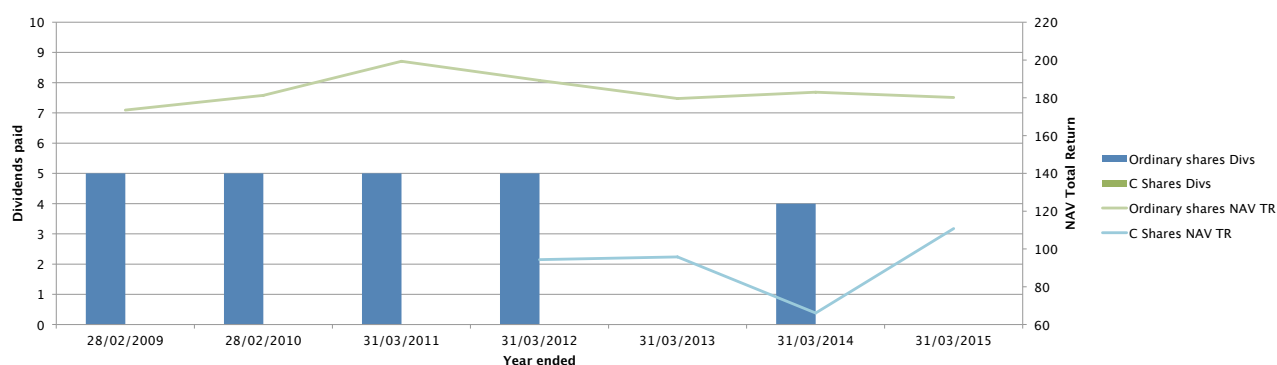
Ordinary Shares fund	2015	2014
Discount to NAV at 31 March	38.0%	28.4%
Average discount on buybacks	33.7%	17.5%
Shares bought back during the year under review	285,000	150,000
Decrease in net asset value during year	3.2%	3.9%
Ongoing charges ratio (Company/Fund)	3.3%	3.3%

C Shares fund		
Discount to NAV at 31 March	35.0%	45.5%
Increase in net asset value during year	67.6%	31.0%
Ongoing charges ratio (Company/Fund)	2.0%	4.1%

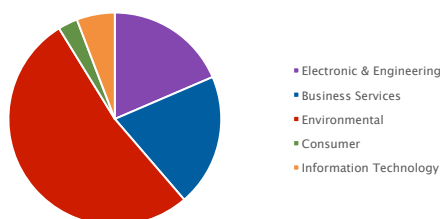
Company		
Ongoing charges ratio	2.8%	3.5%

Strategic Report continued

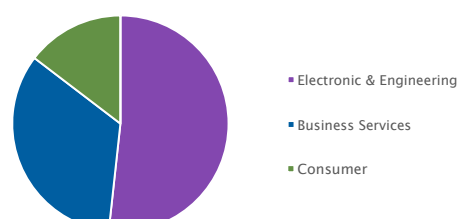
Dividends & NAV total return



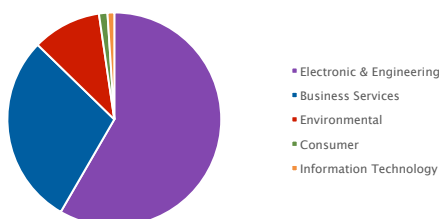
Ordinary Shares fund by Sector (Cost)



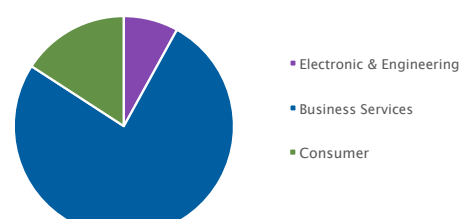
C Shares fund by Sector (Cost)



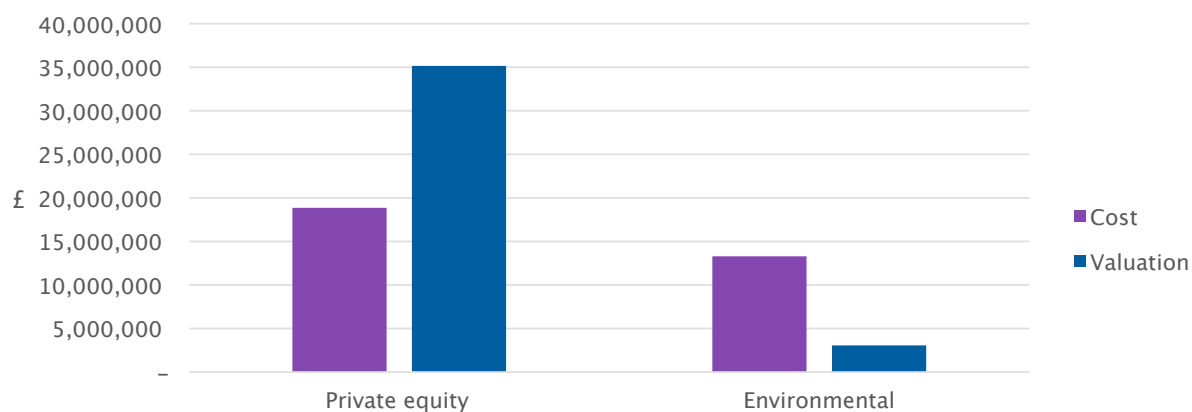
Ordinary Shares fund by Sector (Valuation)



C Shares fund by Sector (Valuation)



Investment Areas (Company)



Strategies for achieving objectives

Investment policy

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

Investment securities

The Company invests in a range of securities including, but not limited to, ordinary and preference shares, loan stock, convertible securities, and fixed-interest securities as well as cash. Unquoted investments are usually structured as a combination of ordinary shares and loan stock, while AIM investments are primarily held in ordinary shares. Pending investment in unquoted or AIM listed securities, cash is primarily held in interest bearing money market open ended investment companies (OEICs) as well as in a limited range of non-qualifying companies. Non-qualifying investments may include holdings in money market instruments, short-dated bonds, unit trusts, OEICs, structured products, guarantees to banks or third parties providing loans or other investments into investee companies and other assets where it is believed that the risk/return portfolio is consistent with the overall investment objectives of the portfolio.

UK companies

Investments are primarily made in companies which are substantially based in the UK, although many will trade overseas. The companies in which investments are made must have no more than £7 million of gross assets at the time of investment (or £15 million depending on applicable HMRC rules) to be classed as a VCT qualifying holding.

Asset mix

The Company aims to be significantly invested in growth businesses subject always to the quality of investment opportunities and the timing of realisations. Any uninvested funds are held in cash, interest bearing securities and a range of non-qualifying investments. It is intended that the significant majority (no less than 70%) of any funds raised by the Company will ultimately be invested in VCT qualifying investments.

Risk diversification and maximum exposures

Risk is spread by investing in a range of different businesses within different industry sectors using a mixture of securities. The maximum amount invested in any one company including any guarantees to banks or third parties providing loans or other investments into investee companies, is limited to 15% of the portfolio, at the time of investment.

Investment style

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

Borrowing powers

The Company has a borrowing limit of an amount not exceeding an amount equal to the adjusted capital and reserves (being the aggregate of the amount paid up on the issued share capital of the Company and the amount standing to the credit of its reserves). Whilst the Company does not currently borrow, its policy allows it to do so.

Co-investment

The Company aims to invest in larger, more mature, unquoted and AIM companies and, in order to achieve this, often invests alongside the other Foresight funds. Consequently, at the time of initial investment, the combined investment can currently amount to a maximum of £5.0 million per annum for unquoted or for AIM investments.

VCT regulation

The investment policy is designed to ensure that the Company continues to qualify and is approved as a VCT by HM Revenue & Customs. Amongst other conditions, the Company may not invest more than 15% of its investments (by VCT value at the time of the investment) in a single company and must have at least 70% by value of its investments throughout the period in shares or securities in qualifying holdings, of which 30% by VCT value (70% for funds raised after 5 April 2011) in aggregate must be in ordinary shares which carry no preferential rights (although only 10% of any individual investment needs to be in the ordinary shares of that company).

Management

The Board has engaged Foresight Group as discretionary investment manager. Foresight also provides or procures the provision of company secretarial, administration and custodian services to the Company. Foresight Group prefers to take a lead role in the companies in which it invests. Larger investments may be syndicated with other investing institutions, or strategic partners with similar investment criteria. In considering a prospective investment in a company, particular regard will be paid to:

- Evidence of high-margin products or services capable of addressing fast-growing markets;
- The company's ability to sustain a competitive advantage;
- The strength of the management team;
- The existence of proprietary technology;
- The company's prospects of being sold or achieving a flotation within three to five years.



Strategic Report continued

Environmental, Human Rights, Employee, Social and Community Issues

The Board recognises the requirement under Section 414 of the Act to provide information about environmental matters (including the impact of the Company's business on the environment), employee, human rights, social and community issues; including information about any policies it has in relation to these matters and effectiveness of these policies. As the Company has no employees or policies in these matters this requirement does not apply.

Gender diversity

The Board currently comprises three male Directors. The Board is, however, conscious of the need for diversity and will consider both male and female candidates when appointing new Directors.

The Manager has an equal opportunities policy and currently employs 62 men and 39 women.

Dividend policy

A proportion of realised gains will normally be retained for reinvestment and to meet future costs. Subject to this, the Company will endeavour to maintain a flow of dividend payments. It is the intention to maximise the Company's tax-free income available to investors from a combination of dividends and interest received on investments and the distribution of capital gains arising from trade sales or flotations.

Purchase of own shares

It is the Company's policy, subject to adequate cash availability, to consider repurchasing shares when they become available in order to help provide liquidity to the market in the Company's shares.

Principal risks, risk management and regulatory environment

The Board believes that the principal risks faced by the Company are:

- Economic risk
- Loss of approval as a Venture Capital Trust
- Investment and strategic
- Regulatory
- Reputational
- Operational
- Financial
- Market risk
- Liquidity risk

Further detail on these principal risks is given in note 15 on page 55. The Board regularly reviews the principal risks and uncertainties facing the Company which the Board and the Manager have identified and the Board sets out delegated controls designed to manage those risks and uncertainties. Key risks within investment strategy are managed by the Board through a defined investment policy, with guidelines and restrictions, and by the process of oversight at each Board meeting. Operational disruption, accounting and legal risks are also covered at least annually and regulatory compliance is reviewed at each Board meeting.

The Directors have adopted a framework of internal controls which is designed to monitor the principal risks and uncertainties facing the Company and to provide a monitoring system to enable the Directors to mitigate these risks as far as possible. Details of the Company's internal controls are contained in the Corporate Governance and Internal Control sections.

Performance-related incentives

Foresight Group is entitled to a payment equal to 15% of dividends paid to Ordinary Shareholders, subject to the net asset value plus cumulative dividends paid per Ordinary Share exceeding 100.0p per Share ("High Watermark"), both immediately before and immediately after the performance related incentive fee is paid.

After each distribution is made to Ordinary Shareholders where a performance incentive is paid to Foresight Group, the High Watermark required to be achieved by the Company to trigger a further performance incentive fee increases by a per Ordinary Share amount equivalent to the aggregate amount of the dividend paid less the 15% performance fee paid to Foresight Group.

The performance incentive fee may be satisfied by either a cash payment or the issue of Ordinary Shares (or by a combination of both) ultimately at the Board's discretion. Any new Ordinary Shares to be issued to Foresight Group would be calculated by dividing the performance fee cash equivalent amount by the latest net asset value per Ordinary Share after adding the cumulative dividends to be paid.

No performance incentive was paid in the year (2014: £nil paid).

Valuation policy

Investments held by the Company have been valued in accordance with the International Private Equity and Venture Capital Valuation ("IPEVCV") guidelines (December 2012) developed by the British Venture Capital Association and other organisations. Through these guidelines, investments are valued as defined at 'fair value'. Ordinarily, unquoted investments will be valued at cost for a limited period following the date of acquisition, being the most suitable approximation of fair value unless there is an impairment or significant accretion in value during the period. Quoted investments and investments traded on AIM and ISDX Growth Market are valued at the bid price as at 31 March 2015. The portfolio valuations are prepared by Foresight Group, reviewed and approved by the Board quarterly and subject to review by the auditors annually.

VCT Tax Benefit for Shareholders

To obtain VCT tax reliefs on subscriptions up to £200,000 per annum, a VCT investor must be a 'qualifying' individual over the age of 18 with UK taxable income. The tax reliefs for subscriptions since 6 April 2006 are:

- Income tax relief of 30% on subscription for new shares, which is forfeit by shareholders if the shares are not held for more than five years;
- VCT dividends (including capital distributions of realised gains on investments) are not subject to income tax in the hands of qualifying holders;
- Capital gains on disposal of VCT shares are tax-free, whenever the disposal occurs.

Venture Capital Trust Status

Foresight 4 VCT plc has been granted approval as a Venture Capital Trust (VCT) under S274—S280A of the Income Tax Act 2007 for the year ended 31 March 2014. The next complete review will be carried out for the year ended 31 March 2015. It is intended that the business of the Company be carried on so as to maintain its VCT status.

The Directors have managed, and continue to manage, the business in order to comply with the legislation applicable to VCTs. In addition, the Board has appointed Shakespeare Martineau LLP as taxation adviser to the Company to provide further independent assurance of compliance with venture capital tax legislation and to provide guidance on changes in taxation legislation affecting Foresight 4 VCT plc. As at 31 March 2015 the Company had 83.6% of its funds in such VCT qualifying holdings.

Future Strategy

The Board and the Manager believe that the strategy of focusing on private equity investments is in the best interests of the soon to be combined Ordinary and C Shareholders and the historical information in this report is evidence of positive recent performance in this area.

The Company's performance relative to its peer group and benchmarks will depend on the Manager's ability to allocate the Company's assets effectively, and manage its liquidity appropriately.

Philip Stephens

Chairman

27 July 2015



Manager's Report

During the year to 31 March 2015, the net asset value per Ordinary Share decreased by 3.2% to 83.9p from 86.7p at 31 March 2014. A number of the private equity investments performed well, particularly Aerospace Tooling Corporation, Procam Television Holdings, TFC Europe and CoGen which, together, generated an increase in net asset value of £3.5 million. Aerospace Tooling Corporation and The Bunker Secure Hosting both successfully completed recapitalisations, returning £2.7 million to the Ordinary Shares fund with unchanged equity shareholdings to the fund.

Notwithstanding the above, the overall performance of the Ordinary Shares fund during the year to 31 March 2015 was disappointing, the impact of the full provision of £4.0 million made against the investment in Closed Loop Recycling, as explained below, counterbalancing the strong performance of the private equity investments. Subsequent to the year end, Closed Loop was placed into administration on 30 April 2015, with no prospect of any recovery.

In marked contrast, the net asset value per C Share increased substantially during the year by 67.6% to 110.8p at 31 March 2015 from 66.1p per C Share at 31 March 2014, principally reflecting continuing strong performances by Aerospace Tooling Corporation, Procam Television Holdings and Defaqto, which was successfully sold in March for £9.5 million. Together, these three investments generated an increase in net asset value of nearly £8.0 million during the year. It was intended that the C Shares fund, created through the merger of Acuity Growth VCT and Acuity VCT 3 in February 2012, would be managed separately to the Ordinary Shares fund until summer 2015, when the C Shares fund would be merged with the Ordinary Shares fund on a relative net asset value basis using the net asset values of each fund as at 31 March 2015.

A review of the portfolio investments in the Ordinary Shares fund and C Shares fund is set out below.

Portfolio review: Ordinary Shares fund

1. New investments

During the year, one small new investment was made by the Ordinary Shares fund in CoGen Limited, a new company formed by O-Gen UK and its existing 50:50 joint venture partner, Una Group, to further develop their combined pipeline of waste to energy projects. As part of a £1.3 million funding round, the Ordinary Shares fund invested a nominal £11 for a shareholding representing 9.50% of CoGen's equity, alongside similar investments from other Foresight VCTs.

2. Follow-on funding

Company	£
AlwaysON Group Limited	130,000
AtFutsal Limited	17,007
Biofortuna Limited	50,930
Closed Loop Recycling Limited	263,684
CoGen Limited	45,914
Procam Television Holdings Limited	69,444
Total	576,979

Capitalised interest was recognised during the year for Autologic Diagnostics Group (£98,391) and Closed Loop Recycling (£434,030).

3. Exits and realisations

Company	£
Abacuswood Limited	45,446
Aerospace Tooling Corporation Limited	540,000
Amberfin Holding Limited	54,148
E Vance Wind Turbines Limited	232,812
O-Gen Acme Trek Limited	33,270
The Bunker Secure Hosting Limited	1,549,281
Zoo Digital Group plc	16,637
Total	2,471,594

In September 2014, Aerospace Tooling Corporation effected a recapitalisation and dividend distribution, returning the entire £3.5 million cost of the Foresight VCTs' investment made only 15 months previously. The Ordinary Shares fund received full repayment of its £540,000 loan and a dividend of £60,000 being equal to the £600,000 cost of its equity investment, while retaining its original 9.21% equity shareholding in the company.

In April 2014, Amberfin Holdings was acquired by Dalet SA, a Paris based media asset management software company. The Ordinary Shares fund received £54,148 at completion for its 1.8% shareholding in the company.

In March 2015, The Bunker repaid all its shareholder loans and outstanding interest totalling £6.5 million, of which £5.1 million was repaid to the Foresight VCTs, comprising £3.0 million of loan principal and £2.1 million of interest. The Ordinary Shares fund received £2,052,691, comprising £1,549,281 of loan principal and £503,410 of interest.

Loan repayments totalling £232,812 were received from the administrator of E Vance Wind Turbines. Similarly, a loan repayment of £45,446 was received in September 2014 from the administrator of Abacuswood.

During the year, 146,937 ordinary shares in AIM listed Zoo Digital were sold, realising £16,637.

4. Material provisions to a level below cost

Company	£
Always On Group Limited	65,245
Closed Loop Recycling Limited	3,997,363
Trilogy Communications Limited	202,899
Total	4,265,507

Portfolio review: C Shares

1. New investments

Company	£
Positive Response Communications Limited	500,000
Total	500,000

2. Follow-on funding

Company	£
Biofortuna Limited	306,928
Procam Television Holdings Limited	381,941
Total	688,869

3. Exits and realisations

Company	£
Aerospace Tooling Corporation Limited	810,000
Defaqto Group Limited	9,715,461
Total	10,525,461

As explained above, Aerospace Tooling Corporation effected a recapitalisation and dividend distribution in September 2014. The C Shares fund received repayment of its £810,000 loan and a dividend of £90,000 equal to the cost (£900,000) of its equity investment, retaining its original 13.81% equity shareholding in the company.

On 31 March 2015, Defaqto Group was sold through a management buyout backed by a UK private equity firm, with the company's shareholders receiving gross proceeds of £27.6 million. The C Shares fund received £9,460,661, realising a profit of £4.7 million. Previously in August 2014, the company repaid loan principal of £254,800.

4. Material provisions to a level below cost

No provisions were made during the year.

Outlook for the Portfolios

Foresight Group is pleased by the recent strong performance of the C Shares fund which, in part, reflects the quality of the private equity investments made by Foresight since taking over the management of the fund and the benefits of a hands-on investment approach. Following the sale of Defaqto Group, the C Shares fund now has significant cash resources for further investment. The payment of a

significant 25p per share dividend on 6 August 2015 has been agreed by the Board, while still leaving its fund in a position to make further investments.

Following the full provision made against the investment in Closed Loop Recycling, the Ordinary Shares portfolio effectively has no significant remaining direct exposure to environmental investments, the portfolio now comprises traditional private equity investments operating across a range of different sectors. With a strong pipeline of high quality investment opportunities, Foresight Group is focusing on making further similar private equity investments. Efforts will be concentrated on successful realisations from the existing investments to facilitate further shareholder distributions.

Foresight remains positive about the overall prospects for both investment portfolios, which are well positioned for growth.

Portfolio Review

In June 2013, the Ordinary Shares fund invested £600,000 and the C Shares fund £900,000 alongside other Foresight VCTs in a £3.5 million investment in Dundee based **Aerospace Tooling Corporation** (ATL), a well-established specialist engineering company. ATL provides repair, refurbishment and remanufacturing services to large international companies in high-specification aerospace and turbine engines. With a heavy focus on quality assurance, the company enjoys strong relationships with companies serving the aerospace, military, marine and industrial markets. In the year to 30 June 2014, a number of significant orders underpinned growth, with turnover and profits increasing substantially. Although sales and profitability are forecast to be lower in the current financial year, this strong performance supported an increase in valuation of £1.7 million in the Ordinary Shares fund and £2.5 million in the C Shares fund during the year.

Reflecting particularly strong cash generation, the company effected a recapitalisation and dividend distribution in September 2014, returning the entire £3.5 million cost of the Foresight VCTs' investments made only 15 months previously. The Ordinary Shares fund and the C Shares fund received full repayment of their respective loans of £540,000 and £810,000 and respective dividends of £60,000 and £90,000, equal to the cost of their equity investments. The Ordinary Shares fund and the C Shares fund retain their respective original 9.21% equity shareholding and 13.81% equity shareholding in the company, effectively at nil cost. **Held in the Ordinary and C Shares funds.**

In March 2014, the two Foresight portfolio companies, **AlwaysOn Group** and **Data Continuity Group (now known as AlwaysOn Group)**, merged and implemented a major reorganisation, involving significant cost reductions and a change in the year end to March 2015. As part of the transaction, a further £500,000 was invested by the Foresight VCTs into AlwaysOn in two tranches, of which the Ordinary Shares fund invested £130,000 in March 2014 and a further £130,000 in April 2014, to ensure that the enlarged Group had sufficient resources for growth. The merged business now provides



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data backup services, connectivity and Microsoft's Lync collaboration software (AlwaysOn being a Microsoft Gold partner) to SMEs and larger enterprises. In the year to 31 March 2015, losses were successfully stemmed, with a small EBITDA profit being achieved on sales of £6.6 million and reasonable cash balances at that date.

Sales were slightly behind budget, due to weaker product sales and data back up renewals, whilst the managed services performed ahead of expectations. To improve the company's digital presence and channel sales of Lync (to be rebranded Skype for Business), a new Head of Marketing has been recruited, who has already made a beneficial impact on sales. With a number of significant pipeline opportunities generated through partners, performance is expected to improve significantly once some of these prospects convert into orders. Reflecting the above, a provision of £65,245 was made against the cost of the investment during the year. **Held in the Ordinary Shares fund.**

In April 2014, the entire issued share capital of **Amberfin Holdings** was acquired by Dalet SA, a Paris based media asset management software company. The Ordinary Shares fund received £54,148 at completion for its small 1.8% shareholding and loan and a further £7,264 was received in April 2015, making a total of £61,412. **Held in the Ordinary Shares fund.**

AtFutsal Group runs government approved education programmes for students aged 16-18 years old, principally as part of a consortium made up of Football League clubs, colleges and academies and training/accreditation organisations. Funding for these programmes is sourced from the Education Funding Agency. The company's three arenas in Birmingham, Leeds and Swindon are used in part for these education programmes. AtFutsal has introduced a wider range of government approved BTech courses and is using its own online education software platform to provide a broader range of educational services. A separate English Colleges education programme has been established to provide additional futsal related courses for 16-18 year olds at sixth form colleges, with an increasing number of courses being offered. Courses for other age groups are also being developed. For the current student year which commenced in September 2014, the company registered some 1,400 students on its futsal related courses, compared with 1,200 in the previous academic year and some 100 for its new English Colleges programme. AtFutsal is also improving its capacity utilisation across its three arenas with a variety of different sports being regularly played at each arena alongside futsal at both child and adult level.

For the year ended 31 December 2014, a small operating profit was achieved on sales of £5.0 million, with the growing Education Division generating the majority of the profit and cash flow within the Group. Trading in the current year has started well, a key focus for the education team being to ensure that student enrolment for September 2015 is as strong as possible. As part of a £355,000 funding round to support the continuing growth of the Educational division and a related share reorganisation, the Foresight VCTs invested a further £300,000

(£100,000 in February 2015 and £200,000 in April 2015). The Ordinary Shares fund invested £51,021 in total (£17,007 in February and £34,014 in April 2015) and increased its equity shareholding from 7.5% to 10.6%. Management is focussed on improving profitability by increasing the number of students and range of education programmes and also the usage of its online education platform. **Held in the Ordinary Shares fund.**

Following the £48 million secondary buy-out by Living Bridge (formerly ISIS Private Equity) in January 2012, investments in equity and loan stock valued at £1.98 million were retained in **Autologic Diagnostics Group**. The company generated reduced profits for the year to December 2013, achieving an EBITDA of £5.4 million on sales of £18.8 million (an EBITDA of £5.9 million on revenues of £17.2 million in 2012). Similar trading results were achieved during 2014, with relatively stronger sales in the UK and Europe compared with the USA. As at 31 December 2014, the company had a healthy cash balance of £7.9 million. Trading in the current year to date is in line with budget. Management continues to develop a business model to generate recurring revenues and improve the quality of the company's earnings through a new service-oriented product, to be launched in May 2015. In the short term, this change in strategy towards a pure recurring revenue model will result in certain exceptional costs being incurred and, depending on the level of new customer sales, this is likely to impact EBITDA in 2015 and 2016 while helping to drive longer term shareholder value. During the year, interest of £98,391 deferred under the terms of the loan agreement with Autologic Diagnostics Group was capitalised. **Held in the Ordinary Shares fund.**

Biofortuna, an early stage molecular diagnostics business based in the Wirral, has developed unique expertise in the important area of enzyme stabilisation, effectively hi-tech freeze drying. Its first range of products, SSPGo, is a series of tests for genetic diseases and organ transplant compatibility. Because of the company's stabilisation and freeze drying technology, its products can be transported easily (in the post if needed) and stored at room temperature for up to two years. A £1.3 million round to finance capital expenditure and working capital was completed in August 2013, in which £99,066 was initially invested by each of the Ordinary Shares fund and the C Shares fund and then £50,930 similarly as the second, final tranche in April 2014. For the year to 31 March 2015, a substantially reduced operating loss of £528,000 was incurred on higher sales of £1.1 million (compared to an operating loss of £1.1 million on sales of £0.3 million in the previous year).

The Custom Services division, engaged in contract research, freeze-dried product development for customers and contract manufacturing, continues to mature with paid for feasibility studies and various contract discussions. Several customers are now ordering, or moving towards, production volumes, while additional sales resource has been recruited. Investment continues in improving and increasing production capacity. The manufacturing facility has successfully obtained FDA registration. The New Product Development division, which develops the company's proprietary products, is progressing in a number of areas, including

assessing new markets and broadening the product range. To finance the development of new products, a £1.6 million round was concluded in January 2015, of which £890,000 was committed by the Foresight VCTs. The C Shares fund committed to invest £428,714, of which £255,998 was invested as the first tranche. **Held in the Ordinary and C Shares funds.**

In July 2012, the C Shares fund invested £1.0 million in Northampton based **Blackstar Amplification Holdings** alongside £2.5 million from Foresight VCT to finance a management buy-out and provide growth capital. Blackstar Amplification was founded in 2004 by four senior members of the new product development team at Marshall Amplification to design and manufacture a range of innovative guitar amplifiers. Following commercial launch in 2007, sales grew rapidly, reflecting new product launches and entry into new markets, and a global brand was soon established. In its financial year to 30 April 2014, the company achieved an EBITDA of £0.3 million on sales of £8.6 million (cf. an EBITDA of £0.4 million on sales of £9.7 million in the previous year, reflecting channel restocking). In the year to 30 April 2015, costs were reduced appreciably, resulting in a substantial increase in EBITDA being achieved on sales of £8.6 million. In the US market, the largest guitar amplifier market globally, Blackstar is now the number two guitar amplifier brand by monthly sales volumes. Management are focused on increasing sales and improving margins, including selectively replacing distributors where appropriate. The company currently has a presence in over 35 countries worldwide and its products are stocked in over 2,500 stores globally. New product development remains a key focus and two new ID: Core products, at the high growth value end of the market, were launched, the first in time for the Christmas season in 2014 and the second in February 2015.

Held in the C Shares fund.

During 2013/14, **Closed Loop Recycling** successfully doubled the capacity of its Dagenham plant, which processed approaching 1,000 tonnes per week of waste plastic bottles. During the year, as part of a £710,000 further funding round, the Ordinary Shares fund invested a further £240,000 alongside other Foresight VCTs. In October 2014, following protracted negotiations, the shareholders entered into a confidential, conditional sale and purchase agreement with a purchaser planning to seek a public listing simultaneously with the conclusion of the acquisition, at a price higher than the then carrying valuation. One of the purchase conditions related to the financial performance of the company during the listing process. However, the company's short-term projected performance was impacted by adverse movements in the price of waste plastic bottles reflecting overseas demand for such bottles and weaker prices for virgin resin, indirectly reflecting the falling price of oil. The latter impacted the price customers paid for the company's competing recycled HDPE and PET pellets. To mitigate the impact of these price movements, price surcharges were negotiated with key customers. The conditional sale and purchase agreement was formally terminated in December 2014, following a weaker than projected financial performance by the company and reduced short-term profit projections.

During the first quarter of 2015, the macroeconomic position as it related to the company worsened further with oil prices declining to below \$50 per barrel. This indirectly led to a substantial fall in the price of virgin HDPE polymer and lower prices for the company's recycled HDPE pellets. This markedly increased the pressure on the company's margins and business model and worsened the P&L and cash position. Waste bottle prices also fell, but to a lesser extent than the reduction in oil and virgin pellet prices, which, combined with a time lag, meant that the price surcharge increased from £200 per tonne in December 2014 to over £300 per tonne in March 2015. This continuing pricing pressure cast doubt on the continuing viability of the company's business model.

The company focused its efforts on current trading and improving profitability, whilst also actively pursuing various strategic options, including raising capital from third party sources, an outright sale and further supply chain support. Discussions and negotiations were held with various parties with regard to raising new capital but were hindered by lack of sufficient support from various parties within the entire customer supply chain. Reflecting these conditions, other experienced and credible recyclers experienced similar challenges to their long-standing business models.

A Government sponsored summit was held in March 2015 with the major supermarkets and retailers, dairies and bottle manufacturers to discuss this worsening market position and risk that food-grade recycled HDPE production in the UK could well cease in the near future. This summit was a clear indication that the Government was taking very seriously the potential market impact that such an event would have. Unfortunately, however, the summit did not result in any firm commitment or any further signs of industry support.

Reflecting the above, provisions totalling £3,997,363 were made against the cost of the investment in the company, reducing the valuation to nil. Notwithstanding the above efforts, the company failed to raise new capital and was placed into administration on 30 April 2015, with no prospect of any recoveries. **Held in the Ordinary Shares fund.**

Connect 2 Media develops and publishes digital media entertainment on a range of devices, such as mobile phones and games consoles. As a result of the continuing decline in the feature phone market and following the failure of the company to raise up to £4 million to commercialise and launch its new Platform as a Service, Brain Game, a restructuring was implemented and costs reduced substantially. Reflecting the above, a full provision was made against the value of this investment in a prior year, reducing the valuation to nil. With the continuing decline in the pay-per-download mobile gaming market and continuing trading losses, the investment was sold to management in March 2015 for a nominal consideration. **Held in the C Shares fund.**

Derby based **Datapath Group** is a world leading innovator in the field of computer graphics and video-wall display technology utilised in a number of international markets. The company is increasing its market



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share in control rooms, betting and signage and is entering other new markets. For the year to 31 March 2014, record operating profits of £7.4 million were achieved on sales of £19.6 million (for the year ended 31 March 2013, record operating profits of £5.1 million were achieved on sales of £14.1 million). Trading and cash generation in the year to 31 March 2015 was strong, with the company continuing to enjoy good demand from its main OEM partners and distributors. The company acquired its US distributor and established an office in Philadelphia to develop more US sales and distributorships. In February 2015, the company launched its range of leading new IP products at the ISE show, meeting a warm response from OEMs and distributors. Management are working to improve sales efforts and processes as well as project management and product delivery times. **Held in the Ordinary Shares fund.**

Defaqto Group, based in Haddenham, is an information provider to the financial services industry, offering intelligence products and services to support better decision-making by UK retail financial product providers. Having returned to profitability during 2013, the company achieved an EBITDA of £1.3 million on sales of £8 million in the year to 31 March 2014, well ahead of the previous year's EBITDA of £0.8 million on sales of £7.2 million. In the year to 31 March 2015, the company performed particularly strongly, comfortably exceeding its demanding budget. In August 2014, the company repaid loan principal of £254,800 and interest of £145,200, totalling £400,000.

On 31 March 2015, the company was sold through a management buyout backed by a UK private equity firm at an enterprise value of £24.3 million. Gross proceeds of £27.6 million were received by the company's shareholders. The C Shares fund received £9.5 million, realising a profit of £4.7 million. This compares to a valuation of £4.3 million at 31 March 2011 when Foresight was appointed Manager. A further £37,000 is held in escrow for 20 months. **Held in the C Shares fund.**

Following the appointment of administrators to **Evance Wind Turbines** in April 2014 as a result of reductions in the Feed-in-Tariff for small wind turbines which started in October 2012, loan repayments totalling £232,812 were received during the year. **Held in the Ordinary Shares fund.**

In May 2012, the Ordinary Shares fund and the C Shares fund invested £200,000 and £492,500 respectively in Kent based **Flowrite Refrigeration Holdings** alongside other Foresight VCTs to finance a £3.2 million management buyout. Flowrite Refrigeration Holdings provides refrigeration and air conditioning maintenance services nationally, principally to leisure and commercial businesses such as hotels, clubs, pubs and restaurants. Management has accelerated sales efforts, won significant new contracts, additional customers and reviewed several potential acquisitions with the aim of broadening its national coverage. In the year to 31 October 2014, the company traded well, achieving an operating profit of £740,000 on sales of £10.8 million after substantial investment in new engineers and systems (cf. an operating profit of £1.06 million on sales of £10.0 million in 2013). Trading in the current year is ahead of budget. Management has

increased sales efforts, particularly targeting more installation work, and won a number of significant new contracts and customers. **Held in the Ordinary and C Shares funds.**

Ixaris Systems has developed and operates Entropay, a web based global prepaid payment service using the VISA network, whose revenues and profits have continued to grow. The company also offers its IxSol product (formerly known as Opn) on a 'Platform as a Service' basis to enable enterprises to develop their own customised global applications for payments over various payment networks. IxSol is trading satisfactorily with a number of deployments in progress and a good sales pipeline. IxSol is being used by companies in the affiliate marketing and travel sectors and sales efforts are now also focussing on the international e-commerce and financial services sectors.

During 2013, the company invested in developing and marketing its Ixaris Payment System, the platform that runs IxSol, to financial institutions. The platform enables financial institutions to offer payment services to their customers based on prepaid cards. The first deployment of the Payment System is expected in mid 2015. A pipeline of sales opportunities is being developed in three applications i.e. corporate prepaid, consumer virtual prepaid and payment innovations. Ixaris was awarded an EU grant of €2.5m, of which €1.6m will be received over three years, to help fund the existing platform technology roadmap which highlights the innovative nature of the Payment System.

In the year to 31 December 2014, reflecting continuing investment in software and systems, an EBITDA loss of £622,000 was incurred on revenues of £9.4 million (cf. an EBITDA loss of £617,000 on sales of £9.5 million in the previous year). Following a reduction in the cost base in July 2014, the company is operating at cash flow break even and had £3.1 million of cash at 31 December 2014. **Held in the Ordinary Shares fund.**

In February 2014, the **O-Gen Acme Trek** facility in Stoke-on Trent was granted planning permission for an enlarged 7MW waste wood to energy plant. Management is currently working with the selected technology provider and a major EPC contractor to develop the project to the next stage, but this is taking longer than anticipated. Accordingly, it is expected that the project will now need to qualify under the Contract for Difference (CfD) subsidy regime rather than the ROC subsidy regime. Both Foresight and CoGen (see O-Gen UK below) are working together to establish how best to develop the project under this new regime. In view of the delays described above, the company is actively seeking other competitive bids for the project. **Held in the Ordinary Shares fund.**

O-Gen UK continues to make good progress. Working together with Carbonarius (its 50:50 joint venture with Plymouth based Una Group), O-Gen UK has built on the success of its £48 million, 10MW Birmingham BioPower project ("BBPL") to become the UK's leading independent developer of Advanced Conversion Technology waste to energy projects. In March 2015, O-Gen UK formalised this partnership with Una Group by combining the two management teams and staff in

a new company, CoGen Limited, to further develop their substantial, combined pipeline of projects. To accelerate growth and provide additional working capital, a new investor subscribed £750,000 for equity in CoGen, alongside a loan of £500,000 from Una Group. Funds managed by Foresight hold 24.59% of CoGen's equity, including the Ordinary Shares class (9.50%), Foresight 3 VCT plc (8.59%), Foresight 2 VCT plc (3.92%) and the Foresight UK Sustainable EIS fund (2.58%). Reflecting the above progress, the CoGen valuation has been increased by £1.5 million to £1.9 million. O-Gen remains the shareholder in BBPL. This merger will help O-Gen UK demonstrate the sufficient scale, track record and project pipeline to secure an appropriate exit in due course.

In March 2015, CoGen reached financial close on its most recent project, a £53.0 million, 10MWwaste wood to energy plant in Welland, Northamptonshire, using the same technology and partners as in the BBPL project. This latest project was funded with investment from Balfour Beatty plc, Equitix and Noy (an Israeli investment fund), with CoGen earning development fees on the transaction whilst retaining a 12.5% shareholding in the project. Also in March, CoGen completed the acquisition of the entire O-Gen Plymtrek site in Plymouth, originally developed by Carbonarius with MITIE plc, on which a 4.5MW waste to energy plant is planned to be built utilising much of the footprint of the existing plant. The funding for this transaction was provided by Aurium Capital Markets, with CoGen owning 50% of the acquisition vehicle and Aurium owning 50% but with a prior ranking return on the latter's invested capital. CoGen has also recently agreed terms to develop a 25MW project in Merseyside using refuse derived fuel. **Held in the Ordinary Shares fund.**

In December 2014, the C Shares fund invested £500,000 alongside other Foresight VCTs in a £2 million round to finance a shareholder recapitalisation of **Positive Response Corporation**. Established in 1997, the company monitors the safety of people and property through its 24 hour monitoring centre in Dumfries, Scotland. The flagship product, StaffSafe, provides increased staff safety and protection in customer facing environments by supporting workers, particularly 'lone workers', in dealing with verbal abuse, harassment and anti-social behaviour, by enabling them to call for help utilising high quality two way audio communication and a CCTV feed linked to the monitoring centre. Customers include several major restaurant and retail chains. Revenues are generated from both initial installation fees and monitoring and maintenance fees. In the financial year ended 31 March 2015, an EBITDA of £0.6 million was achieved on sales of £2.0 million. Significant growth is expected in the current financial year, reflecting a strong sales pipeline including both existing and potential new customers. The management team has been strengthened with the appointment of a new CEO, Finance Director and additional sales resource is also being recruited. **Held in the C Shares fund.**

In April 2013, the Ordinary Shares fund and the C Shares fund invested £250,000 and £400,000 respectively alongside other Foresight VCTs in a £1.8 million round to finance a management buy-out of **Procam Television Holdings**. Procam is one of the UK's leading broadcast hire companies, supplying equipment and crews for UK location

TV production to broadcasters, production companies and other businesses for over 20 years. Headquartered in Battersea, London, with additional facilities in Manchester, Edinburgh and Glasgow, Procam is a preferred supplier to BSkyB and an approved supplier for BBC and ITV. Over the last four years revenues have doubled, following the introduction of new camera formats and increased sales and marketing efforts.

In September 2013, Hammerhead, a competitor with facilities in London, Manchester and Edinburgh and Glasgow, was acquired in order to broaden the customer base, increase national coverage and realise various synergistic benefits. For the year to 31 December 2013, an EBITDA of £1.8 million was achieved on sales of £6.4 million, well ahead of trading in 2012. In the year to 31 December 2014, significant growth in sales and profits was achieved, again, well ahead of the prior year, reflecting both strong organic growth and the successful integration of the Hammerhead acquisition. Continuing strong growth is expected in the current financial year which will necessitate expansion into larger premises in due course.

In December 2014, Procam acquired True Lens Services, based in Leicester, which specialises in the repair, refurbishment and supply of camera lenses to the film and television industries in the UK and overseas. In March 2015, in order to service the requirements of many of its existing UK customers and enter the large US market, Procam acquired HotCam New York, which provides camera, audio and lighting rental for TV production, plus crew and related production services from its premises in Manhattan. These acquisitions were supported by further investment of £1.3 million from the Foresight VCTs, of which the Ordinary Shares fund and the C Shares fund invested £69,444 and £381,941 respectively. Integration of both acquisitions is making good progress and initial trading is in line with plan. Other acquisition opportunities are under consideration. **Held in the Ordinary and C Shares funds.**

TFC Europe, a leading distributor of technical fasteners in the UK and Germany, performed well during the year to 31 March 2014, achieving record operating profits of £2.8 million on sales of £19.5 million (cf. a record operating profit of £2.5 million on sales of £18.1 million in 2013). Trading in the year to 31 March 2015 continued to be strong, with record profits and sales again being achieved. The budget for the current year shows continuing good growth. With effective national coverage through five service centres in the UK, management is focussed on increasing sales efforts and expansion in Germany, the largest market in Europe. A new full service centre was opened in Bochum near Dusseldorf in October 2013 and TFC is expanding its business with existing customers. The seventh service centre, acquired in October 2014 in Singen, near Stuttgart, has already won a new substantial customer with potential for further growth. This acquisition provides increased opportunities to service existing Southern German customers and target new customers with a wider product range. This strong physical presence in Europe's largest manufacturing market is expected to assist TFC in growing its sales and profits substantially. The order book remains strong and the new project pipeline is healthy showing good prospects for the coming months. **Held in the Ordinary Shares fund.**



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The Bunker Secure Hosting, which operates two ultra secure data centres, continues to generate substantial profits at the EBITDA level. For the year to 31 December 2014, an EBITDA of £2.2 million was achieved on sales of £9.3 million, identical to the previous year. Sales growth slowed during the year but is now recovering. Recurring annual revenues presently exceed £9.3 million. For the year to date, trading continues in line with budget.

On 31 March 2015, The Bunker repaid all its shareholder loans and outstanding interest totalling £6.45 million, financed through a £5.7 million secured medium term bank loan plus £1 million of its own cash resources. In total, £5.1 million was repaid to the Foresight VCTs, comprising £3.0 million of loan principal and £2.1 million of interest. The Ordinary Shares fund received £2,052,691, comprising £1,549,281 of loan principal and £503,410 of interest.

To meet growing customer demand, a number of new Cloud based services have been launched, including Secure Archive, Secure Hosted Desktop, Backup and Disaster Recovery as a Service. A number of Channel partners and customers have already been signed and a growing pipeline has been developed through Channel partners for these Cloud 2.0 services. Secure Archive is being marketed through Channel partners to major corporates which generate and hold large amounts of data such as marketing agencies, film/photo libraries and government bodies. The sales and marketing strategy has been reassessed and sales team strengthened.

A power upgrade at the Newbury Data Centre was successfully completed in March 2015. To increase capacity and resilience, the core network was similarly upgraded and capacity to internet service providers substantially increased during the year. **Held in the Ordinary Shares fund.**

In August 2013, the Ordinary Share fund and C Share fund each invested £500,000 alongside other Foresight VCTs in a £2.5 million shareholder recapitalisation of Stockport based **Thermotech Solutions (formerly Fire and Air Services)**. Thermotech is a hard facilities management provider with two divisions, Mechanical Services and Fire Protection, which designs, installs and services air conditioning and fire sprinkler systems for retail, commercial and residential properties through a national network of engineers. The company focusses primarily on the retail sector and enjoys long term customer relationships and multi-year preferred supplier contracts with various blue chip high street retailers, giving good revenue visibility. Since investment, good progress has been made in diversifying and re-balancing the spread of revenues, with greater emphasis on service and maintenance. For the year to 31 March 2014, an EBITDA of £0.7 million was achieved on sales of £4.0 million. In the year to 31 March 2015, sales and profits were significantly ahead reflecting a number of significant new contract wins with major retailers, roll outs of existing contracts and a growing sales pipeline. The recently appointed CEO has already made good progress in developing the business, including revamping the brand and marketing collateral, strengthening the finance, marketing, health and safety and quality management functions

while also introducing GPS tracking of engineers and electronic job sheets with the aim of enhancing business information and reporting. A new Chairman with extensive facilities management experience has also been appointed. **Held in the Ordinary and C Shares funds.**

Reflecting defence contract orders from partners such as Northrop Grumman and Raytheon, **Trilogy Communications** achieved strong trading results up to 2012. Trading was subsequently affected by delays in long-term US defence programme orders. For the year to 28 February 2015, an EBITDA loss of £0.5 million was incurred on sales of £3.9 million (cf. an EBITDA loss of £0.8 million on sales of £4.0 million in 2014). Following further cost reductions and some recovery in defence orders, losses have been reduced while cash is being closely managed. A new non-executive Chairman was appointed and the Chief Operating Officer was promoted to the position of Chief Executive Officer. A new Sales Director has been recruited to increase broadcast sales. Discussions are in progress in relation to further defence programmes and the company continues to develop its range of communication equipment and related services, including the planned launch of a software only variant. Although significant orders are in prospect from defence customers, these continue to be subject to delay, resulting in losses being incurred. Reflecting this, a provision of £202,899 was made against the cost of the investment during the year. Management are pursuing various strategic options, including further cost reductions and possible sale or merger discussions. **Held in the Ordinary Shares fund.**

David Hughes
Foresight Group
Chief Investment Officer
27 July 2015

Investment Summary

Ordinary Shares Fund

Investment	31 March 2015		Valuation Methodology	31 March 2014	
	Amount invested £	Valuation £		Amount invested £	Valuation £
Datapath Group Limited	73,250	10,209,100 *	Discounted price/earnings multiple	73,250	10,165,609
TFC Europe Limited	782,577	3,611,647 *	Discounted price/earnings multiple	782,577	3,497,193
Autologic Diagnostics Group Limited	2,329,087	2,338,020 *	Discounted price/earnings multiple	2,230,696	2,849,713
Ixaris Systems Limited	1,181,432	2,222,007 *	Discounted revenue multiple	1,181,432	2,171,405
Aerospace Tooling Holdings Limited	60,000	2,218,556 *	Discounted price/earnings multiple	600,000	1,103,996
The Bunker Secure Hosting Limited	584,987	2,203,251 *	Discounted revenue multiple	2,134,267	4,087,140
CoGen Limited	390,928	1,923,978 *	Discounted cash flow	345,014	412,540
O-Gen Acme Trek Limited	4,860,174	753,015 *	Discounted cash flow	4,893,444	423,000
Thermotech Solutions Limited (formerly Fire and Air Services Limited)	500,000	701,641 *	Discounted price/earnings multiple	500,000	500,000
Procam Television Holdings Limited	319,444	633,859 *	Discounted price/earnings multiple	250,000	250,000
Biofortuna Limited	462,527	462,527	Price of recent funding round	411,597	411,597
Sindicatum Carbon Capital Limited	200,063	393,825	Price of recent funding round less impairment	200,063	393,825
AtFutsal Group Limited	755,330	377,665	Cost less impairment	738,323	369,162
VectorCommand Limited	1,468,750	301,836	Discounted revenue multiple	1,468,750	269,840
Zoo Digital Group plc (AIM listed)	847,021	288,577	Bid price	893,384	212,325
AlwaysON Group Limited	680,240	266,815	Discounted revenue multiple	550,240	202,060
Flowrite Refrigeration Holdings Limited	85,199	227,545	Discounted price/earnings multiple	86,543	206,482
Quantel Holdings (2010) Limited	235,762	197,116	Cost less impairment	235,762	197,116
Trilogy Communications Limited	776,383	140,872	Based on CF advisor valuation	776,383	343,771
Aigis Blast Protection Limited	347,226	—	Nil value	347,226	—
i-Plas Group Limited	532,283	—	Nil value	953,665	—
Global Immersion Limited	732,363	—	Nil value	532,283	—
Abacuswood Limited	879,597	—	Nil value	925,043	16,000
Evance Wind Turbines Limited	1,513,098	—	Nil value	1,745,910	187,500
Closed Loop Recycling Limited	4,722,767	—	Nil value	4,025,053	3,299,649
Amberfin Holdings Limited	—	—	Sold	115,583	54,148
Silvigen Limited	—	—	Sold	777,762	—
	25,320,488	29,471,852		27,774,250	31,624,072

* Top ten investments by value shown on pages 20 to 21.



Investment Summary

C Shares Fund

Investment	31 March 2015			Valuation Methodology	31 March 2014	
	Amount invested £	Valuation £			Amount invested £	Valuation £
Aerospace Tooling Corporation Limited	90,000	3,327,834	*	Discounted price/earnings multiple	900,000	1,655,994
Procam Television Holdings Limited	781,941	1,556,999	*	Discounted price/earnings multiple	400,000	400,000
Blackstar Amplification Holdings Limited	1,000,000	1,386,163	*	Discounted price/earnings multiple	1,000,000	1,322,973
Biofortuna Limited	718,525	718,525	*	Price of recent funding round	411,597	411,597
Thermotech Solutions Limited (formerly Fire and Air Services Limited)	500,000	701,641	*	Discounted price/earnings multiple	500,000	500,000
Flowrite Refrigeration Holdings Limited	209,801	560,321	*	Discounted price/earnings multiple	213,112	508,464
Positive Response Communications Limited	500,000	500,000	*	Cost	—	—
The Fin Machine Company Limited	3,036,814	—		Nil value	7,968,110	—
Connect2 Media Limited	—	—		Sold	1,591,850	—
Defaqto Group Limited	—	—		Sold	3,890,945	4,991,582
	6,837,081	8,751,483			16,875,614	9,790,610

Amount invested refers to the valuation of these investments at acquisition and therefore the price paid by Foresight 4 VCT plc, plus additions less disposals made under Foresight Group Management.

*All investments with a carrying value shown on pages 22 to 23.

Investment Summary Realisation Summary

Disposals

In the year ended 31 March 2015

Company	Detail	Original Cost/ Take-On Value £'000	Proceeds £'000	Gain/ (loss) £'000	Exit Multiple	Valuation at 31 March 2014 £'000
Ordinary Shares Fund						
Abacuswood Limited	Loan repayment	45	45	—	1.0	45
Aerospace Tooling Corporation Limited	Loan repayment	540	540	—	1.0	540
Amberfin Holdings Limited	Full disposal	116	55	(61)	0.5	54
Evance Wind Turbines Limited	Loan repayment	233	233	—	1.0	188
Flowrite Refrigeration Holdings Limited	Rolled up interest	1	1	—	1.0	1
i-Plas Group Limited	Part disposal	221	—	(221)	—	—
Silvigen Limited	Full disposal	778	—	(778)	—	—
The Bunker Secure Hosting Limited	Loan repayment	1,549	1,549	—	1.0	1,549
O-Gen Acme Trek	Loan repayment	33	33	—	1.0	33
Zoo Digital Group plc	Part disposal	46	17	(29)	0.4	11
Total Ordinary disposals		3,562	2,473	(1,089)	0.7	2,421
C Shares Fund						
Aerospace Tooling Holdings Limited	Loan repayment	810	810	—	1.0	810
Connect2 Media Limited	Full disposal	1,592	—	(1,592)	—	—
Defaqto Group Limited	Full disposal	3,891	9,716	5,825	2.5	4,992
The Fin Machine Company Limited	Part disposal	4,932	—	(4,932)	—	—
Flowrite Refrigeration Holdings Limited	Rolled up interest	3	3	—	1.0	3
Total C disposals		11,228	10,529	(699)	0.9	5,805
Total disposals		14,790	13,002	(1,788)	0.9	8,226

In addition to the above, deferred consideration of £3,000 and £84,000 was received by the Ordinary Shares fund from the sales of Adepra Limited and Infrared Intergrated Systems Limited respectively.



Investment Summary

Ordinary Shares Portfolio

Top ten investments by value as at 31 March 2015 are detailed below:

The results included are extracted from the most recent financial statements on Companies House.

Datapath Group Limited



is a UK manufacturer of PC-based multi-screen computer graphics cards and video capture hardware, specialising in video wall and data wall technology. Established in 1982, it has provided solutions for wide-ranging and varied applications including control rooms, financial dealing rooms, CCTV, distance learning, digital signage and business presentations.

First investment	September 2010	Year ended:	31 March 2015
			£'000
% Equity/Voting Rights	12.94%	Sales	20,300
Income received and receivable in the year	£—	Profit before tax	5,570
Equity at cost	£73,250	Retained profit	4,651
Loan stock at cost	£—	Net assets	25,908

TFC Europe Limited



is one of Europe's leading technically based suppliers of fixing and fastening products. From seven sites in the UK and Germany, it supplies injection moulded technical fasteners and ring and spring products to customers across a wide range of industries, including aerospace, automotive, hydraulics and petrochemicals and works with some of the leading manufacturers of technical products such as Smalley® Steel Ring Company.

First investment	March 2007	Year ended:	31 March 2014
			£'000
% Equity/Voting Rights	17.82%	Sales	19,454
Income received and receivable in the year	£50,341	Profit before tax	1,466
Equity at cost	£156,370	Retained profit	969
Loan stock at cost	£626,207	Net assets	3,685

Autologic Diagnostics Group Limited



was founded in 1999 and develops and sells sophisticated automotive diagnostic software and hardware that enables independent mechanics, dealerships and garages to service and repair vehicles. As cars have become increasingly sophisticated and more reliant on electronic systems, mechanics need to be able to communicate to the in-car computer running the process or system, which in turn requires a diagnostic tool. Autologic Diagnostics Group supplies its 'Autologic' product for use with well-known car brands including Land Rover, BMW, Mercedes, Jaguar, VAG (VW, Audi, Skoda) and Porsche. Management continues to develop a business model to generate recurring revenues through a new service-orientated product.

First investment	February 2009	Year ended:	31 December 2013
			£'000
% Equity/Voting Rights	4.9%	Sales	18,828
Income received and receivable in the year	£172,116	Loss before tax	(3,460)
Equity at cost	£24,716	Retained loss	(3,728)
Loan stock at cost	£2,304,371	Net assets	911

Ixaris Systems Limited



operates a prepaid electronic payment service integrated with the Visa network. Consumers deposit funds by credit card, cash at payment points or via normal bank transfers. The company has made inroads into the affiliates payment market, enabling affiliate networks to make payments to their members cost-effectively wherever they are in the world, and also into the online travel agency market. The company has launched its IxSol platform that enables developers to create and run their own global payment applications under the Visa and MasterCard schemes.

First investment	March 2006	Year ended:	31 December 2013
			£'000
% Equity/Voting Rights	7.23%	Sales	9,513
Income received and receivable in the year	£—	Loss before tax	(735)
Equity at cost	£1,181,432	Retained loss	(594)
Loan stock at cost	£—	Net assets	1,256

Aerospace Tooling Corporation Limited



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

First investment	June 2013	Year ended:	30 June 2014
			£'000
% Equity/Voting Rights	9.21%	Sales	11,049
Income received and receivable in the year	£26,482	Profit before tax	2,711
Equity at cost	£60,000	Retained profit	2,092
Loan stock at cost	£—	Net assets	4,442

The Bunker Secure Hosting Limited



provides ultra secure IT data centre and managed services to companies from owned and leased facilities in bunkers previously constructed for military use at Ash, Kent and Newbury, Berkshire. With particular expertise in Open Source and Microsoft software and systems, web and digital security, The Bunker Secure Hosting builds, hosts and manages ultra secure, high availability IT infrastructure platforms for its customers and provides secure co-location services to host customers' servers or back-up servers. The Bunker Secure Hosting is highly regarded for its technical skills by its customers, which include top financial, telecoms and web-based businesses concerned with data security which have decided to outsource their mission critical IT systems. A number of new cloud based ultra secure services have recently been introduced. The Bunker Secure Holding has recently been accredited with the G Cloud framework to provide its service to public sector organisations, opening a large potential market. A range of new Ultra Secure Services are now being launched.

First investment	May 2006	Year ended:	31 December 2013
			£'000
% Equity/Voting Rights	12.65%	Sales	9,251
Income received and receivable in the year	£154,928	Loss before tax	(101)
Equity at cost	£584,987	Retained loss	(101)
Loan stock at cost	£—	Net assets	13,577

CoGen Limited



develops, builds, owns and operates waste to energy and combined heat and power ('CHP') plants. The market is driven by government regulation regarding waste disposal and renewable energy incentives. Specifically, landfill tax, which is driving waste operators towards cheaper and more efficient methods of waste disposal. The electricity generated from processing the wood will be sold to Utility off-takers and attracts Renewable Obligation Certificates ('ROCs') which generate further revenue. CoGen is building on its successful development of the £48m Birmingham Bio Power deal, which closed in December 2013, the £53m Welland deal, which closed in March 2015, and the acquisition of the Plymouth site also in March 2015.

CoGen was formed to bring together the underlying shareholdings in O-Gen UK and its joint venture partner Una Group, which had previously collaborated through Carbonarius limited (a 50:50 JV).

First investment	December 2008	Year ended:	31 December 2013
			£'000
% Equity/Voting Rights	9.49%	Sales	Not publicly available
Income received and receivable in the year	£8,414	Profit before tax	Not publicly available
Equity at cost	£34,525	Retained profit	Not publicly available
Loan stock at cost	£356,403	Net liabilities	(753)

O-Gen Acme Trek Limited



owns a site in Stoke on Trent with planning permission for use as a waste wood fuelled power station and an existing grid connection. The company is partnering with a developer in order to bring a project to fruition to construct an 8MW power station.

First investment	August 2007	Year ended:	30 June 2014
			£'000
% Equity/Voting Rights	17.99%	Sales	Not publicly available
Income received and receivable in the year	£47,586	Profit before tax	Not publicly available
Equity at cost	£329,002	Retained profit	Not publicly available
Loan stock at cost	£4,531,172	Net liabilities	(19,548)

Thermotech Solutions Limited (formerly Fire and Air Services Limited)



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

First investment	August 2013	Period:	From 4 July 2013 to 31 March 2014
			£'000
% Equity/Voting Rights	6.16%	Sales	Not publicly available
Income received and receivable in the year	£40,000	Profit before tax	Not publicly available
Equity at cost	£100,000	Retained profit	Not publicly available
Loan stock at cost	£400,000	Net assets	153

Procam Television Holdings Limited



is one of the UK's leading broadcast hire companies, supplying equipment and crew for location TV production. Clients include major broadcasters and production companies, including the BBC, ITV, Two Four, Objective, Monkey Kingdom and Endemol. Foresight backed an MBO of the business in 2013. For the FY 2013 the trading subsidiary reported revenues of £6.6 million, an EBITDA of £1.8 million and operating profit of £270k.

First investment	April 2013	Period:	From 3 May 2013 to 31 December 2013
			£'000
% Equity/Voting Rights	6.00%	Sales	5,151
Income received and receivable in the year	£—	Loss before tax	(40)
Equity at cost	£31,944	Retained loss	(33)
Loan stock at cost	£287,500	Net assets	338



Investment Summary

C Shares Portfolio

All investments with carrying value at 31 March 2015 are detailed below:

Aerospace Tooling Corporation Limited



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

First investment	June 2013	Year ended:	30 June 2014
			£'000
% Equity/Voting Rights	13.81%	Sales	11,049
Income received and receivable in the year	£39,723	Profit before tax	2,711
Equity at cost	£90,000	Retained profit	2,092
Loan stock at cost	£—	Net assets	4,442

Procam Television Holdings Limited



is one of the UK's leading broadcast hire companies, supplying equipment and crew for location TV production. Clients include major broadcasters and production companies, including the BBC, ITV, Two Four, Objective, Monkey Kingdom and Endemol. Foresight backed an MBO of the business in 2013. For the FY 2013 the trading subsidiary reported revenues of £6.6 million, an EBITDA of £1.8 million and operating profit of £270k.

First investment	April 2013	Period:	From 3 May 2013 to 31 December 2013
			£'000
% Equity/Voting Rights	24.40%	Sales	5,151
Income received and receivable in the year	£—	Loss before tax	(40)
Equity at cost	£78,191	Retained loss	(33)
Loan stock at cost	£703,750	Net assets	338

Blackstar Amplification Holdings Limited



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

First investment	July 2012	Year ended:	30 April 2014
			£'000
% Equity/Voting Rights	11.50%	Sales	8,536
Income received in the year	£192,945	Loss before tax	(1,693)
Equity at cost	£100,000	Retained loss	(1,686)
Loan stock at cost	£900,000	Net assets	1,787

Biofortuna Limited



is a molecular diagnostics business with particular expertise in the development of stabilised, freeze dried tests. Biofortuna's user friendly tests can be transported and stored at ambient temperature, rather than frozen or chilled as is the case with competing products, and only require a simple one-step protocol to use. Biofortuna's first range of products is a series of genetic compatibility tests for organ transplantation, distributed through global partner Abbott Molecular.

First investment	March 2012	Year ended:	31 March 2014
			£'000
% Equity/Voting Rights	14.40%	Sales	325
Income received in the year	£—	Loss before tax	(1,133)
Equity at cost	£718,525	Retained loss	(1,035)
Loan stock at cost	£—	Net assets	646

Thermotech Solutions Limited (formerly Fire and Air Services Limited)



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

First investment	August 2013	Period:	From 4 July 2013 to 31 March 2014 £'000
% Equity/Voting Rights	6.16%	Sales	Not publicly available
Income received in the year	£40,000	Profit before tax	Not publicly available
Equity at cost	£100,000	Retained profit	Not publicly available
Loan stock at cost	£400,000	Net assets	153

Flowrite Refrigeration Holdings Limited



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

First investment	May 2012	Year ended:	31 October 2014 £'000
% Equity/Voting Rights	12.45%	Sales	10,793
Income received in the year	£—	Profit before tax	181
Equity at cost	£49,783	Retained profit	99
Loan stock at cost	£160,018	Net assets	754

Positive Response Communications Limited



was founded in 1997 by husband and wife team Patricia and Ian Hobson. PRC monitors the safety of people and property through its own 24 hour monitoring centre based in Dumfries, Southwest Scotland. In 2008, the Company launched StaffSafe, a system that provides staff protection in customer facing environments by supporting workers in dealing with verbal abuse, harassment and anti-social behaviour.

First investment	December 2014	Year ended:	31 March 2014 £'000
% Equity/Voting Rights	15.20%	Sales	Not public available
Income received in the year	£12,699	Profit before tax	Not public available
Equity at cost	£50,000	Retained profit	Not public available
Loan stock at cost	£450,000	Net assets	438



Investment Summary continued

at 31 March 2015

Co-investing funds

Foresight Group also manages or advises Foresight VCT plc, Foresight 2 VCT plc, Foresight 3 VCT plc, Foresight Solar VCT plc, Albany Ventures Fund III LP, Foresight Nottingham Fund LP, Foresight Environmental Fund LP, Foresight Solar Fund Limited, Foresight European Solar Fund LP, Foresight Solar EIS, Foresight Solar EIS2, Foresight Solar EIS3, Foresight Solar EIS4, Foresight Solar EIS5, Foresight Inheritance Tax Solutions, UK Waste Resources, The Waste Asset LP, Recycling and Waste LP and Energy Investments LP and Foresight Sustainable UK Investment Fund. Investments have been made by the funds that Foresight Group advises and manages, as follows:

	Foresight VCT O, PE & Infra Shares £	Foresight 2 VCT O, PE & Infra Shares £	Foresight 3 VCT £	Foresight 4 VCT O, PE & Infra Shares £	Foresight Sustainable £	Total held by Foresight %
Aerospace Tooling Holdings Limited	150,000	—	50,000	150,000	—	53.71
AlwaysON Group Limited	2,152,243	1,725,073	—	680,240	—	67.18
AtFutsal Group Limited	377,551	2,224,289	755,330	755,330	—	48.20
Autologic Diagnostics Group	1,746,230	2,330,366	2,330,145	2,329,087	—	18.36
Biofortuna Limited	590,529	—	590,495	1,181,052	—	35.30
Blackstar Amplification Holdings Limited	2,500,000	—	—	1,000,000	—	40.24
CoGen Limited	—	551,866	351,589	390,928	1,315,000	21.99
Datapath Group Limited	—	73,250	73,250	73,250	—	38.82
Flowrite Refrigeration Holdings Limited	209,801	—	85,199	295,000	—	35.00
Ixaris Systems Limited	—	822,858	866,385	1,181,432	—	18.24
O-Gen Acme Trek Limited	—	2,054,811	4,395,783	4,860,174	1,291,667	42.84
Positive Response Communications Limited	1,000,000	—	500,000	500,000	—	60.80
Procam Television Holdings Limited	1,355,562	169,445	423,608	1,101,385	—	56.40
Quantel Holdings (2010) Limited	—	—	—	235,762	—	0.30
Sindicatum Carbon Capital Limited	—	125,006	174,993	200,063	—	0.96
TFC Europe Limited	—	939,092	626,061	782,577	—	53.45
The Bunker Secure Holdings Limited	—	403,447	475,300	584,987	—	31.61
Thermotech Solutions Limited (Formerly Fire and Air Services Limited)	1,500,000	—	—	1,000,000	—	30.80
Trilogy Communications Limited	1,974,744	1,423,118	—	776,383	—	48.72
Vectorcommand Limited	—	—	—	1,468,750	—	30.30
Zoo Digital Group plc	—	—	1,127,849	847,021	—	17.19

Companies valued at £nil have been excluded from the table above.

Where Foresight Group controls over 50% of an investment by virtue of its discretionary management of one or more VCTs, decisions either have to be taken by the individual Boards of the VCTs or voting is limited to 50%.

Board of Directors

Philip Henry Peter Stephens (73) Chairman

Philip Stephens retired from Williams de Broe plc in 2002 where he was joint head of corporate finance. He was previously a Managing Director at UBS, which he joined in 1989. He was involved in corporate finance and corporate broking for over thirty-five years. He is currently Non-Executive Chairman of Egdon Resources PLC and Neptune-Calculus Income & Growth VCT plc. Philip is a member of the Audit, Nomination and Remuneration Committees.

Peter Frederick Dicks (72)

Peter Dicks was a founder director of Abingworth plc a successful venture capital company in 1973. He is currently a director of a number of quoted and unquoted companies, including Private Equity Investor plc where he is chairman, Mears plc and Graphite Enterprise Trust plc. In addition, he has been a director of Foresight VCT plc and Foresight 2 VCT plc since their launch in 1997 and 2004 respectively and is a director of Foresight 3 VCT plc, Foresight 4 VCT plc and Foresight Solar Fund Limited. He is also chairman of Unicorn AIM VCT plc.

Simon Jamieson (56)

Simon spent 28 years at Robert Fleming Holdings and subsequently at Fleming Family and Partners where he focused on Private Equity investing. In 1983 he joined Glenwood Management, a Californian based Venture Capital Fund, and subsequently joined Robert Fleming in 1985 on the fund management side. In 2000 he joined Fleming Family and Partners Asset Management Limited where he was responsible for \$500 million of Private Equity Investments, including both fund investments and directly held co investments. Since leaving FF&P in 2013, Simon Chairs an Investment Committee of a U.S. family Office and Co-Chairs an Investment Committee of an African focused Private Equity Manager, 54 Capital.



Directors' Report

The Directors present their report and the audited accounts of the Company for the year ended 31 March 2015.

Activities and status

The principal activity of the Company during the period was the making of investments in unquoted or AIM-listed companies in the United Kingdom. The Company is an investment company within the meaning of Section 833 of the Companies Act 2006. It has satisfied the requirements as a Venture Capital Trust under sections 274–280A of the Income Tax Act 2007. Confirmation of the Company's compliance as a Venture Capital Trust has been received up to 31 March 2014 and the Directors have managed and intend to continue to manage the Company's affairs in such a manner as to comply with these regulations.

Results and dividends

The total return attributable to equity shareholders for the year amounted to £7,272,000 (2014: loss of £4,357,000).

Net asset value total return

During the year ended 31 March 2015 the Company's principal indicator of performance, net asset value total return, decreased 1.5% from 183.0p per Ordinary Share at 31 March 2014 to 180.2p per Ordinary Share at 31 March 2015.

The net asset value total return per C Share has increased 67.6% to 110.8p per share at 31 March 2015 from 66.1p per share at 31 March 2014.

Share issues

At 31 March 2015 the Company had 38,284,414 Ordinary Shares and 18,680,907 C Shares in issue. There are no restrictions on the transfer of any class of share.

Share buybacks

During the year, the Company repurchased 285,000 Ordinary Shares for cancellation at a cost of £163,000. No shares bought back by the Company are held in treasury. Share buy-backs have been completed at an average discount of 33.7%.

Global greenhouse gas emissions

The Company has no greenhouse gas emissions to report from the operations of the Company, nor does it have responsibility for any other emissions sources under the Companies Act 2006 (Strategic Report and Directors' Reports) regulations 2013.

Principal risks, risk management and regulatory environment

A summary of the principal risks faced by the Company is set out on page 8 of the Strategic Report with further detail being given in note 15 on page 55.

Management

Foresight Group is the Manager of the Company and provides investment management and other administrative services.

Annually, the Management Engagement and Remuneration Committee reviews the appropriateness of the Manager's appointment. In carrying out its review, the Management Engagement and Remuneration Committee considers the investment performance of the Company and the ability of the Manager to produce satisfactory investment performance. It also considers the length of the notice period of the investment management contract and fees payable to the Manager, together with the standard of other services provided which include Company Secretarial services. It is the Directors' opinion that the continuing appointment of the Manager on the terms agreed is in the interests of shareholders as a whole. The last review was undertaken on 26 June 2014. During the prior year the Manager's fees were reduced from 2.5% to 2.25% from 1 October 2013 to reflect current market conditions. Foresight Fund Managers is the Secretary of the Company. The principal terms of the management agreement is set out in note 3 to the accounts.

No Director has an interest in any contract to which the Company is a party. Foresight Group CI acts as manager to the Company in respect of its investments and earned fees of £1,059,000 (2014: £1,162,000) during the year. Foresight Fund Managers received £157,000 excluding VAT (2014: £155,000 excluding VAT) during the year in respect of secretarial, administrative and custodian services to the Company. Foresight Group also received from investee companies arrangement fees of £42,333 (2014: £147,845).

VCF Partners, an associate of Foresight Group, received from investee companies, Directors' fees of £186,693 (2014: £205,270).

Foresight Group is also a party to the performance incentive agreements described in Note 13 to the financial Statements. All amounts are stated, where applicable, net of Value Added Tax.

VCT status monitoring

The Company has retained Shakespeare Martineau LLP as legal advisers on, inter alia, compliance with legislative requirements. The Directors monitor the Company's VCT status at meetings of the Board.

Substantial shareholdings

So far as the Directors are aware, there were no individual shareholdings representing 3% or more of the Company's issued share capital at the date of this report.

Financial instruments

Details of all financial instruments used by the Company during the year are given in note 15 to the accounts.

Directors indemnification and insurance

The Directors have the benefit of indemnities under the articles of association of the Company against, to the extent only as permitted by law, liabilities they may incur acting in their capacity as Directors of the Company.

An insurance policy is maintained by the Company which indemnifies the Directors of the Company against certain liabilities that may rise in the conduct of their duties. There is no cover against fraudulent or dishonest actions.

Policy of paying creditors

The Company does not subscribe to a particular code but follows a policy whereby suppliers are paid by the due date and investment purchases are settled in accordance with the stated terms. At the year end trade creditors represented an average credit period of 22 days (2014: 8 days). Foresight Group, which provides investment management services, was the only trade creditor of the Company at the year end.

Alternative Investment Fund Managers Directive (AIFMD)

The AIFMD came into force on 22 July 2013 and sets out the rules for the authorisation and on-going regulation of managers (AIFMs) that manage alternative investment funds (AIFs) in the EU. The Company qualifies as an AIF and so will be required to comply, although additional cost and administration requirements are not expected to be material. The Company's application was completed in June 2014 and approval was confirmed in August 2014. This will not affect the current arrangements with the Manager, which will continue to report to the Board and manage the Company's investments on a discretionary basis.

Audit Information

Pursuant to s418(2) of the Companies Act 2006, each of the Directors confirms that (a) so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware; and (b) they have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of such information.

Section 992 of the Companies Act

The following disclosures are made in accordance with Section 992 of the Companies Act 2006.

Capital Structure

The Company's issued share capital as at 27 July 2015 was 38,284,414 Ordinary Shares, and 18,680,907 C Shares.

The Ordinary Shares represent 67% of the total share capital, and the C Shares represent 33% of the total share capital. Further information on the share capital of the Company is detailed in note 11 of the notes to the financial statements

Voting Rights in the Company's shares

Details of the voting rights in the Company's shares at the date of this report are given in note 11 in the Notice of Annual General Meeting on page 67.

Notifiable interests in the Company's voting rights

At the date of this report no notifiable interests had been declared in the Company's voting rights.

Auditor

The Directors have decided to propose the re-appointment of KPMG LLP as auditor and a resolution concerning this will be proposed at the Annual General Meeting.

Companies Act 2006 Disclosures

In accordance with Schedule 7 of the Large and Medium Size Companies and Groups (Accounts and Reports) Regulations 2008, as amended, the Directors disclose the following information:

- the Company's capital structure and voting rights are summarised above, and there are no restrictions on voting rights nor any agreement between holders of securities that result in restrictions on the transfer of securities or on voting rights;
- there exist no securities carrying special rights with regard to the control of the Company;
- the rules concerning the appointment and replacement of directors, amendment of the Articles of Association and powers to issue or buy back the Company's shares are contained in the Articles of Association of the Company and the Companies Act 2006;
- the Company does not have any employee share scheme;
- There exist no agreements to which the Company is party that may affect its control following a takeover bid; and



Directors' Report continued

- there exist no agreements between the Company and its Directors providing for compensation for loss of office that may occur following a takeover bid or for any other reason.

Conflicts of interest

The Directors have declared any conflicts or potential conflicts of interest to the Board which has the authority to approve such conflicts. The Company Secretary maintains the Register of Directors' Conflicts of Interest which is reviewed quarterly by the Board and when changes are notified. The Directors advise the Company Secretary and Board as soon as they become aware of any conflicts of interest. Directors who have conflicts of interest do not take part in discussions concerning their own conflicts.

Whistleblowing

The Board has been informed that the Manager has arrangements in place in accordance with the UK Corporate Governance Code's recommendations by which staff of the Manager or Secretary of the Company may, in confidence, raise concerns within their respective organisations about possible improprieties in matters of financial reporting or other matters. On the basis of that information, adequate arrangements are in place for the proportionate and independent investigation of such matters and, where necessary, for appropriate follow-up action to be taken within their respective organisations.

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 on pages 4 to 9. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are referred to in the Chairman's Statement, Strategic Report and Notes to the Accounts. In addition, the financial statements include the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

The Company has sufficient 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 able to manage its business risks.

Cash flow projections have been reviewed and show that the Company has sufficient funds to meet both its contracted expenditure and its discretionary cash outflows in the form of share buy backs and dividends. The Company has no external loan finance in place and therefore is not exposed to any gearing covenants, although its underlying investments may have external loan finance.

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.

Directors remuneration

Following changes to the Companies Act 2006, UK investment companies must comply with new regulations in relation to directors' remuneration. Directors' fees can only be paid in accordance with a remuneration policy which has been approved by shareholders. The company must also publish a Directors' Remuneration Report which complies with a new set of disclosure requirements.

Annual General Meeting

A formal notice convening the Annual General Meeting on 2 October 2015 can be found on pages 65 to 67. Resolutions 1 to 8 will be proposed as ordinary resolutions meaning that for each resolution to be passed more than half of the votes cast at the meeting must be in favour of the resolution. Resolutions 9 and 10 will be proposed as special resolutions meaning that for each resolution to be passed at least 75% of the votes cast at the meeting must be in favour of the resolution. Resolutions 8 to 10 renew share issue and buyback authorities for the Ordinary Shares.

Resolution 8

Resolution 8 will authorise the Directors to allot relevant securities generally, in accordance with Section 551 of the Companies Act 2006, up to an aggregate nominal amount of £175,000 in respect of Ordinary Shares (representing 45.7% of the current issued share capital of the Company). This authority will be used for the purposes listed under the authority requested under Resolution 9. This includes authority to issue shares pursuant to performance incentive fee arrangements with Foresight Group and top-up offers for subscription to raise new funds for the Company if the Board believes this to be in the best interests of the Company. Any offer is intended to be at an offer price linked to NAV. The authority conferred by Resolution 8 will expire (unless renewed, varied or revoked by the Company in a general meeting) on the fifth anniversary of the passing of the resolution.

Resolution 9

Resolution 9 will sanction, in a limited manner, the disapplication of pre-emption rights in respect of the allotment of equity securities with an aggregate nominal value of up to £175,000 in respect of Ordinary Shares pursuant to offer(s) for subscription, (ii) with an aggregate nominal value of up to 10% of the issued Ordinary Share capital in the Company pursuant to performance incentive arrangements with Foresight Group and (iii) otherwise than pursuant to (i) or (ii) with an aggregate nominal value of up to 10% of the issued Ordinary Share capital of the Company from time to time for general purposes, in each case where the proceeds of such issue may be used in whole or part to purchase the Company's shares. This authority will expire (unless renewed, varied or revoked by the Company in a general meeting) at the conclusion of the Annual General Meeting to be held in 2016, or, if earlier, on the date falling 15 months after the passing of the resolution, save that the Company may allot its Ordinary Shares after such date in pursuance of a contract or contracts made prior to the expiration of the authority.

Resolution 10

It is proposed by Resolution 10 that the Company be authorised to make market purchases of the Company's own shares. Under this authority the Directors may purchase up to 5,738,833 Ordinary Shares, (representing approximately 14.99% of the issued Ordinary Share capital at the date of this Annual Report) or, if lower, such number of Ordinary Shares (rounded down to the nearest whole share) as shall equal 14.99% of the issued Ordinary Share capital at the date the resolution is passed. When buying shares, the Company cannot pay a price per share which is more than 105% of the average of the middle market quotation for an Ordinary Share taken from the London Stock Exchange daily official list on the five business days immediately before the day on which shares are purchased or, if greater, the amount stipulated by Buyback and Stabilisation Regulation 2003. This authority will expire (unless renewed, varied or revoked by the Company in a general meeting) at the conclusion of the Annual General Meeting to be held in 2016, or, if earlier on the date falling 15 months after the passing of the resolution, save that the Company may purchase its Ordinary Shares after such date in pursuance of a contract or contracts made prior to the expiration of this authority.

Whilst, generally, the Company does not expect that shareholders will want to sell their shares within five years of acquiring them because this may lead to a loss of tax relief, the Directors anticipate that from time to time a shareholder may need to sell shares within this period. Front end VCT income tax relief is only obtainable by an investor who makes an investment in new shares issued by the Company. This means that investors may be willing to pay more for new shares issued by the Company than they would pay to buy shares from an existing shareholder. Therefore, in the interest of shareholders who may need to sell shares from time to time, the Company proposes to renew the authority to buy-in shares as it enables the Board, when possible, to facilitate a degree of liquidity in the Company's Shares. In making purchases the Company will deal only with member firms of the London Stock Exchange and at a discount to the then prevailing net asset value per share of the Company's shares to ensure that existing shareholders interests are protected.

By order of the Board

Foresight Fund Managers Limited

Secretary
27 July 2015



Corporate Governance

The Directors of Foresight 4 VCT plc confirm that the Company has taken the appropriate steps to enable it to comply with the Principles set out in Section 1 of the UK Corporate Governance Code on Corporate Governance ('UK Corporate Governance Code') issued by the Financial Reporting Council in September 2012, as appropriate for a Venture Capital Trust.

As a Venture Capital Trust, the Company's day-to-day responsibilities are delegated to third parties and the Directors are all Non-Executive. Thus not all the procedures of the UK Corporate Governance Code are directly applicable to the Company. Unless noted as an exception below, the requirements of the UK Corporate Governance Code were complied with throughout the year ended 31 March 2015. The Annual General Meeting was convened on at least 24 days notice but not 20 business days notice as recommended in the UK Corporate Governance Code.

The Board

The Company has a Board of three Non-Executive Directors, all of whom (other than Peter Dicks who is considered non-independent under the listing rules by virtue of being a director of several Foresight VCTs which are all managed by Foresight Group) are considered to be independent.

Peter Dicks is also a Director of Foresight VCT plc, Foresight 2 VCT plc, Foresight 3 VCT plc and Foresight Solar Fund Limited. The Board believes, having regard to the specialist nature of VCTs and the fact that the Manager advises a number of VCTs, that it is in the best interests of shareholders if, on each of the boards of the VCTs advised by the Manager, there is a Director who is common. A common Director is able to assess how the Manager performs in respect of one fund with the valuable background knowledge of how well or badly the Manager is performing in relation to other funds for which he is also a Director. Where conflicts of interest arise between the different funds then the common Director would seek to act fairly and equitably between different groups of shareholders. Where this is difficult or others might perceive that it was so, then decisions would be taken by the Directors who are not common Directors. The most likely source of potential conflicts would normally be the allocation of investment opportunities but as these are allocated by the Manager pro rata to the cash raised by each fund, subject to the availability of funds, in practice such conflicts should not arise. Additionally, 'specialist funds' may be allocated investments specific to their investment policy in priority to more generalist funds.

Division of responsibilities

The Board is responsible to shareholders for the proper management of the Company and meets at least quarterly and on an ad hoc basis as required. It has formally adopted a schedule of matters that are required to be brought to it for decision, thus ensuring that it maintains full and effective control over appropriate strategic, financial, operational and compliance issues. A management agreement between the Company and its Manager sets out the matters over which the Manager has authority, including monitoring and managing the existing investment portfolio and the limits above which Board approval must be sought. All other matters are reserved for the approval of the Board of Directors. The Manager, in the absence of explicit instruction from the Board, is

empowered to exercise discretion in the use of the Company's voting rights.

All shareholdings are voted, where practicable, in accordance with the Manager's own corporate governance policy, which is to seek to maximise shareholder value by constructive use of votes at company meetings and by endeavouring to use its influence as an investor with a principled approach to corporate governance.

Individual Directors may, at the expense of the Company, seek independent professional advice on any matter that concerns them in the furtherance of their duties. In view of its Non-Executive nature and the requirements of the Articles of Association that Directors retire by rotation at the Annual General Meeting, the Board considers that it is not appropriate for the Directors to be appointed for a specific term as recommended by provision B.2.3 of the UK Corporate Governance Code. However, the Board has agreed that each Director will retire and, if appropriate, may seek re-election after each year. Non-independent Directors are required to retire annually.

Full details of duties and obligations are provided at the time of appointment and are supplemented by further details as requirements change, although there is no formal induction programme for the Directors as recommended by provision B.4.1.

The Board has access to the officers of the Company Secretary who also attends Board Meetings. Representatives of the Manager attend all formal Board Meetings although the Directors may meet without the Manager being present. Informal meetings with the Manager are also held between Board Meetings as required. The Company Secretary provides full information on the Company's assets, liabilities and other relevant information to the Board in advance of each Board Meeting. Attendance by Directors at Board and Committee meetings is detailed in the table below.

	Board	Audit	Nomination	Remuneration
Philip Stephens	4/4	2/2	1/1	1/1
Peter Dicks	4/4	2/2	1/1	1/1
Simon Jamieson*	2/2	1/1	0/0	0/0
Raymond Abbott*	2/2	1/1	1/1	1/1

*Raymond Abbot resigned 3 October 2014 and Simon Jamieson was appointed 3 October 2014

Meeting attendance

In addition to the above, further meetings were held in relation to the publication of corporate documents and in relation to investments where Foresight Group manages more than 50% of voting rights.

In the light of the responsibilities retained by the Board and its committees and of the responsibilities delegated to Foresight Group, Foresight Fund Managers and Shakespeare Martineau LLP, the Company has not appointed a chief executive officer, deputy Chairman or a senior independent non-executive Director as recommended by provision A.4.1 of the UK Corporate Governance Code. The provisions of the UK Corporate Governance Code which relate to the division of responsibilities between a chairman and a chief executive officer are, accordingly, not applicable to the Company.

Board committees

The Board has adopted formal terms of reference, which are available to view by writing to the Company Secretary at the registered office, for three standing committees which make recommendations to the Board in specific areas.

The Audit Committee comprises Simon Jamieson (Chairman), Peter Dicks and Philip Stephens, all of whom are considered to have sufficient recent and relevant financial experience to discharge the role, and meets at least twice a year, amongst other things, to consider the following:

- Monitor the integrity of the financial statements of the Company and approve the accounts;
- Review the Company's internal control and risk management systems;
- Make recommendations to the Board in relation to the appointment of the external auditors;
- Review and monitor the external auditors' independence; and
- Implement and review the Company's policy on the engagement of the external auditors to supply non-audit services.

The Audit Committee has performed an assessment of the audit process and the auditor's report in the Audit Committee report on page 37.

KPMG LLP prepares the Company's tax returns in addition to carrying out the Company's external audit. This is completed after signing off on the annual accounts. The Audit Committee is of the opinion that KPMG LLP are best placed to provide these taxation services. These non-audit services are non-material in value compared to the audit, and the Audit Committee believes that they do not compromise the objectivity or independence of the external auditors.

The Directors have decided to re-appoint KPMG LLP as auditor and a resolution concerning this will be proposed at the Annual General Meeting.

The Nomination Committee comprises Simon Jamieson (Chairman), Peter Dicks and Philip Stephens and meets at least annually to consider the composition and balance of skills, knowledge and experience of the Board and to make nominations to the Board in the event of a vacancy. New Directors are required to resign at the Annual General Meeting following appointment and then seek re-election thereafter every three years, subject to length of tenure.

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

The Management Engagement & Remuneration Committee (which has responsibility for reviewing the remuneration of the Directors) comprises Simon Jamieson (Chairman), Peter Dicks and Philip Stephens and meets at least annually to consider the levels of remuneration

of the Directors, specifically reflecting the time commitment and responsibilities of the role. The Management Engagement & Remuneration committee also undertakes external comparisons and reviews to ensure that the levels of remuneration paid are broadly in line with industry standards. The Management Engagement & Remuneration Committee also reviews the appointment and terms of engagement of the Manager and, as previously noted, amended the management fees on 1 October 2013 following a review of terms.

Copies of the terms of reference of each of the Company's committees can be obtained from the Manager upon request.

Board evaluation

The Board undertakes a formal evaluation of its own performance and that of its committees and individual Directors on a rolling three year basis. This methodology is a departure from principal B.6 of the UK Corporate Governance Code, which requires annual evaluation. Initially, the evaluation takes the form of a questionnaire for the Board (and its committees) and individual Directors. The Chairman then discusses the results with the Board (and its committees) as a whole and Directors individually. Following completion of this second stage of the evaluation, the Chairman will take appropriate action to address any issues arising from the process.

Relations with Shareholders

The Company communicates with shareholders and solicits their views where it considers it is appropriate to do so. Individual shareholders are welcomed to the Annual General Meeting where they have the opportunity to ask questions of the Directors, including the Chairman, as well as the Chairman of the Audit, Remuneration and Nomination Committees. The Board may from time to time seek feedback through shareholder questionnaires and an open invitation for shareholders to meet the Manager. The Company is not aware of any institutions owning shares in the Company.

Internal control

The Directors of Foresight 4 VCT plc have overall responsibility for the Company's system of internal control and for reviewing its effectiveness. The internal controls system is designed to manage rather than eliminate the risks of failure to achieve the Company's business objectives. The system is designed to meet the particular needs of the Company and the risks to which it is exposed and by its nature can provide reasonable but not absolute assurance against misstatement or loss.

The Board's appointment of Foresight Group as accountant and administrator has delegated the financial administration to Foresight Group. It has an established system of financial control, including internal financial controls, to ensure that proper accounting records are maintained and that financial information for use within the business and for reporting to shareholders is accurate and reliable and that the Company's assets are safeguarded.

Shakespeare Martineau LLP provide legal advice and assistance in relation to the maintenance of VCT tax status, the operation of the



Corporate Governance continued

agreements entered into with Foresight Group and the application of the venture capital trust legislation to any company in which the Company is proposing to invest.

Foresight Fund Managers was appointed by the Board as Company Secretary in 2004 with responsibilities relating to the administration of the non-financial systems of internal control. All Directors have access to the advice and services of the Company Secretary, who is responsible to the Board for ensuring that Board procedures and applicable rules and regulations are complied with.

Pursuant to the terms of its appointment, Foresight Group invests the Company's assets in venture capital and other investments and in its capacity as administrator have physical custody of documents of title relating to equity investments.

Following publication of Internal Control: Guidance for Directors on the UK Corporate Governance Code (the Turnbull guidance), the Board confirms that there is an continuous process for identifying, evaluating and managing the significant risks faced by the Company, that has been in place for the year under review and up to the date of approval of the annual report and financial statements, and that this process is regularly reviewed by the Board and accords with the guidance. The process is based principally on the Manager's existing risk-based approach to internal control whereby a test matrix is created that identifies the key functions carried out by the Manager and other service providers, the individual activities undertaken within those functions, the risks associated with each activity and the controls employed to minimise those risks. A residual risk rating is then applied. The Board is provided with reports highlighting all material changes to the risk ratings and confirming the action, that has been, or is being, taken. This process covers consideration of the key business, operational, compliance and financial risks facing the Company and includes consideration of the risks associated with the Company's arrangements with Foresight Group, Foresight Fund Managers and Shakespeare Martineau LLP.

The Audit Committee has carried out a review of the effectiveness of the system of internal control, together with a review of the operational and compliance controls and risk management, as it operated during the year and reported its conclusions to the Board which was satisfied with the outcome of the review.

Such review procedures have been in place throughout the full financial year and up to the date of approval of the accounts, and the Board is satisfied with their effectiveness. These procedures are designed to manage, rather than eliminate, risk and, by their nature, can only provide reasonable, but not absolute, assurance against material misstatement or loss. The Board monitors the investment performance of the Company in comparison to its objective at each Board meeting. The Board also reviews the Company's activities since the last Board meeting to ensure that the Manager adheres to the agreed investment policy and approved investment guidelines and, if necessary, approves changes to such policy and guidelines.

The Board has reviewed the need for an internal audit function. It has decided that the systems and procedures employed by the Manager,

the Audit Committee and other third party advisers provide sufficient assurance that a sound system of internal control, which safeguards shareholders' investment and the Company's assets, is maintained. In addition, the Company's financial statements are audited by external auditors. An internal audit function, specific to the Company, is therefore considered unnecessary.

Directors' Professional Development

Full details of duties and obligations are provided at the time of appointment and are supplemented by further details as requirements change, although there is no formal induction programme for the Directors as recommended by provision B.4.1. Directors are also provided on a regular basis with key information on the Company's policies, regulatory and statutory requirements and internal controls. Changes affecting Directors' responsibilities are advised to the Board as they arise. Directors also participate in industry seminars.

UK Stewardship Code

The Manager, has endorsed the UK Stewardship Code published by the FRC. This sets out the responsibilities of institutional investors in relation to the companies in which they invest and a copy of this can be found on the Manager's website at www.foresightgroup.eu.

Bribery Act 2010

The Company is committed to carrying out business fairly, honestly and openly. The Manager has established policies and procedures to prevent bribery within its organisation.

Philip Stephens

Director
27 July 2015

Directors' Remuneration Report

Introduction

The Board has prepared this report, in accordance with the requirements of Schedule 8 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008. An ordinary resolution to approve this report will be put to the members at the forthcoming Annual General Meeting.

The law requires the Company's auditor, KPMG LLP, to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The auditor's opinion is included in the 'Independent Auditor's Report.'

Annual Statement from the Chairman of the Remuneration Committee.

The Board which is profiled on page 25 consists solely of non-executive directors and considers at least annually the level of the Board's fees.

The Committee concluded following a review of the level of Directors' fees there would be no increase for the year ending 31 March 2015.

Consideration by the Directors of matters relating to Directors' Remuneration

The Management Engagement & Remuneration Committee comprises three Directors: Simon Jamieson (Chairman), Peter Dicks and Philip Stephens.

The Management Engagement & Remuneration Committee has responsibility for reviewing the remuneration of the Directors, specifically reflecting the time commitment and responsibilities of the role, and meets at least annually.

The Management Engagement & Remuneration Committee also undertakes external comparisons and reviews to ensure that the levels of remuneration paid are broadly in line with industry standards and members have access to independent advice where they consider it appropriate. During the year neither the Board nor the Management Engagement & Remuneration Committee has been provided with external advice or services by any person, but has received industry comparison information from management in respect of the Directors' remuneration.

The remuneration policy set by the Board is described below. Individual remuneration packages are determined by the Remuneration Committee within the framework of this policy.

Directors are not involved in deciding their own individual remuneration.

Remuneration policy

The Board's policy is that the remuneration of Non-Executive Directors should reflect time spent and the responsibilities borne by the Directors for the Company's affairs and should be sufficient to enable candidates of high calibre to be recruited. The levels of Directors' fees paid by the Company for the year ended 31 March 2015 were agreed during the year.

It is considered appropriate that no aspect of Directors' remuneration should be performance related in light of the Directors' Non-Executive status, and Directors are not eligible for bonuses or other benefits.

The Company's policy is to pay the Directors monthly in arrears, to the Directors personally (or to a third party if requested by any Director although no such request has been made).

None of the Directors has a service contract but, under letters of appointment dated 30 July 2004 for Peter Dicks, 4 February 1998 for Philip Stephens and 3 October 2014 for Simon Jamieson, they may resign by giving six months' notice in writing to the Board or by mutual consent. No compensation is payable to Directors on leaving office.

It is the intention of the Board that the above remuneration policy will continue for the financial year ended 31 March 2016 and subsequent years.

Shareholders' views in respect of Directors' remuneration are communicated at the Company's Annual General Meeting and are taken into account in formulating the Directors' remuneration policy. At the last Annual General Meeting 85.7% of Shareholders voted for the resolution approving the Directors' Remuneration Report, showing significant shareholder support.

Retirement by rotation

All Directors are subject to retirement by rotation. As the Directors are not appointed for a fixed length of time there is no unexpired term to their appointment. However, the Directors will retire by rotation as follows:

P Dicks, P Stephens, S Jamieson	AGM 2015
P Dicks, P Stephens	AGM 2016
P Dicks, P Stephens	AGM 2017



Directors' Remuneration Report continued

Shareprice total return

The graph on the following page charts the total shareholder return to 31 March 2015, on the hypothetical value of £100, invested by an Ordinary Shareholder since 28 February 2009, or a C Share holder since 31 March 2012. The return is compared to the total shareholder return on a notional investment of £100 in the FTSE AIM All-Share Index, which is considered an appropriate broad index against which to measure the Company's performance given that the profiles of many AIM companies being similar to those held by the Company.

Details of individual emoluments and compensation

The emoluments in respect of qualifying services of each person who served as a Director during the year and those forecasted for the year ahead are shown on page 35. No Director has waived or agreed to waive any emoluments from the Company in either the current or previous year.

No other remuneration was paid or payable by the Company during the current or previous year nor were any expenses claimed by or paid to them other than for expenses incurred wholly, necessarily and exclusively in furtherance of their duties as Directors of the Company.

The Company's Articles of Association do not set an annual limit on the level of Directors' fees but fees must be considered within the wider Remuneration Policy noted above.

Directors' liability insurance is held by the Company in respect of the Directors.

Directors

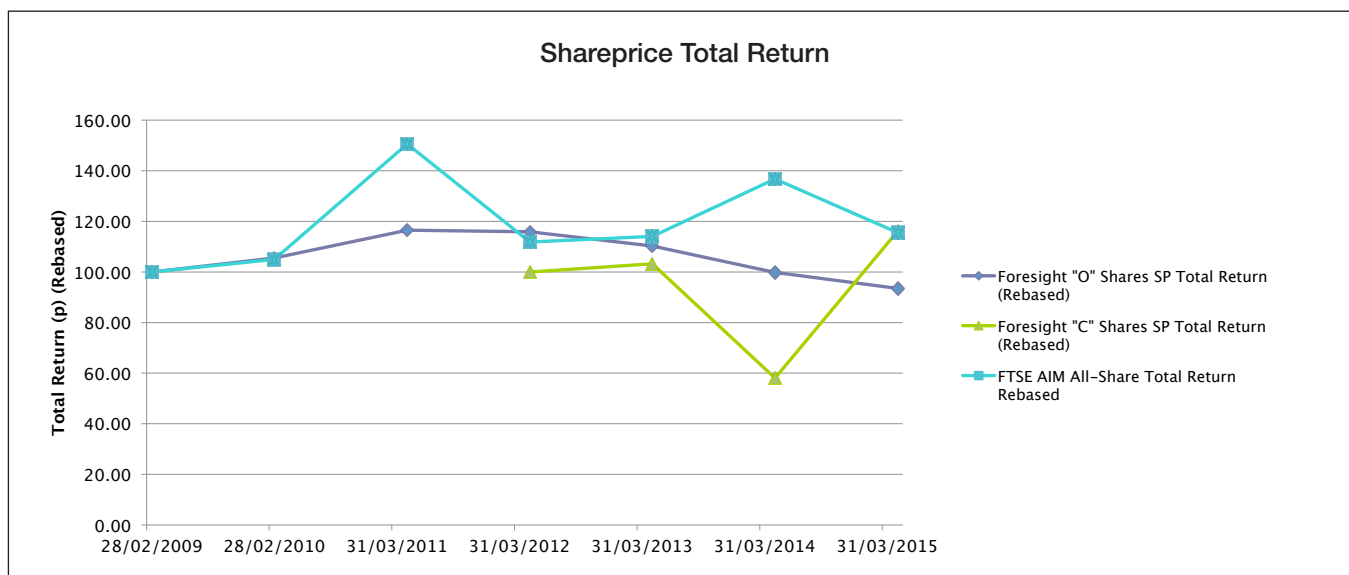
The Directors who held office during the year and their interests in the issued Ordinary Shares and C Shares of 1p each of the Company were as follows:

	31 March 2015 Ordinary Shares	31 March 2015 C Shares	31 March 2014 Ordinary Shares	31 March 2014 C Shares
Philip Stevens (Chairman)	14,930	—	14,930	—
Peter Dicks	34,050	—	34,050	—
Simon Jamieson (appointed 3 October 2014)	25,000	—	—	—
Raymond Abbott (resigned 3 October 2014)	10,744	—	10,744	—

All the Directors' share interests shown above were held beneficially.

There have been no changes in the Directors' share interests between 31 March 2015 and the date of this report.

In accordance with the Articles of Association and the requirements of the UK Corporate Governance Code, Mr Dicks, Mr Stephens and Mr Jamieson must retire through rotation and, being eligible, offer themselves for re-election. Biographical notes on the Directors are given on page 25. The Board believes that Mr Dicks', Mr Stephens' and Mr Jamieson's skills, experience and knowledge continue to complement each other and add value to the Company and recommends their re-election to the Board. None of the Directors has a contract of service with the Company.



Audited Information

The information below has been audited, with the exception of those fees forecasted for the year to 31 March 2016. See the Independent Auditors' Report on page 41.

	Anticipated Directors' fees year ending 31 March 2016 (£)	Audited Directors' fees year ended 31 March 2015 (£)	Audited Directors' fees year ended 31 March 2014 (£)
Philip Stephens (Chairman)	27,500	27,500	27,500
Peter Dicks	22,000	22,000	22,000
Simon Jamieson	22,000	11,000	—
Raymond Abbott	—	11,000	22,000
Total	71,500	71,500	71,500

The Directors are not eligible for pension benefits, share options or long-term incentive schemes.



Directors' Remuneration Report continued

Votes cast for and against the Directors' Remuneration Report for the year ended 31 March 2014

Shares & Percentage of votes cast	Shares & Percentage of votes cast	Number of votes withheld
For	Against	
85.7%	14.3%	
4,777,536 votes	798,141 votes	178,583 votes

In accordance with new Companies Act 2006 legislation the chart below sets out the relative importance of spend on pay when compared to distributions to shareholders in the form of dividends and share buybacks.

	Year ended 31 March 2015	Year ended 31 March 2014
Dividends	£nil	£1,543,000
Share buybacks	£163,000	£108,000
Total Shareholder distributions	£163,000	£1,651,000
Directors fees	£71,500	£71,500
Directors fees % of Shareholder distributions	43.9%	4.3%

Approval of report

An ordinary resolution for the approval of this Directors' Remuneration Report will be put to shareholders at the forthcoming Annual General Meeting. In addition to this, Resolution 3, which is seeking shareholder approval for the Directors' Remuneration Policy, will, if approved, take effect from the AGM and will be valid for a period of three years unless renewed, varied or revoked by the Company at a general meeting.

This Directors' Remuneration Report was approved by the Board on 27 July 2015 and is signed on its behalf by Philip Stephens (Director).

On behalf of the Board

Philip Stephens

Director

27 July 2015

Audit Committee Report

The Audit Committee has identified and considered the following key areas of risk in relation to the business activities and financial statements of the company:

- Valuation and existence of unquoted investments; and
- Compliance with HM Revenue & Customs conditions for maintenance of approved Venture Capital Trust Status.

These issues were discussed with the Manager and the auditor at the conclusion of the audit of the financial statements, as explained below:

Valuation of unquoted investments

The Directors have met quarterly to assess the appropriateness of the estimates and judgements made by the Manager in the investment valuations. As a Venture Capital Trust the Company's investments are predominantly in unlisted securities, which can be difficult to value and requires the application of skill, knowledge and judgement by the Board and Audit Committee. During the valuation process the Board and Audit Committee and the Manager follow the valuation methodologies for unlisted investments as set out in the International Private Equity and Venture Capital valuation guidelines and appropriate industry valuation benchmarks. These valuation policies are set out in Note 1 of the accounts. These were then further reviewed by the Audit Committee. The Manager confirmed to the Audit Committee that the investment valuations had been calculated consistently with prior periods and in accordance with published industry guidelines, taking account of the latest available information about investee companies and current market data. Furthermore, the Manager and audit committee held discussions regarding the investment valuations with the auditor.

Venture capital trust status

Maintaining Venture Capital Trust status and adhering to the tax rules of section 274 of ITA 2007 is critical to both the Company and its shareholders for them to retain their VCT tax benefits.

The Manager confirmed to the Audit Committee that the conditions for maintaining the Company's status as an approved venture capital trust had been met throughout the year. The Manager seeks HMRC approval in advance for all qualifying investments and reviews the Company's qualifying status in advance of realisations being made and throughout the year. The Audit Committee is in regular contact with

the Manager and any potential issues with Venture Capital Trust Status would be discussed at or between formal meetings. In addition, an external third party review of Venture Capital Trust Status is conducted by Shakespeare Martineau LLP on a quarterly basis and this is reported to both the Board and Audit Committee and the Manager.

Auditors assessment

The Manager and auditor confirmed to the Audit Committee that they were not aware of any material misstatements. Having reviewed the reports received from the Manager and auditor, the Audit Committee is satisfied that the key areas of risk and judgement have been addressed appropriately in the financial statements and that the significant assumptions used in determining the value of assets and liabilities have been properly appraised and are sufficiently robust. The Audit Committee considers that KPMG LLP has carried out its duties as auditor in a diligent and professional manner. During the year, the Audit Committee assessed the effectiveness of the current external audit process by assessing and discussing specific audit documentation presented to it in accordance with guidance issued by the Auditing Practices Board. The audit director is rotated every five years ensuring that objectivity and independence is not impaired. The current audit director has been in place for one year end. KPMG LLP was appointed as auditor in 25 January 2011, with their first audit for the year ended 28 February 2011. No tender for the audit of the Company has been undertaken since this date. As part of its review of the continuing appointment of the auditors, the Audit Committee considers the need to put the audit out to tender, its fees and independence from the Manager along with any matters raised during each audit.

The Audit Committee considered the performance of the auditor during the year and agreed that KPMG LLP continued to provide a high level of service and maintained a good knowledge of the venture capital trust market, making sure audit quality continued to be maintained.

Simon Jamieson

Audit Committee Chairman

27 July 2015



Statement of Directors' Responsibilities

Statement of Directors' Responsibilities in respect of the Annual Report and Financial Statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website (which is delegated to Foresight Group and incorporated into their website). Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of Directors' in respect of the Annual Financial Report

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
- the Annual Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that the Company faces; and
- the report and accounts, taken as a whole, are fair, balanced, and understandable and provide the necessary information for shareholders to assess the company's performance, business model and strategy.

On behalf of the Board

Philip Stephens

Chairman

27 July 2015

Unaudited Non-Statutory Analysis of the Share Classes

Income Statements

for the year ended 31 March 2015

	Ordinary Shares Fund			C Shares Fund		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment holding gains	—	304	304	—	9,018	9,018
Realised losses on investments	—	(1,002)	(1,002)	—	(699)	(699)
Income	685	—	685	462	—	462
Investment management fees	(189)	(567)	(756)	(76)	(227)	(303)
Transaction costs	(11)	—	(11)	—	—	—
Other expenses	(311)	—	(311)	(115)	—	(115)
Return/(loss) on ordinary activities before taxation	174	(1,265)	(1,091)	271	8,092	8,363
Taxation	(25)	25	—	(36)	36	—
Return/(loss) on ordinary activities after taxation	149	(1,240)	(1,091)	235	8,128	8,363
Return per share	0.4p	(3.2)p	(2.8)p	1.3p	43.5p	44.8p

Balance Sheets

at 31 March 2015

	Ordinary Shares Fund £'000	C Shares Fund £'000
Fixed assets		
Investments held at fair value through profit or loss	29,472	8,751
Current assets		
Debtors	527	245
Money market securities and other deposits	2,200	2,200
Cash	103	9,529
	2,830	11,974
Creditors		
Amounts falling due within one year	(163)	(21)
Net current assets	2,667	11,953
Net assets	32,139	20,704
Capital and reserves		
Called-up share capital	383	187
Share premium account	10,251	25,559
Capital redemption reserve	1,941	71
Profit and loss account	19,564	(5,113)
Equity shareholders' funds	32,139	20,704
Number of shares in issue	38,284,414	18,680,907
Net asset value per share	83.9p	110.8p

At 31 March 2015 there was an inter-share debtor/creditor of £36,000 which has been eliminated on aggregation.



Unaudited Non-Statutory Analysis of the Share Classes

Reconciliations of Movements in Shareholders' Funds

for the year ended 31 March 2015

	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total £'000
Ordinary Shares					
Book cost as at 1 April 2014	386	10,314	1,938	20,818	33,456
Expenses in relation to previous years share issues	—	(63)	—	—	(63)
Repurchase of shares	(3)	—	3	(163)	(163)
Loss for the year	—	—	—	(1,091)	(1,091)
As at 31 March 2015	383	10,251	1,941	19,564	32,139

	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total £'000
C Shares					
As at 1 April 2014	187	25,567	71	(13,476)	12,349
Expenses in relation to previous years share issues	—	(8)	—	—	(8)
Return for the year	—	—	—	8,363	8,363
As at 31 March 2015	187	25,559	71	(5,113)	20,704

Independent Auditor's Report to the Members of Foresight 4 VCT PLC Only

Opinions and conclusions arising from our audit

1. *Our opinion on the financial statements is unmodified*

We have audited the financial statements of Foresight 4 VCT Plc for the year ended 31 March 2015 set out on pages 43 to 62. In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 March 2015, and of its profit for the year then ended;
- have been properly prepared in accordance with UK Accounting Standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

2. *Our assessment of risks of material misstatement*

In arriving at our audit opinion above on the financial statements the risk of material misstatement that had the greatest effect on our audit was as follows:

Valuation of Unquoted Investments: £38.2 million

Refer to page 37 (Audit Committee Report), page 47 (accounting policy) and pages 52 to 53 and 55 to 62 (financial statements).

The risk: 71.6% of the Company's total assets (by value) is held in investments where no quoted market price is available. Unquoted investments are measured at fair value, which is established in accordance with the International Private Equity and Venture Capital Valuation Guidelines by using measurements of value such as price of recent orderly transactions, earnings multiples, discounted cash flow measurements, and net assets. There is a significant risk over the valuation of these investments and this is the key judgemental area that our audit focused on.

Our response: Our procedures included:

- Documenting and assessing the design and implementation of the investment valuation processes and controls in place.
- Assessing the investment realisations in the period, comparing actual sales proceeds to prior year end valuations to understand the reasons for significant variances and determining whether they are indicative of bias or error in the Company's approach to valuations.
- Challenging the Investment Manager on key judgements affecting investee company valuations in the context of observed industry best practice and the provisions of the International Private Equity and Venture Capital Valuation Guidelines. In particular:
 - We challenged the appropriateness of the valuation basis selected as well as the underlying assumptions, such as discount factors and the choice of benchmark for earnings multiples.
 - We compared key underlying financial data inputs to external sources, investee company audited accounts and management information as applicable.
 - We challenged the assumptions around the sustainability

of earnings based on the plans of the investee companies and whether these are achievable, and we obtained an understanding of existing and prospective investee company cash flows to understand whether borrowings can be serviced or refinancing may be required.

- Where a recent transaction was used to value any holding, we obtained an understanding of the circumstances surrounding those transactions and whether they were considered to be on an arms-length basis and suitable as an input into a valuation. Our work included consideration of events which occurred subsequent to the year end up until the date of this audit report.
- Attending the year end Audit Committee meeting where we assessed the effectiveness of the Audit Committee's challenge and approval of unlisted investment valuations; and
- Consideration of the appropriateness, in accordance with relevant accounting standards, of the disclosures in Note 15 in respect of unquoted investments and the effect of changing one or more inputs to reasonable possible alternative valuation assumptions.

We continue to perform audit procedures over VCT qualifying status. However, based on the Company's increased level of qualifying holdings in excess of the minimum requirement, we have not assessed this as one of the risks that had the greatest effect on our audit and, therefore, it is not separately identified in our report this year.

3. *Our application of materiality and an overview of the scope of our audit*

The materiality for the financial statements as a whole was set at £1.1 million, determined using a benchmark of Total Assets, of which it represents 2%.

We report to the Audit Committee any corrected and uncorrected identified misstatements exceeding £53,000 in addition to other identified misstatements that warrant reporting on qualitative grounds.

Our audit of the Company was undertaken to the materiality level specified above and was performed at the offices of the Investment Manager, Foresight Group in London.

4. *Our opinion on other matters prescribed by the Companies Act 2006 is unmodified*

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006;
- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the information given in the Corporate Governance Statement set out on pages 30 to 32 with respect to internal control and risk management systems in relation to financial reporting processes and about share capital structures is consistent with the financial



Independent Auditor's Report to the Members of Foresight 4 VCT PLC Only continued

statements.

5. *We have nothing to report in respect of the matters on which we are required to report by exception*

Under International Standards on Auditing (UK and Ireland), we are required to report to you if, based on the knowledge we acquired during our audit, we have identified other information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

In particular, we are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our audit and the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy; or
- the Audit Committee Report does not appropriately address matters communicated by us to the audit committee.

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- proper accounting records have not been kept by the Company, or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records;
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- a Corporate Governance Statement has not been prepared by the company.

Under the Listing Rules we are required to review:

- the directors' statement, set out on pages 26 to 29, in relation to going concern; and
- the part of the Corporate Governance Statement, on page 30 to 32, relating to the company's compliance with the ten provisions of the 2012 UK Corporate Governance Code specified for our review.

We have nothing to report in respect of the above responsibilities.

Scope and responsibilities

As explained more fully in the Directors' Responsibilities Statement set out on page 38, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate. This report is made solely to the company's members as a body and is subject to important explanations and disclaimers regarding our responsibilities, published on our website at www.kpmg.com/uk/auditscopeukco2014a, which are incorporated into this report as if set out in full and should be read to provide an understanding of the purpose of this report, the work we have undertaken and the basis of our opinions.

Philip Merchant (Senior Statutory Auditor) for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

London

E14 5GL

27 July 2015

Income Statement

for the year ended 31 March 2015

	Notes	Year ended 31 March 2015			Year ended 31 March 2014		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment holding gains/(losses)	8	—	9,322	9,322	—	(2,176)	(2,176)
Realised losses on investments	8	—	(1,701)	(1,701)	—	(1,412)	(1,412)
Income	2	1,147	—	1,147	826	—	826
Investment management fees	3	(265)	(794)	(1,059)	(291)	(871)	(1,162)
Transaction costs		(11)	—	(11)	—	—	—
Other expenses	4	(426)	—	(426)	(433)	—	(433)
Return/(loss) on ordinary activities before taxation		445	6,827	7,272	102	(4,459)	(4,357)
Taxation	5	(61)	61	—	—	—	—
Return/(loss) on ordinary activities after taxation		384	6,888	7,272	102	(4,459)	(4,357)
Return per share:							
Ordinary Share	7	0.4p	(3.2)p	(2.8)p	0.3p	3.3p	3.6p
C Share	7	1.3p	43.5p	44.8p	(0.2)p	(30.6)p	(30.8)p

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

All revenue and capital items in the above Income Statement are derived from continuing operations. No operations were acquired or discontinued in the 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 notes on pages 47 to 62 form part of these financial statements.



Reconciliation of Movements in Shareholders' Funds

	Called-up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total
Year ended 31 March 2014	£'000	£'000	£'000	£'000	£'000
Company					
As at 1 April 2013	571	31,518	1,963	17,417	51,469
Share issues in the year	48	4,387	—	—	4,435
Expenses in relation to previous years share issues	—	(24)	—	—	(24)
Repurchase of shares	(46)	—	46	(4,163)	(4,163)
Investment transaction costs	—	—	—	(12)	(12)
Dividends	—	—	—	(1,543)	(1,543)
Loss for the year	—	—	—	(4,357)	(4,357)
As at 31 March 2014	573	35,881	2,009	7,342**	45,805

	Called-up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total
Year ended 31 March 2015	£'000	£'000	£'000	£'000	£'000
Company					
As at 1 April 2014	573	35,881	2,009	7,342	45,805
Expenses in relation to previous years share issues*	—	(71)	—	—	(71)
Repurchase of shares	(3)	—	3	(163)	(163)
Return for the year	—	—	—	7,272	7,272
As at 31 March 2015	570	35,810	2,012	14,451**	52,843

The notes on pages 47 to 62 form part of these financial statements.

* Trail commission payable to financial advisors in the year.

** Of this amount £4,951,000 (2014: £12,323,000) is realised and distributable.

Balance Sheet

at 31 March 2015

Registered Number: 03506579

	Notes	As at 31 March 2015 £'000	As at 31 March 2014 £'000
Fixed assets			
Investments held at fair value through profit or loss	8	38,223	41,415
Current assets			
Debtors	9	736	2,001
Money market securities and other deposits		4,400	637
Cash		9,632	1,848
		14,768	4,486
Creditors			
Amounts falling due within one year	10	(148)	(96)
Net current assets		14,620	4,390
Net assets		52,843	45,805
Capital and reserves			
Called-up share capital	11	570	573
Share premium		35,810	35,881
Capital redemption reserve		2,012	2,009
Profit and loss account		14,451	7,342
Equity shareholders' funds		52,843	45,805
Net asset value per share:			
Ordinary Share	12	83.9p	86.7p
C Share	12	110.8p	66.1p

The financial statements were approved by the Board of Directors and authorised for issue on 27 July 2015 and were signed on its behalf by:

Simon Jamieson

Director

The notes on pages 47 to 62 form part of these financial statements.



Cash Flow Statement

for the year ended 31 March 2015

	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Cash flow from operating activities		
Investment income received	1,000	380
Dividends received from investments	150	—
Deposit and similar interest received	4	2
Investment management fees paid	(1,059)	(1,157)
Secretarial fees paid	(117)	(155)
Other cash payments	(260)	(553)
Net cash outflow from operating activities and returns on investment	(282)	(1,483)
Returns on investment and servicing of finance		
Purchase of unquoted investments	(1,766)	(5,641)
Net proceeds on sale of investments	13,742	4,643
Net proceeds on deferred consideration	87	1,052
Net capital inflow from financial investment	12,063	54
Equity dividends paid	—	(1,543)
Management of liquid resources		
Movement in money market funds	(3,763)	(101)
	(3,763)	(101)
Financing		
Proceeds of fund raising	—	1,208
Expenses of fund raising for previous years	(71)	(77)
Repurchase of own shares	(163)	(205)
	(234)	926
Net inflow/(outflow) of cash for the year	7,784	(2,147)
Reconciliation of net cash flow to movement in net funds		
Increase/(decrease) in cash for the year	7,784	(2,147)
Net cash at start of year	1,848	3,995
Net cash at end of year	9,632	1,848

Analysis of changes in net debt

	At 1 April 2014 £'000	Cash flow £'000	At 31 March 2015 £'000
Cash and cash equivalents	1,848	7,784	9,632

The notes on pages 47 to 62 form part of these financial statements.

Notes to the Accounts

for the year ended 31 March 2015

1 Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year, are set out below:

a) Basis of accounting

The financial statements have been prepared under the Companies Act 2006, and in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice (SORP): Financial Statements of Investment Trust Companies and Venture Capital Trusts issued in November 2014.

The Company presents its Income Statement in a three column format to give shareholders additional detail of the performance of the Company split between items of a revenue or capital nature.

b) Assets held at fair value through profit or loss — investments

All investments held by the Company are classified as “fair value through profit and loss”. The Directors fair value investments in accordance with the International Private Equity and Venture Capital Valuation (“IPEVCV”) guidelines, as updated in December 2012. This classification is followed as the Company’s business is to invest in financial assets with a view to profiting from their total return in the form of capital growth and income.

For investments actively traded on organised financial markets, fair value is generally determined by reference to Stock Exchange market quoted bid prices at the close of business on the balance sheet date. Purchases and sales of quoted investments are recognised on the trade date where a contract of sale exists whose terms require delivery within a time frame determined by the relevant market. Purchases and sales of unlisted investments are recognised when the contract for acquisition or sale becomes unconditional.

Unquoted investments are stated at fair value by the Directors in accordance with the following rules, which are consistent with the IPEVCV guidelines:

All investments are held at the price of a recent investment for an appropriate period where there is considered to have been no change in fair value. Where such a basis is no longer considered appropriate, the following factors will be considered:

- (i) Where a value is indicated by a material arms-length transaction by an independent third party in the shares of a company, this value will be used.
- (ii) In the absence of i), and depending upon both the subsequent trading performance and investment structure of an investee company, the valuation basis will usually move to either:
 - a) an earnings multiple basis. The shares may be valued by applying a suitable price-earnings ratio to that company’s historic, current or forecast post-tax earnings before interest and amortisation (the ratio used being based on a comparable sector but the resulting value being adjusted to reflect points of difference identified by the Investment Manager compared to the sector including, inter alia, a lack of marketability);
 - or
 - b) where a company’s underperformance against plan indicates a diminution in the value of the investment, provision against cost is made, as appropriate. Where the value of an investment has fallen permanently below cost, the loss is treated as a permanent impairment and as a realised loss, even though the investment is still held. The Board assesses the portfolio for such investments and, after agreement with the Investment Manager, will agree the values that represent the extent to which an investment loss has become realised. This is based upon an assessment of objective evidence of that investment’s future prospects, to determine whether there is potential for the investment to recover in value.
- (iii) Premiums on loan stock investments are accrued at fair value when the Company receives the right to the premium and when considered recoverable.
- (iv) Where an earnings multiple or cost less impairment basis is not appropriate and overriding factors apply, discounted cash flow, a net asset valuation, or industry specific valuation benchmarks may be applied. An example of an industry specific valuation benchmark would be by applying a suitable turnover multiple to that company’s historic, current and forecast turnover (the multiple used based on a comparable sector but the resulting value being adjusted to reflect points of difference identified by the Investment Manager compared to the sector including, inter alia, a lack of marketability).



Notes to the Accounts continued

for the year ended 31 March 2015

1 Accounting policies (continued)

c) Income

Dividends receivable on quoted equity shares are brought into account on the ex-dividend date. Dividends receivable on unquoted equity shares are brought into account when the Company's rights to receive payment are established and there is no reasonable doubt that payment will be received. Other income such as loan or deposit interest is included on an accruals basis using the accruals basis. Redemption premiums are recognised on repayment of loans.

d) Expenses

All expenses (inclusive of VAT) are accounted for on an accruals basis. Expenses are charged through the revenue column of the Income Statement, with the exception that 75% of the fees payable to Foresight Group for management fees are allocated against the capital column of the Income Statement. The basis of the allocation of management fees is expected to reflect the revenue and capital split of long-term returns in the portfolio.

Performance incentive payments will relate predominantly to the capital performance of the portfolio and will therefore be charged 100% to capital.

e) Financial Instruments

During the period the Company held non-current asset investments, shares in OEICs ('Open Ended Investment Companies'), money-market funds and cash balances and derivatives. The Company holds financial assets that comprise investments in unlisted companies, qualifying loans, and shares in companies on the Alternative Investment Market. The carrying value for all financial assets and liabilities is fair value.

f) Taxation

Any tax relief obtained in respect of management fees allocated to capital is reflected in the capital column of the Income Statement and a corresponding amount is charged against the revenue column. The tax relief is the amount by which corporation tax payable is reduced as a result of these capital expenses.

g) Deferred Taxation

Provision is made for corporation tax at the current rates on the excess of taxable income over allowable expenses. In accordance with FRS 19 'Deferred Tax', a provision is made on all material timing differences arising from the different treatment of items for accounting and tax purposes. A deferred tax asset is recognised only to the extent that there will be taxable profits in the future against which the asset can be offset. It is considered too uncertain that this will occur and, therefore, no deferred tax asset has been recognised.

h) Investment recognition and derecognition

Investments are recognised at the trade date, being the date that the risks and rewards of ownership are transferred to the Company. Upon initial recognition, investments are held at the fair value of the consideration payable. Transaction costs in respect of acquisitions made are recognised directly in the income statement. Investments are derecognised when the risks and rewards of ownership are deemed to have transferred to a third party. Upon realisation, the gain or loss on disposal is recognised in the Income Statement.

2 Income

	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Loan stock interest	993	822
Dividends receivable	150	—
Overseas based Open Ended Investments Companies ("OEICs")	4	2
Bank deposits	—	2
	1,147	826

3 Investment management fees

	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Investment management fees charged to the revenue account	265	291
Investment management fees charged to the capital account	794	871
	1,059	1,162

Foresight Group provide investment management services to the Company under an agreement dated 30 July 2004 (and novated to Foresight Group CI Limited on 19 December 2011) and receive management fees, paid quarterly in advance, of 2.25% of net assets per annum. If the annual expenses of the Company exceed 3.5% of the Company's total assets less current liabilities, the Company is entitled to reduce the fees paid to the Manager by the amount of the excess.

This agreement may be terminated by either party giving to the other not less than twelve months' notice, at any time after the third anniversary.

Foresight Fund Managers Limited is the Secretary of the Company and receives annual fees, paid quarterly in advance, for the services provided of £157,000 (2014: £155,000). The annual secretarial fee (which is payable together with any applicable VAT) is adjusted annually in line with the UK Retail Prices Index.

Foresight Group are responsible for external costs such as legal and accounting fees, incurred on transactions that do not proceed to completion ('abort expenses'). In line with common practice, Foresight Group retain the right to charge arrangement and syndication fees and Directors' or monitoring fees ('deal fees') to companies in which the Company invests.

Details of the performance-related incentive are given in note 13.



Notes to the Accounts continued

for the year ended 31 March 2015

4 Other expenses

	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Secretarial services (excluding VAT)	157	155
Directors' remuneration including employer's National Insurance contributions	76	78
Auditors' remuneration (excluding VAT)		
— audit services	30	30
— taxation services	6	6
Other	157	164
	426	433

5 Tax on ordinary activities

	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
a) Analysis of charge in the year:		
Corporation tax	—	—
Total tax for the year	—	—

b) Factors affecting current tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for a venture capital fund (21%).

The differences are explained below:

	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Net income before taxation	7,272	(4,357)
Corporation tax at 21% (2014: 23%)	1,527	(1,002)
Effect of:		
Dividend income not taxable	(31)	—
Realised losses not deductible	357	325
Net unrealised gains not taxable	(1,958)	500
Movement in unutilised management expenses	105	177
Current tax charge for the year	—	—

c) There is an unrecognised deferred tax asset of approximately £1,520,626 (2014: £1,492,000). The deferred tax asset relates to the current and prior year unutilised expenses. It is considered too uncertain that there will be taxable profits in the future against which the deferred tax assets can be offset and, therefore, in accordance with FRS 19, the asset has not been recognised.

6 Dividends

	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Ordinary Shares		
Dividends — paid in the year — nil per share (2014: 4.0p per share)	—	1,543
C Shares		
Dividends — paid in the year — nil (2014: nil)	—	—

The Board has declared an interim dividend on the C Shares of 25p per share for the year ended 31 March 2015 (2014: £nil).
The Board is not recommending a final dividend on the Ordinary Shares for the year ended 31 March 2015 (2014: £nil).

Set out below are the total income dividends payable in respect of the financial year, which is the basis on which the requirements of section 274 of The Income Tax Act 2009 are considered.

As at 31 March 2015, reserves available for dividend distribution total £4,951,000 (2014: £12,323,000) comprising the revenue, capital and distributable reserves less the net unrealised loss on those investments whose prices are quoted in an active market and deemed readily re-available.

In accordance with 5.259 of the Income Tax Act 2007, a Venture Capital Trust may not retain more than 15% of its qualifying income in any one accounting period. The payment of the interim dividends satisfies this requirement.

7 Return per share

	Year ended 31 March 2015		Year ended 31 March 2014	
	Ordinary Shares £'000	C Shares £'000	Ordinary Shares £'000	C Shares £'000
Total return/(loss) after taxation	(1,091)	8,363	1,402	(5,759)
Total return/(loss) per share (note a)	(2.8)p	44.8p	3.6p	(30.8)p
Revenue return/(loss) from ordinary activities after taxation	149	235	136	(34)
Revenue return/(loss) per share (note b)	0.4p	1.3p	0.3p	(0.2)p
Capital return/(loss) from ordinary activities after taxation	(1,240)	8,128	1,266	(5,725)
Capital return/(loss) per share (note c)	(3.2p)	43.5p	3.3p	(30.6)p
Weighted average number of shares in issue in the period	38,445,770	18,680,907	38,590,648	18,687,245

Notes:

- a) Total return/(loss) per share is total return after taxation divided by the weighted average number of shares in issue during the year.
- b) Revenue return/(loss) per share is revenue return after taxation divided by the weighted average number of shares in issue during the year.
- c) Capital return/(loss) per share is capital return after taxation divided by the weighted average number of shares in issue during the year.



Notes to the Accounts continued

for the year ended 31 March 2015

8 Investments held at fair value through profit or loss

	2015 £'000	2014 £'000
Quoted investments	289	212
Unquoted investments	37,934	41,203
	38,223	41,415

	Quoted £'000	Unquoted £'000	Total £'000
Company			
Valuation at 1 April 2014	893	43,757	44,650
Investment holding losses	(681)	(2,554)	(3,235)
Book cost as at 1 April 2014	212	41,203	41,415
Movements in the period:			
Purchases at cost***	—	2,298	2,298
Disposal proceeds****	(17)	(12,985)	(13,002)
Realised losses*	(29)	(1,759)	(1,788)
Investment holding gains**	123	9,177	9,300
Valuation at 31 March 2015	289	37,934	38,223
Book cost at 31 March 2015	847	31,311	32,158
Investment holding (losses)/gains	(558)	6,623	6,065
Valuation at 31 March 2015	289	37,934	38,223

	Quoted £'000	Unquoted £'000	Total £'000
Ordinary Shares			
Book cost as at 1 April 2014	893	26,881	27,774
Investment holding (losses)/gains	(681)	4,531	3,850
Valuation at 1 April 2014	212	31,412	31,624
Movements in the year:			
Purchases at cost***	—	1,109	1,109
Disposal proceeds****	(17)	(2,456)	(2,473)
Realised losses*	(29)	(1,060)	(1,089)
Investment holding gains**	123	178	301
Valuation at 31 March 2015	289	29,183	29,472
Book cost at 31 March 2015	847	24,474	25,321
Investment holding (losses)/gains	(558)	4,709	4,151
Valuation at 31 March 2015	289	29,183	29,472

* Deferred consideration of £87,000 was recognised by the Ordinary Shares fund in the year.

** Investment holding gains in the income statement includes £3,000 of deferred consideration recognised in the year by the Ordinary Shares fund and £19,000 by the C Shares fund.

*** Capitalised interest of £532,000 was recognised by the Ordinary Shares fund in the year and is included within purchases at cost.

**** Disposal proceeds in the cash flow statement contains £746,000 proceeds relating to a 2014 debtor; and does not include £6,000 rolled up interest for which cash was not received.

8 Investments held at fair value through profit or loss (continued)

C Shares	Quoted £'000	Unquoted £'000	Total £'000
Book cost as at 1 April 2014	—	16,876	16,876
Investment holding losses	—	(7,085)	(7,085)
Valuation at 1 April 2014	—	9,791	9,791
Movements in the year:			
Purchases at cost	—	1,189	1,189
Disposal proceeds	—	(10,529)	(10,529)
Realised losses	—	(699)	(699)
Investment holding gains	—	8,999	8,999
Valuation at 31 March 2015	—	8,751	8,751
Book cost at 31 March 2015	—	6,837	6,837
Investment holding gains	—	1,914	1,914
Valuation at 31 March 2015	—	8,751	8,751

Deferred consideration of £19,000 was also recognised in the year by the C Shares fund through investment holding gains in the income statement.

9 Debtors

	2015 £'000	2014 £'000
Accrued income	590	1,138
Deferred consideration	26	4
Prepayments	10	20
Other debtors	110	839
	736	2,001

10 Creditors: amounts falling due within one year

	2015 £'000	2014 £'000
Trade creditors	90	33
Accruals	58	57
Other creditors	—	6
	148	96



Notes to the Accounts continued

for the year ended 31 March 2015

11 Called-up share capital

	2015 £'000	2014 £'000
Allotted, called up and fully paid:		
38,284,414 Ordinary Shares of 1p each (2014: 38,569,414)	383	386
18,680,907 C Shares of 1p each (2014: 18,680,907)	187	187

During the year the Company issued no Ordinary Shares (2014: 401,724 Ordinary Shares were issued raising gross proceeds of £0.4 million). There were no C Shares issued (2014: nil)

The Ordinary Shares fund purchased 285,000 (2014: 150,000) shares for cancellation at a cost £163,000 (2014: £108,000).

No shares were issued/repurchased as part of the enhanced buyback scheme. In 2014 however, a total of 2,277,357 Ordinary Shares were repurchased by the Company for prices between 83.3p and 92.6p per Share as part of the enhanced buyback scheme. As part of this transaction, 2,210,456 new Ordinary Shares were issued in 2014 at between prices of 85.8p and 95.4p per share. Also in 2014, a total of 2,171,765 C Shares were repurchased by the Company for prices between 89.8p and 95.8p per share as part of the enhanced buy back scheme. As part of this transaction, 2,107,932 new C Shares were issued in 2014 at prices between 92.5p and 98.7p per share.

	2015 Ordinary Shares No.	2015 C Shares No.	2014 Ordinary Shares No.	2014 C Shares No.
At 1 April 2014/2013	38,569,414	18,680,907	38,384,591	18,744,740
Allotments	—	—	2,612,180	2,107,932
Repurchase of own shares	(285,000)	—	(2,427,357)	(2,171,765)
At 31 March 2015/ 2014	38,284,414	18,680,907	38,569,414	18,680,907

12 Net asset value per share

Net asset value per Ordinary Share is based on net assets at the year end of £32,139,000 (2014: £33,456,000) and on 38,284,414 (2014: 38,569,414) Ordinary Shares, being the number of Ordinary Shares in issue at that date.

Net asset value per C Share is based on net assets at the year end of £20,704,898 (2014: £12,349,000) and on 18,680,907 (2014: 18,680,907) C Shares, being the number of C Shares in issue at that date.

13 Performance-related incentive

Foresight Group is entitled to a payment equal to 15% of dividends paid to Ordinary Shareholders, subject to the net asset value plus cumulative dividends paid per Ordinary Share following the date of the Extraordinary General Meeting exceeding 100.0p per Share ("High Watermark"), both immediately before and immediately after the performance related incentive fee is paid.

After each distribution is made to Ordinary Shareholders where a performance incentive is paid to Foresight Group, the High Watermark required to be achieved by the Company to trigger a further performance incentive fee increases by a per Ordinary Share amount equivalent to the aggregate amount of the dividend paid less the 15% performance fee paid to Foresight Group.

The performance incentive fee may be satisfied by either a cash payment or the issue of Ordinary Shares (or by a combination of both) ultimately at the Board's discretion. Any new Ordinary Shares to be issued to Foresight Group would be calculated by dividing the performance fee cash equivalent amount by the latest net asset value per Ordinary Share after adding the cumulative dividends to be paid.

No performance incentive was paid in the year (2014: £nil).

14 Capital commitments and contingent liabilities

The Company had no capital commitments and contingent liabilities at 31 March 2015 (31 March 2014: £nil).

15 Financial instrument risk management

The Board believes that the principal risks faced by the Company are:

- Economic risk — events such as an economic recession and movement in interest rates could affect smaller companies' performance and valuations.
- Loss of approval as a Venture Capital Trust — the Company must comply with Section 274 of the Income Tax Act 2007 which allows it to be exempted from corporation tax on investment gains. Any breach of these rules may lead to: the Company losing its approval as a VCT; qualifying shareholders who have not held their shares for the designated holding period having to repay the income tax relief they obtained; and future dividends paid by the Company becoming subject to tax in the hands of investors. The Company would also lose its exemption from corporation tax on capital gains.
- Investment and strategic — inappropriate strategy, poor asset allocation or consistently weak stock selection leading to under performance and poor returns to shareholders.
- Regulatory — the Company is required to comply with the Companies Acts 2006, the rules of the UK Listing Authority and United Kingdom Accounting Standards. Breach of any of these might lead to suspension of the Company's Stock Exchange listing, financial penalties or a qualified audit report.
- Reputational — inadequate or failed controls might result in breaches of regulations or loss of shareholder trust.
- Operational — failure of the Manager's or Company Secretary's accounting systems or disruption to its business leading to an inability to provide accurate reporting and monitoring.
- Financial — inadequate controls might lead to misappropriation or loss of assets. Inappropriate accounting policies might lead to misreporting or breaches of regulations. Additional financial risks, including interest rate, credit, market price and currency, are detailed later in this note.
- Market risk — investment in AIM traded, ISDX Growth Market traded and unquoted companies by its nature involves a higher degree of risk than investment in companies traded on the main market. In particular, smaller companies often have limited product lines, markets or financial resources and may be dependent for their management on a small number of key individuals. In addition, the market for stock in smaller companies is often less liquid than that for stock in larger companies, bringing with it potential difficulties in acquiring, valuing and disposing of such stock.
- Liquidity risk — the Company's investments, both unquoted and quoted, may be difficult to realise. Furthermore, the fact that a share is traded on AIM or ISDX Growth Markets does not guarantee that it can be realised. The spread between the buying and selling price of such shares may not reflect the price that any realisation is actually made.

The Board regularly reviews the principal risks and uncertainties facing the Company which the Board and the Manager have identified and the Board sets out delegated controls designed to manage those risks and uncertainties. Key risks within investment strategy are managed by the Board through a defined investment policy, with guidelines and restrictions, and by the process of oversight at each Board meeting. Operational disruption, accounting and legal risks are also covered at least annually and regulatory compliance is reviewed at each Board meeting. The Directors have adopted a robust framework of internal controls which is designed to monitor the principal risks and uncertainties facing the Company and provide a monitoring system to enable the Directors to mitigate these risks as far as possible. Details of the Company's internal controls are contained in the Corporate Governance and Internal Control sections.

The Company's financial instruments comprise:

- Equity shares, debt securities and fixed interest securities that are held in accordance with the Company's investment objective as set out in the Directors' Report.
- Cash, liquid resources, short-term debtors, creditors and derivatives that arise directly from the Company's operations.



Notes to the Accounts continued

for the year ended 31 March 2015

15 Financial instrument risk management (continued)

Classification of financial instruments

The Company held the following categories of financial instruments, all of which are included in the balance sheet at fair value, at 31 March 2015:

	Company	
	2015	2014
	(Fair value)	(Fair value)
	£'000	£'000
Assets at fair value through profit and loss		
Investment portfolio	38,223	41,415
Current asset investments (money market funds)	4,400	637
Cash at bank	9,632	1,848
	52,255	43,900

Loans to investee companies are treated as fair value through profit and loss and are included in the investment portfolio.

The investment portfolio principally consists of unquoted investments, AIM quoted investments and qualifying loan stock valued at fair value. AIM quoted investments are valued at bid price. Current asset investments are money market funds, discussed under credit risk management below.

The investment portfolio has a high concentration of risk towards small UK-based companies, the majority being unquoted sterling denominated equity and loan stock holdings (71.8% of net assets for the Company), or quoted on the sterling denominated UK AIM market (0.5% of net assets for the Company).

An analysis of the maturity of the assets of the Company above, where this is relevant, is provided on the next page. These are assets subject to interest rate risk. There are no liabilities of significance to these accounts that mature beyond one month from the balance sheet date.

The main risks arising from the Company's financial instruments are principally interest rate risk, credit risk and market price risk. The Board regularly reviews and agrees policies for managing each of these risks and they are summarised below.

Detailed below is a summary of the financial risks to which the Company is exposed.

Interest rate risk

The fair value of the Company's fixed rate securities and the net revenue generated from the Company's floating rate securities may be affected by interest rate movements. Investments are often in early stage businesses, which are relatively high risk investments sensitive to interest rate fluctuations. Due to the short time to maturity of some of the Company's fixed rate investments, it may not be possible to reinvest in assets which provide the same rates as those currently held. When making investments of an equity and debt nature, consideration is given during the structuring process to the potential implications of interest rate risk and the resulting investment is structured accordingly. The maximum exposure to interest rate risk for the Company was £22,154,000 at 31 March 2015 (31 March 2014: £20,140,000).

15 Financial instrument risk management (continued)

Company Portfolio	Total portfolio		Weighted average interest rate		Weighted average time for which rate is fixed	
	31 March	31 March	31 March	31 March	31 March	31 March
	2015	2014	2015	2014	2015	2014
	£'000	£'000	%	%	Days	Days
Short-term fixed interest securities						
— exposed to cash flow interest rate risk	4,400	637	0.4%	0.2%	—	—
Loan stock						
— exposed to fixed interest risk	5,320	12,856	9.5%	9.6%	777	580
Loan stock						
— exposed to variable interest rate risk	2,802	4,799	8.1%	5.8%	—	—
Cash	9,632	1,848	—	—	—	—
Total exposed to interest rate risk	22,154	20,140				
Loan stock						
— not exposed to interest rate risk	—	54	—	—	—	—
Total	22,154	20,194				

Maturity analysis:	Total portfolio	
	31 March	31 March
	2015	2014
	£'000	£'000
— in one year or less	16,152	11,890
— in more than one year but no more than two years	2,193	921
— in more than two years but no more than three years	2,107	2,977
— in more than three years but no more than four years	1,206	2,108
— in more than four years but no more than five years	496	2,298
Total	22,154	20,194



Notes to the Accounts continued

for the year ended 31 March 2015

15 Financial instrument risk management (continued)

During the course of the year the Company also held cash balances. The benchmark rate, which determines the interest payments received on cash and loan balances held, is the bank base rate which was 0.5% at 31 March 2015 (0.5% at 31 March 2014).

Credit risk

Credit risk is the risk of failure by counterparties to deliver securities which the Company has paid for, or the failure by counterparties to pay for securities which the Company has delivered. The Company has exposure to credit risk in respect of the loan stock investments it has made into investee companies, most of which have no security attached to them, and where they do, such security ranks beneath any bank debt that an investee company may owe. The Board manages credit risk in respect of the current asset investments and cash by ensuring a spread of such investments in separate money market funds such that none exceed 15% of the Company's total investment assets. These money market funds are all triple A rated funds, and so credit risk is considered to be low. The Manager receives management accounts from portfolio companies, and members of the investment management team often sit on the boards of unquoted portfolio companies; this enables the close identification, monitoring and management of investment-specific credit risk. The maximum exposure to credit risk at 31 March 2015 was £22,890,000 (31 March 2014: £22,195,000) for the Company based on cash, money market funds and other receivables (amounts due on investments, dividends and interest). The majority of the Company's assets are held in its own name in certificated form and therefore custodian default risk is negligible. AIM holdings held by a third party custodian in CREST are ring fenced from the assets of the custodian or other client companies.

An analysis of the Company's assets exposed to credit risk is provided in the table below:

	Company	
	2015 £'000	2014 £'000
Loan stocks	8,122	17,709
Current asset investments (money market funds)	4,400	637
Deferred consideration	26	4
Accrued interest, prepayments and other debtors	710	1,997
Cash at bank	9,632	1,848
Total	22,890	22,195

Market price risk

Market price risk arises from uncertainty about the future prices of financial instruments held in accordance with the Company's investment objectives. It represents the potential loss that the Company might suffer through holding market positions in the face of market movements. The Board manages market price risk through the application of venture capital techniques and investment structuring delegated to its Manager, Foresight Group.

The investments in equity and fixed interest stocks of unquoted companies are rarely traded (and AIM listed companies which the Company holds are thinly traded) and as such the prices are more volatile than those of more widely traded securities. In addition, the ability of the Company to realise the investments at their carrying value may at times not be possible if there are no willing purchasers. The ability of the Company to purchase or sell investments is also constrained by the requirements set down for Venture Capital Trusts. The potential maximum exposure to market price risk, being the value of the investment portfolio as at 31 March 2015 is: £38,223,000 for the Company (31 March 2014: £41,415,000).

Liquidity risk

The investments in equity and fixed interest stocks of unquoted companies that the Company holds are not traded and they are not readily realisable. The ability of the Company to realise the investments at their carrying value may at times not be possible if there are no willing purchasers. The Company's ability to sell investments may also be constrained by the requirements set down for VCTs. The maturity profile of the Company's loan stock investments disclosed within the consideration of credit risk above indicates that these assets are also not readily realisable until dates up to five years from the year-end.

To counter these risks to the Company's liquidity, the Investment Manager maintains sufficient cash and money market funds to meet running costs and other commitments. The Company invests its surplus funds in high quality money market funds which are all accessible on an immediate basis.

15 Financial instrument risk management (continued)

Sensitivity analysis

Equity price sensitivity

The Board believes the Company's assets are mainly exposed to equity price risk, as the Company holds most of its assets in the form of sterling denominated investments in small companies.

Although part of these assets are quoted on AIM, the majority of these assets are unquoted. All of the investments made by the Investment Manager in unquoted companies, irrespective of the instruments the Company actually holds (whether shares or loan stock), carry a full equity risk, even though some of the loan stocks may be secured on assets (as they will be behind any prior ranking bank debt in the investee company).

The Board considers that even the loan stocks are 'quasi-equity' in nature, as the value of the loan stocks is determined by reference to the enterprise value of the investee company. Such value is considered to be sensitive to changes in quoted share prices, in so far as such changes eventually affect the enterprise value of unquoted companies. The table below shows the impact on profit and net assets if there were to be a 15% (2014: 15%) movement in overall share prices, which might in part be caused by changes in interest rate levels, but it is not considered practical to evaluate separately the impact of changes in interest rates upon the value of the Company's portfolios of investments in small, unquoted companies.

The sensitivity analysis below assumes that each of these sub categories of investments (shares and loan stocks) held by the Company produces an overall movement of 15%, and that the actual portfolio of investments held by the Company is perfectly correlated to this overall movement in share prices. However, shareholders should note that this level of correlation would not be the case in reality. Movements may occur to both quoted and unquoted companies and be as a result of changes to the market or alternatively as a result of assumptions made when valuing portfolio or a combination of the two.

	2015 Return and net assets	2014 Return and net assets
Company		
If overall share prices fell by 15% (2014: 15%), with all other variables held constant — decrease (£'000)	(5,733)	(6,212)
Decrease in earnings, and net asset value, per share (in pence)	(10.06)p	(10.85)p
	2015 Return and net assets	2014 Return and net assets
If overall share prices Increased by 15% (2014: 15%), with all other variables held constant — increase (£'000)	5,733	6,212
Increase in earnings, and net asset value, per share (in pence)	10.06p	10.85p

The impact of a change of 15% has been selected as this is considered reasonable given the current level of volatility observed both on a historical basis and market expectations for future movement. The range in equity prices is considered reasonable given the historic changes that have been observed.



Notes to the Accounts continued

for the year ended 31 March 2015

15 Financial instrument risk management (continued)

Interest rate sensitivity

Although the Company holds investments in loan stocks that pay interest, the Board does not believe that the value of these instruments is interest rate sensitive. This is because the Board does not consider the impact of interest rate changes materially affects the value of the portfolio in isolation, other than the consequent impact that interest rate changes have upon movements in share prices, discussed under equity price risk above. The table below shows the sensitivity of income earned to changes in interest rates.

	2015 Return and net assets	2014 Return and net assets
Company		
If interest rates were 1% lower, with all other variables held constant — decrease (£'000)	(28)	(48)
Decrease in earnings, and net asset value, per Share (in pence)	(0.05)p	(0.08)p
If interest rates were 1% higher, with all other variables held constant — increase (£'000)	28	48
Increase in earnings, and net asset value, per Share (in pence)	0.05p	0.08p

The impact of a change of 1% has been selected as this is considered reasonable, given the current level of the Bank of England base rates and market expectations for future movement.

Fair value hierarchy

In accordance with amendments to FRS 29, the following table shows financial instruments recognised at fair value, analysed between those whose fair value is based on:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- Inputs for the instrument that are not based on observable market data (unobservable inputs) (Level 3).

Company

As at 31 March 2015

	Level 1 £'000	Level 2 £'000	Level 3 £'000s	Total £'000
Quoted investments	289	—	—	289
Unquoted investments	—	—	37,934	37,934
Current asset investments (money market funds)	4,400	—	—	4,400
Financial assets	4,689	—	37,934	42,623

As at 31 March 2014

	Level 1 £'000	Level 2 £'000	Level 3 £'000s	Total £'000
Quoted investments	212	—	—	212
Unquoted investments	—	—	41,203	41,203
Current asset investments (money market funds)	637	—	—	637
Financial assets	849	—	41,203	42,052

15 Financial instrument risk management (continued)

The Company primarily invests in private equity via unquoted equity and loan securities. The Group's investment portfolio is recognised in the balance sheet at fair value, in accordance with IPEV CV Guidelines.

The losses on level 3 investments are included within investment holding losses and realised losses on investments in the Income Statement.

Year ended 31 March 2015

	Company Shares fund Level 3 £'000
Valuation brought forward at 1 April 2014	41,203
Purchases	2,298
Disposal proceeds	(12,985)
Realised losses	(1,759)
Investment holding gains	9,177
Valuation carried forward at 31 March 2015	37,934

Unquoted investments are valued based on professional assumptions and advice that is not wholly supported by prices from current market transactions or by observable market data. The Directors make use of recognised valuation techniques and may take account of recent arms' length transactions in the same or similar investments.

The Directors regularly review the principles applied by the Investment Manager to those valuations to ensure they comply with the Company's accounting policies and with fair value principles.

Transfers

During the year there were no transfers between levels 1, 2 or 3.

Based on recent economic volatility, the Board and Investment Manager feel that for indicative purposes, a movement of 15% in the unquoted investments within level 3 is appropriate to show how reasonably possible alternative assumptions change the fair value of the investments.

If unquoted Company investments moved by 15%, this would create an increase or decrease in investments of £5.7 million.

Unquoted investments are valued based on professional assumptions and advice that is not wholly supported by prices from current market transactions or by observable market data. The Directors make use of recognised valuation techniques and may take account of recent arms' length transactions in the same or similar investments.

The Directors regularly review the principles applied by the Investment Manager to those valuations to ensure they comply with the Company's accounting policies and with fair value principles.

The favourable and unfavourable effects of using reasonably possible alternative assumptions have been calculated by recalibrating the model values using alternative estimates of expected cash flows and risk-adjusted discount rates that might reasonably have been considered by a market participant to price the instruments at the end of the reporting period.



Notes to the Accounts continued

for the year ended 31 March 2015

16 Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and to provide an adequate return to shareholders by allocating its capital to assets commensurately with the level of risk. The Company's capital is invested in quoted and unquoted investments, cash and near cash as well as current assets.

By its nature the Company has an amount of capital at least 70% (as measured under the tax legislation) of which is and must be, and remain, invested in the relatively high risk asset class of small UK companies within three years of that capital being subscribed. The Company accordingly has limited scope to manage its capital structure in the light of changes in economic conditions and the risk characteristics of the underlying assets. Subject to this overall constraint upon changing the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets if so required to maintain a level of liquidity to remain a going concern.

Although, as the Investment Policy implies, the Board would consider levels of gearing, there are no current plans to do so. It regards the net assets of the Company as the Company's capital, as the level of liabilities are small and the management of them is not directly related to managing the return to shareholders. There has been no change in this approach from the previous year.

The Company has no external imposed capital requirements.

17 Post-balance sheet events

On 2 July 2015 the company declared a special dividend of 25p per C Share. On 2 July 2015 it was also announced that, in accordance with the conversion mechanism set out in the articles of association of the Company, C Shares will be converted into Ordinary Shares ten business days after the publication of the Company's final results for the year ended 31 March 2015.

18 Related party transactions

No Director has an interest in any contract to which the Company is a party.

19 Transactions with the manager

Foresight Group, which acts as investment manager to the Company in respect of its investments earned fees of £1,059,000 during the year (2014: £1,162,000).

Foresight Fund Managers Limited, Company Secretary, received fees of £157,000 (2014: £155,000) during the year. The annual secretarial fee (which is payable together with any applicable VAT) is adjusted annually in line with the UK Retail Prices Index.

At the balance sheet date there was £20,000 (2014: £10,000 due from) due to Foresight Group and £40,000 (2014: £nil) due to Foresight Fund Managers Limited. No amounts have been written off in the year in respect of debts due to or from related parties.

Shareholder Information

Dividends

Interim dividends are ordinarily paid to shareholders in December. Final dividends are ordinarily paid to shareholders in July. Shareholders who wish to have dividends paid directly into their bank account rather than by cheque to their registered address can complete a Mandate Form for this purpose. Mandates can be obtained by telephoning the Company's registrar, Computershare Investor Services (see over for details).

Share price

The Company's Ordinary and C Shares are listed on the London Stock Exchange. The mid-price of the Company's Ordinary and C Shares are given daily in the Financial Times in the Investment Companies section of the London Share Service. Share price information can also be obtained from many financial websites.

Fund history

Foresight Group was appointed manager of Advent 2 VCT plc on 1 August 2004 and the fund was renamed Foresight 4 VCT plc.

Foresight Group was appointed manager of Acuity Growth VCT (formerly Acuity VCT plc) (previously Electra Kingsway VCT plc) and Acuity VCT 2 plc (previously Electra Kingsway VCT 2 plc) on 24 February 2011 and the company was renamed Foresight 5 VCT plc. Foresight Group was also appointed manager of Acuity VCT 3 plc (formerly Electra Kingsway VCT 3 plc) on 1 April 2011. Foresight 4 VCT plc acquired the assets and liabilities of both Foresight 5 VCT plc and Acuity VCT 3 plc on 6 February 2012 and the companies were merged into Foresight 4 VCT plc as a separate C Share class.

Foresight 4 VCT plc also acquired the assets and liabilities of Foresight Clearwater VCT plc on 6 February 2012 and the Foresight Clearwater VCT plc Ordinary Shares became Foresight 4 VCT plc Ordinary Shares.

References to C Shares throughout are valid until C Shares convert into Ordinary Shares in August 2015.

Investor centre

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

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

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

Trading shares

The Company's Ordinary Shares and C 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 4 VCT plc is Panmure Gordon & Co.

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

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

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



Shareholder Information continued

Indicative financial calendar

August 2015	Payment of a special dividend of 25p per C Ordinary Share of 1p each.
August 2015	C Shares will be converted into Ordinary Shares.
November 2015	Announcement of interim results for the six months to 30 September 2015
July 2016	Announcement of annual results for the year ended 31 March 2016
July 2016	Posting of the Annual Report for the year ended 31 March 2016
September 2016	Annual General Meeting

Open invitation to meet the Investment Manager

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

Enquiries

Contact: Please contact Foresight Group, for any queries regarding Foresight 4 VCT plc
 Telephone: 020 3667 8100
 Fax: 020 3031 1383
 e-mail: info@foresightgroup.eu
 website: www.foresightgroup.eu

Foresight 4 VCT plc is managed by Foresight Group CI which is licensed by the Guernsey Financial Services Commission. Past performance is not necessarily a guide to future performance. Stock markets and currency movements may cause the value of investments and the income from them to fall as well as rise and investors may not get back the amount they originally invested. Where investments are made in unquoted securities and smaller companies, their potential volatility may increase the risk to the value of, and the income from, the investment.

Notice of Annual General Meeting

Prior to the Annual General Meeting two investee companies will give presentations between 10.00am and 11.00am. There will be an opportunity for shareholders to ask questions of the companies, the VCT board and Investment Manager.

Notice is hereby given that the Annual General Meeting of Foresight 4 VCT plc ("the Company") will be held on 2 October 2015 at 11.00am at the offices of Shakespeare Martineau LLP, One America Square, Crosswall, London, EC3N 2SG for the purpose of considering and, if thought fit, passing the following resolutions, of which resolutions 1 to 8 will be proposed as ordinary resolutions and resolutions 9 and 10 will be proposed as special resolutions.

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| Resolution 1 | To receive the Report and Accounts for the year ended 31 March 2015. |
| Resolution 2 | To approve the Directors' Remuneration Report. |
| Resolution 3 | To approve the Directors' Remuneration Policy. |
| Resolution 4 | To re-elect Philip Stephens as a director. |
| Resolution 5 | To re-elect Peter Dicks as a director. |
| Resolution 6 | To appoint Simon Jamieson as a director. |
| Resolution 7 | To re-appoint KPMG LLP as auditors and to authorise the directors to fix the auditors' remuneration. |
| Resolution 8 | That, in substitution for all existing authorities, the directors be and they are generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company ("Rights") up to an aggregate nominal amount of £175,000, provided that this authority shall expire (unless renewed, varied or revoked by the Company in a general meeting) on the fifth anniversary of the date of passing of this resolution, save that the Company shall be entitled to make offers or agreements before the expiry of such authority which would or might require shares to be allotted or Rights to be granted after such expiry and the directors shall be entitled to allot shares and grant Rights pursuant to any such offer or agreement as if this authority had not expired. |
| Resolution 9 | That, in substitution for all existing authorities, the directors be and they are empowered pursuant to section 570 and section 573 of the Companies Act 2006 to allot equity securities (within the meaning of section 560 of that Act) for cash either pursuant to the authority conferred by Resolution 8 above or by way of a sale of treasury shares as if section 561(1) of that Act did not apply to any such allotment, provided that this power shall be limited to: <div style="margin-left: 20px;"> <p>(a) the allotment of equity securities with an aggregate nominal amount of up to but not exceeding £175,000 by way of issue of ordinary shares of 1p each in the capital of the Company ("Ordinary Shares") pursuant to offer(s) for subscription;</p> <p>(b) the allotment of equity securities with an aggregate nominal amount of up to but not exceeding an amount equal to 10% of the issued Ordinary Share capital from time to time by way of an issue of Ordinary Shares pursuant to performance incentive arrangements with Foresight Group, such shares to be issued at nominal value; and</p> <p>(c) the allotment (otherwise than pursuant to sub-paragraphs (a) and (b) of this resolution) to any person or persons of equity securities with an aggregate nominal amount of up to but not exceeding an amount equal to 10% of the issued Ordinary Share capital from time to time.</p> </div> |



Notice of Annual General Meeting continued

in each case where the proceeds may be used in whole or part to purchase shares in the capital of the Company, such authority to expire on the conclusion of the annual general meeting of the Company to be held in the year 2016, or, if earlier, on the date falling 15 months after passing of this resolution, save that the Company shall be entitled to make offers or agreements before the expiry of such authority which would or might require equity securities to be allotted after such expiry and the directors shall be entitled to allot equity securities pursuant to any such offers or agreements as if the authority conferred by this resolution had not expired.

Resolution 10 That, in substitution for all existing authorities, the Company be empowered to make market purchases (within the meaning of Section 693(4) of the Companies Act 2006) of its own shares on such terms and in such manner as the directors shall from time to time determine provided that:

- (i) the aggregate number of Ordinary Shares to be purchased shall not exceed 5,738,833 Ordinary Shares or, if lower, such number of Ordinary Shares (rounded down to the nearest whole Ordinary Share) as shall equal 14.99% of the Ordinary Shares in issue at the date of passing of this resolution;
- (ii) the minimum price which may be paid for a share is 1 pence (the nominal value thereof);
- (iii) the maximum price which may be paid for an Ordinary Share is the higher of (1) an amount equal to 105% of the average of the middle market quotation for an Ordinary Share taken from the London Stock Exchange daily official list for the five business days immediately preceding the day on which the Ordinary Shares are purchased, and (2) the amount stipulated by Article 5(1) of the BuyBack and Stabilisation Regulation 2003;
- (iv) the authority conferred by this resolution shall expire (unless renewed, varied or revoked by the Company in a general meeting) on the conclusion of the annual general meeting of the Company to be held in the year 2016 or, if earlier, on the date falling 15 months after the passing of this resolution; and
- (v) the Company may make a contract to purchase Ordinary Shares under the authority conferred by this resolution prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary Shares pursuant to such contract.

By order of the Board

Foresight Fund Managers Limited
Company Secretary
27 July 2015

The Shard
32 London Bridge Street
London
SE1 9SG

Notes:

1. No Director has a service contract with the Company. Directors' appointment letters with the Company will be available for inspection at the registered office of the Company until the time of the meeting and from 15 minutes before the meeting at the location of the meeting, as well as at the meeting.
2. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, entitlement to attend and vote at the meeting and the number of votes that may be cast thereat will be determined by reference to the Register of Members of the Company at the close of business on the day which is two days (excluding non-working days) before the end of the meeting or adjourned meeting. Changes to the Register of Members of the Company after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
3. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend, speak and vote on his or her behalf. A proxy need not also be a member but must attend the meeting to represent you. Details of how to appoint the chairman of the meeting or another person as your proxy using the form of proxy are set out in the notes on the form of proxy which is enclosed. If you wish your proxy to speak on your behalf at the meeting, you will need to appoint your own choice of proxy (not the chairman) and give your instructions directly to them.
4. You may appoint more than one proxy, provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, (an) additional form(s) of proxy may be obtained by contacting Computershare Investor Services plc on 0870 703 6385. Please indicate in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and returned together in the same envelope.
5. As at 24 July 2015 (being the last business day prior to the publication of this notice), the Company's issued share capital was 38,284,414 Ordinary Shares and 18,680,907 C Shares, carrying one vote each. Therefore, the total voting rights in the Company as at 27 July 2015 was 56,965,321.
6. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a 'Nominated Person') may, under an agreement between him/her and the member by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
7. The statement of the rights of members in relation to the appointment of proxies in paragraphs 3 to 4 above does not apply to Nominated Persons. The rights described in those paragraphs can only be exercised by members of the Company.
8. Appointment of a proxy will not preclude a member from subsequently attending and voting at the meeting should he or she subsequently decide to do so. You can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy.
9. The Register of Directors' Interests will be available for inspection at the meeting.
10. Information regarding the meeting, including the information required by section 311A of the Companies Act 2006, is available from www.foresightgroup.eu.
11. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If you either select the "Discretionary" option or if no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
12. A form of proxy and reply paid envelope is enclosed. To be valid, it should be lodged with the Company's Registrar, Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZY or the proxy must be registered electronically at **www.investorcentre.co.uk/eproxy**, in each case, so as to be received no later than 48 hours (excluding non business days) before the time appointed for holding the meeting or any adjourned meeting. To vote electronically, you will be asked to provide your Control Number, Shareholder Reference Number and PIN which are detailed on your proxy form. This is the only acceptable means by which proxy instructions may be submitted electronically.
13. Under section 319A of the Companies Act 2006, the Company must answer any question you ask relating to the business being dealt with at the meeting unless answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information or the answer has already been given on a website in the form of an answer to a question or it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
14. Pursuant to Chapter 5 of Part 16 of the Companies Act 2006 (sections 527 to 531), where requested by a member or members meeting the qualification criteria the Company must publish on its website, a statement setting out any matter that such members propose to raise at the meeting relating to the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the meeting. Where the Company is required to publish such a statement on its website it may not require the members making the request to pay any expenses incurred by the Company in complying with the request, it must forward the statement to the Company's auditors no later than the time the statement is made available on the Company's website and the statement may be dealt with as part of the business of the meeting.



Corporate Information

Directors

Philip Stephens (Chairman)
Peter Dicks
Simon Jamieson

Company Secretary

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

Investment Manager

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Auditors and Tax Advisers

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Solicitors and VCT Status Advisers

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B4 6AA
and
One America Square
Crosswall
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EC3N 2SG

Registrar

Computershare Investor Services plc
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Bridgwater Road
Bristol
BS99 6ZZ

Market Maker

Panmure Gordon & Co
One New Change
London
EC4M 9AF

Registered Number

03506579

Contact Numbers

Registrar's Shareholder Helpline
— Computershare (0870 703 6385)
General and Portfolio Queries
— Foresight Group (020 3667 8100)



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