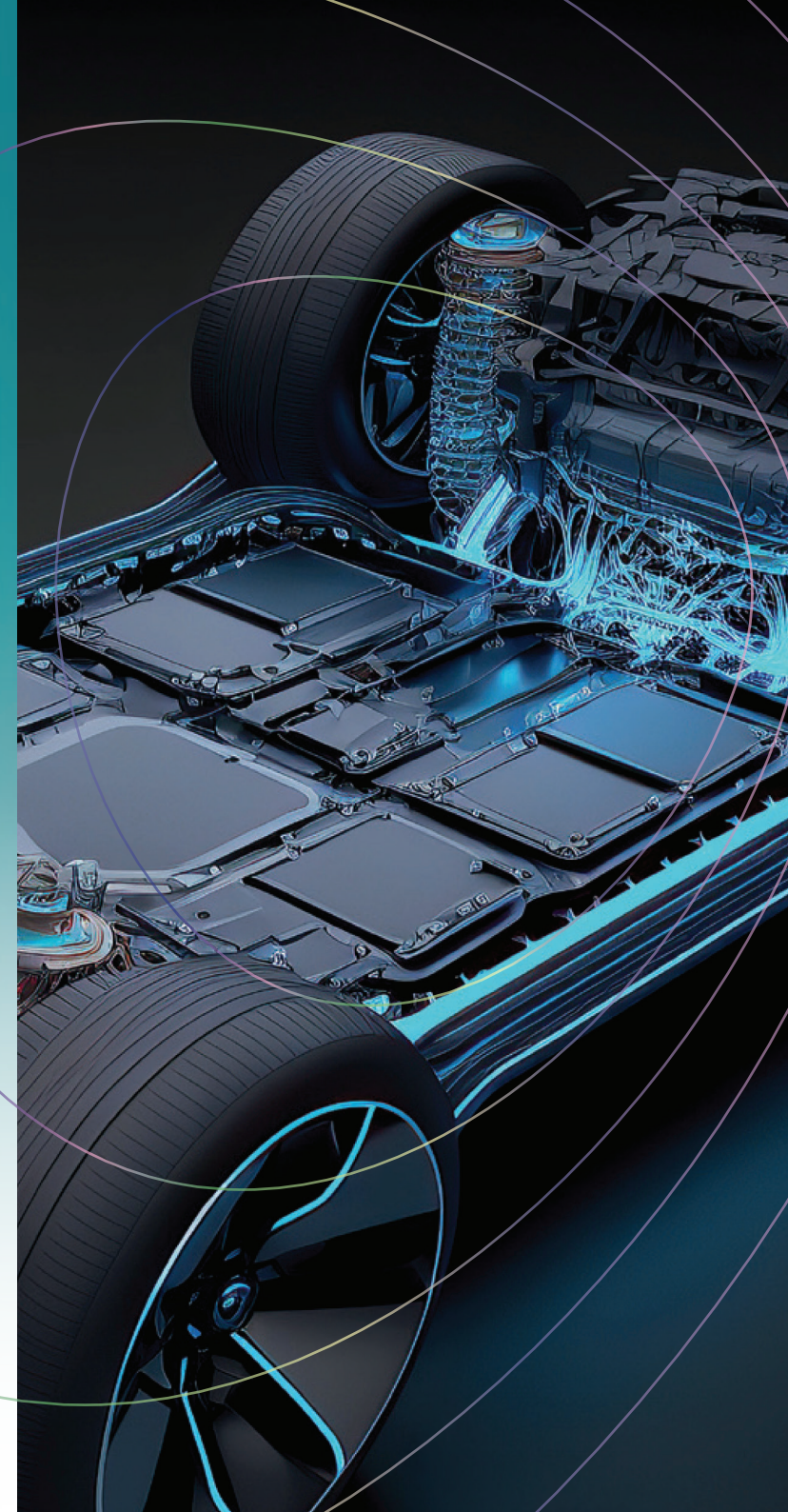


# Foresight Technology VCT Plc

Annual Report & Accounts

31 March 2024

**Foresight**  
FOR A SMARTER FUTURE



# Shareholder Information

Foresight Technology VCT Plc is managed by Foresight Group LLP which is regulated by the Financial Conduct Authority. 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.

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

## Contact us

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

Telephone: 020 3667 8181

Email: [InvestorRelations@foresightgroup.eu](mailto:InvestorRelations@foresightgroup.eu)  
[www.foresightgroup.eu](http://www.foresightgroup.eu)



## Key Dates

|                                             |                          |
|---------------------------------------------|--------------------------|
| <b>Annual General Meeting</b>               | <b>17 September 2024</b> |
| <b>Interim results to 30 September 2024</b> | <b>December 2024</b>     |
| <b>Annual results to 31 March 2025</b>      | <b>July 2025</b>         |

## Dividends

The Board has made the decision that Foresight Technology VCT Plc (the "Company") will no longer pay dividends by cheque. All future cash dividends will be credited to your nominated bank/building society account. If you are currently receiving dividends via cheque, a dividend mandate form will be sent to you. Please contact the Investor Relations team if you have any questions regarding this.

## Share price

The Company's FWT Shares are listed on the London Stock Exchange. Share price information can also be obtained from many financial websites.

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

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

**Holding Enquiry** Balances | Values History | Payments  
**Payments Enquiry** Dividends | Other payment types  
**Address Change** Change registered address to which all communications are sent

**Bank Details Update** Update your bank details to which dividend payments are made

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

**Downloadable Forms** Dividend mandates | Stock transfer | Change of address

Alternatively you can contact Computershare by phone on 0370 707 4017

## Trading shares

The Company's FWT 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 Technology VCT Plc is Panmure Gordon & Co.

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

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

Please call Foresight Group if you or your adviser have any questions about this process.



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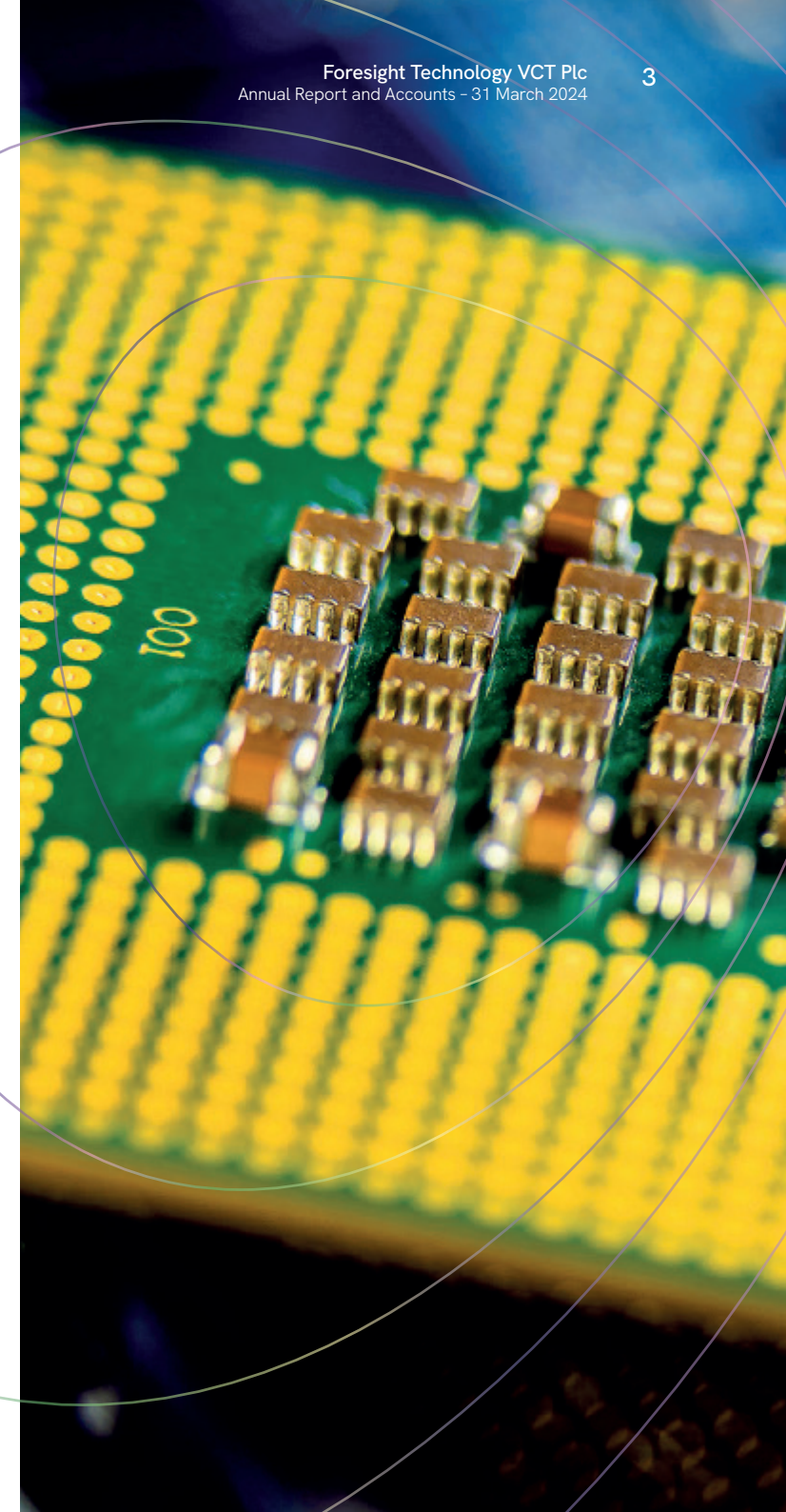
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# Financial Highlights

FWT Shares  
Total Net Assets  
as at 31 March 2024

£32.1m 2023: £22.8m

FWT Shares  
Net Asset Value per share  
as at 31 March 2024

98.8p 2023: 102.8p

## FWT Shares Fund

- During the year, under the Offers for subscription for the Foresight WAE Technology Shares fund (the "FWT Shares fund"), dated 10 January 2023 and 6 September 2023, £10.1m of new funds were raised.
- During the year, the fund invested in one new portfolio company and executed nine follow-on investments into existing companies.
- Since the end of the reporting period, a further £3.1m has been raised, bringing the total funds raised to £35.5m.
- Since the end of the reporting period, a further six investments have been made, bringing total deployment to £22.6m.

## Key Metrics

|                                                    | 31 March 2024 | 31 March 2023 |
|----------------------------------------------------|---------------|---------------|
|                                                    | FWT Shares    | FWT Shares    |
| Total net assets                                   | £32.1m        | £22.8m        |
| Net asset value per share                          | 98.8p         | 102.8p        |
| Net asset value total return <sup>^</sup>          | 98.8p         | 102.8p        |
| Share price                                        | 100.0p        | 100.0p        |
| Share price total return <sup>^</sup>              | 100.0p        | 100.0p        |
| Dividends paid in the year <sup>*</sup>            | —             | —             |
| Dividend yield <sup>^</sup>                        | —             | —             |
| Shares in issue                                    | 32,445,165    | 22,200,316    |
| Share price premium/(discount) to NAV <sup>^</sup> | 1.2%          | (2.7%)        |
| Average discount on buybacks <sup>^</sup>          | n/a           | n/a           |
| Growth in NAV per share                            | (3.9%)        | 5.5%          |
| Ongoing charges ratio <sup>^</sup>                 | 3.4%          | 2.5%          |

<sup>^</sup>Definitions of the Alternative Performance Measures (APMs) can be found in the Glossary on page 78.

<sup>\*</sup>In the financial year ending 31 March 2024 the Ordinary Share class paid a dividend of £1,903,000.



6524  
145 56.524  
555 44.221  
34 5678  
2244 55.62  
00.12 42145

8877 1244.1  
4321.1 2  
5512 7.772  
4992 82.2211  
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74.665:52

# Chairman's Statement



On behalf of the Board, I am pleased to present the Audited Annual Report and Accounts for Foresight Technology VCT Plc for the year ended 31 March 2024 and to provide you with an update on the developments affecting the Company.

**Ernie Richardson**  
Chairman  
30 July 2024

## Company

The Foresight WAE Technology VCT share class (the "FWT Fund") was launched in December 2019, and represents an exciting investment opportunity made possible by the collaboration between Foresight Group and Fortescue Zero, formerly WAE Technologies Limited (defined as "WAE"), a technology and engineering services business, originally spun out of the Williams Formula 1 business. Please refer to pages 8 and 9 for further information on Fortescue Zero.

The FWT Fund provides investors with the opportunity to invest in a portfolio of early-stage companies with high growth-potential, developing innovative and occasionally transformational technologies across a range of different sectors. It builds on the successful relationship that Foresight and WAE have enjoyed from their launch of the Foresight WAE Technology EIS Fund (the 'EIS fund') in November 2016, which has raised over £60 million to date and has made thirty seven investments across a range of different sectors so far.

## Fundraising and share issues

The FWT Fund offers for subscription, dated 10 January 2023 and relaunched on 6 September 2023, are each up to £15 million (with an over-allotment facility for up to an additional £10 million) through the issue of FWT Fund shares. During the year ended 31 March 2024, across both offers, 9.7 million FWT Fund shares were allotted, raising a further £10.1 million, bringing the total funds raised to over £32m.

Post period end, a further 3 million FWT shares were allotted, increasing the total funds raised to £35.5m.

## Portfolio and deal activity

A detailed analysis of the investment portfolio performance over the period is given in the Investment Manager's Review on page 10.

During the period under review the Investment Manager completed one new and nine follow-on investments in exciting

companies costing a total of £3.2m. The new investment that completed in the year was into Zayndu Limited. The follow-on investments that were completed in the year were into, Machine Discovery Limited, Previsico Limited, Additive Manufacturing Technologies Limited, Kognitiv Spark Inc, Oxford Space Systems Limited, VividQ Limited, Open Bionics Limited, Vector Photonics Limited and Insphere Limited.

Details of each of the top 10 companies by value as at 31 March 2024 can be found in the Investment Manager's review on page 15.

As at 31 March 2024, the FWT Fund had made investments totalling £20.1m in 28 exciting portfolio companies. An additional two investments were acquired as part of the merger with the Ordinary share class, bringing the total number of investments for the FWT Fund to 30. Post period end, the FWT Fund made two new and four follow-on investments totalling £2.5m.

The Investment Manager continues to see a strong pipeline of potential investments sourced through its regional networks and well developed relationships with advisers and the SME community; however, it is also focused on supporting the existing portfolio through the current economic environment. Following the fundraising over the last couple of years, the Company is in a position to fully support the portfolio, where appropriate, and exploit potential attractive investment opportunities.

## Management fees

The annual management fee of the FWT Fund is calculated as 2.0% of Net Assets and equated to £539,000 during the year. The Board believe that the annual management fee represents good value for investors.

## Responsible investing

The analysis of environmental, social and governance ("ESG") issues is embedded in the Investment Manager's investment process and these factors are considered key in determining the quality of a business and its long-term success. Central to the Manager's



responsible investment approach are five ESG principles that are applied to evaluate investee companies, acquired since May 2018, throughout the lifecycle of their investment, from their initial review and acquisition to their final sale. Every year, these portfolio companies are assessed and progress measured against these principles.

### Annual General Meeting

The Company's Annual General Meeting will take place on 17 September 2024 and we look forward to meeting as many of you as possible in person. Please refer to the formal notice on pages 74 to 77 for further details in relation to the format of this year's meeting. We would encourage you to submit your votes by proxy ahead of the deadline of 12.30pm on 13 September 2024 and to forward any questions by email to [InvestorRelations@foresightgroup.eu](mailto:InvestorRelations@foresightgroup.eu) in advance of the meeting.

### Share Class Merger

As explained in last year's Annual Report, on 5 July 2023, shareholders of the Company approved the resolution to bring an end to the existence of the Ordinary Shares fund by the redesignation of the the residual £0.6m of Ordinary shares to FWT shares, following an initial dividend of 132.0p per Ordinary share which was paid on 16 March 2023 and subsequently a further dividend of 5.5p per Ordinary share to Ordinary Shareholders which was paid on 25 July 2023. The Ordinary shares were suspended from the London Stock Exchange on 28 June 2023 and subsequently, on 4 September 2023, the Company's name was changed to Foresight Technology VCT Plc (previously named 'Foresight Solar & Technology VCT Plc').

On the 20 September 2023 the Board announced a variation to the buyback policy for the former Ordinary Shareholders which would allow the Shareholders to benefit from a buyback at a nil discount to NAV in respect of FWT Shares which they hold pursuant to the above-mentioned redesignation. This Buyback offer will remain open until 20 September 2024.

### Sunset clause

VCT income tax relief is currently only available in respect of shares issued before 6 April 2025, a deadline often referred to as 'the sunset clause'. The Chancellor, Jeremy Hunt, announced an extension of the 'sunset clause' in his November 2023 Autumn Statement and in what is now the Finance Act 2024, provision has been made for this date to be extended to 6 April 2035, though this provision only comes into force on such day as the Treasury appoints.

VCT income tax relief represents a 'subsidy' for the purposes of EU state aid rules. Whilst the so called 'Windsor Framework' purports to constrain the limited circumstances in which the UK-EU Trade and Cooperation Agreement governs subsidy control to where there is a proven real, genuine and material link to Northern Ireland's trade with the EU for any proposed aid to be in scope, EU approval for the extension of the sunset clause has not yet been announced by the Treasury, though we understand that approval has been sought.

### Outlook

While the impact of the pandemic has lessened, wider geopolitical uncertainty is having an impact on economic volatility, including, but not limited to, the significant rise in energy prices, rapid inflation, the cost of living crisis and the potential for a global recession. Supply chains remain under pressure post Brexit and the pandemic, and exacerbated by the well-publicised transport issues in the Red Sea. Such issues are unlikely to be resolved soon. While the Company's portfolio has not been materially exposed, we continue to monitor these macroeconomic and geopolitical developments. It is very likely that the economic impacts we are currently experiencing will raise issues and concerns for the individual investee company management teams and the Investment Manager.

On the other hand, these younger companies may prove more agile and creative in their approach and better able to adapt their operations swiftly and identify new products and services in response to changing circumstances.

The portfolio is showing signs of resilience and the Investment Manager has been working with management teams to assess business plans, consider funding requirements and help navigate through these difficult times. The portfolio is well diversified in terms of sector, size and number and the Investment Manager's approach through the pandemic will continue to be valuable to tackle the challenge ahead.

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

### Ernie Richardson

Chairman  
30 July 2024



# FWT Share Class

## Engineering and Technology Adviser

Fortescue is focussed on becoming a global, integrated green technology, energy and metals company. It is developing and acquiring the technology and energy needed to decarbonise not only its own Australian operations by 2030, but to help others do the same, working to accelerate commercial decarbonisation rapidly, profitably and globally.

Fortescue's foundations are in metals, mining and large-scale projects as the fourth largest iron ore mining company in the world with sites in Australia and Africa. Today, Fortescue is combining energy and technology to eliminate fossil fuels for itself and others and to do that, is investing, developing and acquiring technologies. Its green technology arm Fortescue Zero includes the former technology, engineering and manufacturing business WAE Technologies, whose engineering innovation was born on the racetrack with the Williams Formula One Team.

Fortescue's capabilities in new materials, electrification and battery technology, aerodynamics and thermodynamics, business performance and specialist manufacturing are applicable across all sectors, including automotive, aerospace, defence, energy, sports science and healthcare.





Working in close collaboration with its customers and partners, Fortescue helps meet the sustainability and technology challenges of the 21st century and improve performance. Fortescue today employs tens of thousands of people around the world in many innovative and transformative technical areas for a growing list of clients and customers.

With its work across a range of industry sectors, Fortescue is well positioned to identify growing market opportunities and technologies. Through its reputation and commercial relationships, Fortescue also has access to an exciting pool of investment opportunities. Given this market insight and technical expertise, Fortescue assists with technical due diligence on small to medium sized businesses (“SMEs”) and provides services to support with the development of technologies and portfolio firms towards commercialisation. Through Foresight’s investment expertise, experience of early-stage opportunities and nurturing of UK SMEs, portfolio companies will be offered dedicated support to accelerate their technologies towards commercialisation.

**Mark Hutchinson**  
Chief Executive Officer, Fortescue Energy



## FWT Shares

# Investment Manager's Review

### Summary

Between its launch on 20 December 2019 and the end of the reporting period, the FWT Shares fund has raised £32.4 million. The Offer provides investors with the opportunity to invest in a portfolio of early-stage companies with high growth-potential, developing innovative and occasionally transformational technologies across a range of different sectors. As at 31 March 2024, the FWT fund had made investments into 30 companies totalling £20.2 million

Investments into one new and nine existing companies were made during the year. These investments are summarised below:

**Additive Manufacturing Technologies (AMT):** a manufacturer of systems that automate the postprocessing of 3D printed parts e.g. unpacking, surface smoothing, sealing and colouring.

**Insphere:** a provider of in-process measurement systems that speed up the calibration and enhance the accuracy of automated production lines.

**Kognitiv Spark:** a software company that provides 3D data to support field service workers in remote locations.

**Machine Discovery:** a University of Oxford spin-out developing machine learning technology that simplifies, automates and accelerates highly complex computer simulations.

**Open Bionics:** a designer and manufacturer of the world's first clinically approved 3D-printed bionic limbs.

**Oxford Space Systems:** a satellite component company developing stowable and deployable booms and antennas.

**Previsico:** a University of Loughborough spin-out providing a market-leading flood forecasting and warning software platform.

**Vector Photonics:** a University of Glasgow spin-out commercialising the next generation of semiconductor laser devices.

**VividQ:** a technology company enabling the next generation of holographic displays.

**Zayndu\*:** a company utilising cold plasma to improve the seed treatment and seed priming process.

\*New Investment in the year.

Further information relating to the top 10 investments by value can be found on pages 15 to 19.



## Post year end acquisitions

Subsequent to the year end, the FWT fund has made two new investments in Cavero Quantum Limited and Lifelight Limited and four follow on investments into Nebuflow Limited, dRisk Inc, Vector Photonics Limited and Forefront RF Limited which are described further below. This brings total deployment to £22.6m.



Cavero Quantum is a University of Leeds spinout that has developed a new password-less encryption technology for secure key generation and authentication. It is compatible with legacy hardware, requires little bandwidth and has the potential to be secure against cyber attacks by quantum computers. The technology is attractive to a wide range of sectors and has immediate market application through replacing multi-factor authentication and one-time passwords with a high security, frictionless, password-less form of authentication.

Foresight has invested alongside Northern Gritstone, an investment company dedicated to supporting ambitious science and technology-enabled businesses in the North of England, including through its venture-building program NG Studios powered by Deeptech Labs, in which Cavero Quantum participated earlier this year.

Whilst not core to the investment thesis, interest in Cavero is expected to accelerate as quantum computers advance and traditional encryption approaches become increasingly vulnerable. Existing quantum proof encryption methods all have significant limitations, typically through requiring significant processing power or specialist hardware, neither of which is required by Cavero.



Lifelight is an early-stage medical software company aiming to become a globally recognised developer of vital signs diagnostic software for smartphones and tablets. Measuring vital signs - heart rate/pulse, blood pressure and respiration - is an important aspect of clinical care, which is time-consuming and requires multiple pieces of equipment and trained staff to administer tests accurately. The Company's core product Lifelight is a medical device for the contactless measurement of vital signs using remote photoplethysmography (rPPG) via the camera on smart devices. Lifelight is provided as a standalone app or licensed to companies as a software development kit, eliminating the need for a health care professional to conduct the test in a clinical setting.

Based on the independent clinical trials, Lifelight's measurements are clinically proven to be comparable or better in accuracy than the traditional blood pressure cuffs across all blood pressure ranges and ages from 14 - 60 years. The artificial intelligence (AI) algorithm behind the product has been trained to cover the entire skin tone spectrum and uses data from individuals with diverse health conditions to provide accurate readings in edge cases.

Lifelight is showing early but strong commercial traction across insurance, healthcare providers and healthcare platforms.

## FWT Shares

# Investment Manager's Review



Nebuflow is developing surface acoustic wave nebulisers to enable the delivery of next-generation respiratory pharmaceuticals and improve the efficiency of well-established treatments. Nebulisers are used by patients with Cystic Fibrosis and Chronic Obstructive Pulmonary Disorder as they can deliver drugs directly into the patients' lungs. However, commercially available nebulisers are inefficient, bulky and unsuitable for use with the next generation of pharmaceuticals, which are already reaching clinics. Nebuflow's patented technology overcomes these issues providing a tightly controlled distribution of droplet sizes using a technique compatible with new pharmaceuticals based around RNA and antibodies, known as biologics. The nebuliser device housing is a critical element to be developed and WAE has expertise in computational fluid dynamic simulations, a skillset which will be required to optimise the housing design.



dRisk Inc was founded to provide autonomous vehicle developers with simulated datasets to train algorithms by taking unstructured data and creating edge cases. dRISK has recently pivoted to general AI analytics and edge cases has won several new POCs in adjacent sectors such as healthcare and general automotive which was a natural fit given dRISKs history.



Vector Photonics is developing a novel laser diode chip known as a Photonic Crystal Surface Emitting Laser ("PCSEL"). Laser emitting diodes are a key component in high-speed optical transceivers, which are responsible for converting electrical signals into optical outputs for transmission through optical fibres over long distances or between servers in a datacentre. In addition to datacoms, lasers are also used in consumer devices, LIDAR etc. The core innovation is a single chip solution capable of delivering high-power lasers verses a complex assembly device with power limitations.

Incumbent laser diode technologies, based on vertical-cavity surface-emitting laser ("VCSEL"), are reaching the limits of their performance. PCSELS, on the other hand, can meet the future power output demand. The current high-speed optical transceivers have a complex assembly solution, which is expensive and has complex manufacturing processes. Vector Photonics' single chip-based solution overcomes these issues.



**FOREFRONT RF**

Forefront RF is developing a signal cancellation technology to reduce the size and the number of components used to receive and transmit cellular signals in smartphones and wearable devices. The current generation of cellular devices has tens of filters which separate incoming and outgoing RF signals. As bandwidth requirements increase, so too does the required number of filters. To save space and cost, cellular device manufacturers, such as Apple and Samsung, have been forced to limit the number of filters per device, resulting in regionally constrained variants of their products. Forefront has developed a new method of creating tuneable filters which can be adapted to filter out multiple bands using a single circuit, thereby, removing limitations around the number of RF filters per device. This, in turn, will eliminate the need to manufacture multiple modifications of the same device, bringing down the production costs and reducing time to market.



## Climate Change Statement

The Manager has a long-term investing vision and its strategy aligns with certain of the UN's Sustainable Development Goals. As such, taking actions to mitigate the risks posed by climate change, whilst also investing to generate commercial returns for our investors, must be done hand-in-hand. The Manager has been a signatory to the United Nations-backed PRI since 2013. PRI is a globally recognised voluntary framework concerned with the incorporation of ESG considerations into the investment decision-making process. It provides a basis for potential and existing investors to judge the quality of a company's ESG processes and positioning within an industry sector. In 2023, the Manager was once again awarded 5 stars by PRI across Foresight Group and the Private Equity, Infrastructure and Capital Markets divisions.

The Board supports the Manager's views on climate change and ESG and its process in the evaluation of an asset's environmental and social impact during due diligence and thereafter. For each material risk identified during due diligence, a mitigation plan is proposed in the investment submission and these actions form part of each portfolio company's "100-day plan" post-investment.

From an environmental perspective, analysis relating to the implementation of good industry practice in limiting and mitigating the potentially adverse environmental impact of a company's operations has four principal components:

- Environmental policy and track record
- Energy and resource usage and environmental impact
- Environmental impact of products and services
- Environmental performance improvements

Regular monitoring post-investment ensures that standards are maintained in respect of ESG issues where there is a change in either the regulatory or operating environment or the composition of the management team.

We believe in delivering sustainable growth and incorporate ESG into our management process.

For the Manager's annual Task Force on Climate-related Financial Disclosure ("TCFD"), please refer to the Manager's FY24 Sustainability Report (<https://www.foresight.group/sustainability-report-fy24>).

## Fundraising

The Offer, made possible through an innovative collaboration between Foresight Group and Williams Advanced Engineering Ltd, continues to build positive momentum in the market. Since the end of the year to 31 March 2024, a further £3.1 million has been raised, bringing the total raised to £10.3 million in the current fund raising round and £35.5 million overall.

## Pipeline

The Investment Manager has a strong pipeline covering new deals and follow-ons. At the time of writing, two deals had passed the Investment Manager's final Investment Committee stage and were nearing completion. On two further deals, terms and exclusivity had been agreed and, subject to Investment Committee approval, were progressing to due diligence.

## Foresight Group LLP

Investment Manager  
30 July 2024

# FWT Fund Portfolio Summary

As at 31 March 2024

| Name of asset                                              | Date of First Investment | 31 March 2024       |                   | 31 March 2023       |                   |
|------------------------------------------------------------|--------------------------|---------------------|-------------------|---------------------|-------------------|
|                                                            |                          | Accounting Cost (£) | Valuation (£)     | Accounting Cost (£) | Valuation (£)     |
| Audioscenic Limited*                                       | 23/10/2020               | 1,751,432           | 2,550,911         | 1,751,432           | 2,304,243         |
| Kognitiv Spark Inc*                                        | 16/02/2022               | 1,755,579           | 1,721,271         | 1,255,579           | 1,144,658         |
| Cambridge GaN Devices Limited*                             | 21/01/2021               | 984,139             | 1,647,095         | 984,139             | 1,327,265         |
| Previsico Limited*                                         | 24/08/2021               | 795,504             | 1,264,472         | 647,993             | 1,174,460         |
| Living Optics Limited*                                     | 12/08/2022               | 1,247,663           | 1,259,889         | 1,247,663           | 1,247,663         |
| Zero Point Motion Limited*                                 | 16/11/2021               | 813,750             | 1,242,318         | 813,750             | 961,537           |
| Oxford Space Systems Limited*                              | 11/02/2022               | 698,425             | 1,237,755         | 323,413             | 581,963           |
| Mach42 Limited*                                            | 01/04/2021               | 873,494             | 1,174,188         | 236,251             | 397,832           |
| Opsydia Limited*                                           | 23/06/2022               | 1,145,156           | 1,171,882         | 1,145,156           | 1,145,156         |
| Forefront RF Limited*                                      | 09/08/2021               | 1,120,224           | 1,128,530         | 1,120,210           | 1,558,967         |
| VividQ Limited                                             | 28/05/2021               | 1,697,490           | 1,068,697         | 1,068,697           | 1,068,697         |
| Refeyn Limited                                             | 09/11/2020               | 360,000             | 924,977           | 360,000             | 795,769           |
| Vypercore Limited                                          | 29/03/2023               | 674,521             | 674,521           | 674,521             | 674,521           |
| Vector Photonics Limited                                   | 05/04/2021               | 607,265             | 607,265           | 474,999             | 474,999           |
| Rovco Limited                                              | 31/03/2022               | 565,387             | 565,387           | 565,387             | 565,387           |
| dRISK Inc                                                  | 29/03/2022               | 530,597             | 549,566           | 530,597             | 565,038           |
| Zayndu Limited                                             | 28/11/2023               | 500,000             | 500,000           | —                   | —                 |
| Acu-flow Limited                                           | 05/04/2022               | 315,000             | 450,360           | 315,000             | 331,357           |
| Open Bionics Limited                                       | 30/06/2022               | 324,169             | 404,261           | 166,668             | 166,668           |
| Mixergy Limited                                            | 08/02/2023               | 374,998             | 374,998           | 374,998             | 374,998           |
| Insphere Limited                                           | 01/04/2021               | 434,419             | 373,475           | 334,421             | 334,421           |
| Phlux Limited                                              | 25/11/2022               | 345,174             | 372,219           | 345,174             | 345,174           |
| The Salford Valve Company Limited                          | 20/04/2022               | 250,015             | 360,101           | 250,015             | 250,015           |
| Zomp Group Limited                                         | 01/02/2023               | 265,000             | 265,000           | 265,000             | 265,000           |
| Synaptec Limited                                           | 16/09/2022               | 99,994              | 115,822           | 99,994              | 99,994            |
| Novosound Limited                                          | 28/07/2022               | 75,000              | 88,204            | 75,000              | 81,525            |
| Additive Manufacturing Technologies Limited                | 23/10/2020               | 1,268,451           | 18,150            | 1,200,001           | 626,805           |
| Mirico Limited                                             | 12/07/2022               | 262,472             | —                 | 262,472             | 264,311           |
| Adenium Foresight Luxembourg (VCT) 1 S.a.r.l. <sup>1</sup> | 05/07/2023               | 52,277              | —                 | —                   | —                 |
| Youtan Limited <sup>1</sup>                                | 05/07/2023               | 100                 | —                 | —                   | —                 |
| <b>Total</b>                                               |                          | <b>20,187,695</b>   | <b>22,111,314</b> | <b>16,888,530</b>   | <b>19,128,423</b> |

\*Top ten investments by value shown on pages 15 to 19.

<sup>1</sup>These assets were acquired by the FWT share class as part of the merger between the Ordinary and FWT share classes on the 5 July 2023.



FWT Shares

## FWT Fund Portfolio Overview Summary

1. **AUDIOSCENIC**

Audioscenic Limited

www.audioscenic.com

|                              |                     |
|------------------------------|---------------------|
| First Investment             | <b>October 2020</b> |
| Accounting Cost              | <b>£1,751,432</b>   |
| Valuation                    | <b>£2,550,911</b>   |
| Change in Value for the Year | <b>£246,668</b>     |
| % Equity Held                | <b>13.2%</b>        |

Audioscenic is developing immersive 3D audio technology for loudspeaker systems that will revolutionise the way users experience sound. The system monitors the location of a listener's head using head tracking technology and then beams a separate sound wave to their left and right ears, creating an immersive 3D audio experience far beyond what a conventional surround sound system can offer.

The FWT Fund invested £359,995 into Audioscenic in October 2020 and £1,391,437 in December 2022 as part of a £5.0m funding round led by Thames Ventures Funds.

Audioscenic's technology is now embedded in a gaming soundbar made by Razer which received multiple industry awards. More encouragingly, the company has identified a good product-market fit for its technology in laptops and is now in discussions with several large laptop brands for a licensing agreement. Audioscenic is also continuing to develop the technology for use in the automotive sector, allowing separate sound zones for each occupant.

| £'000         | 30 September 2023 | 30 September 2022 |
|---------------|-------------------|-------------------|
| Retained loss | (3,102)           | (1,697)           |
| Net assets    | 3,969             | 415               |

2. **KOGNITIV SPARK**

Kognitiv Spark Inc

www.kognitivspark.com

|                              |                      |
|------------------------------|----------------------|
| First Investment             | <b>February 2022</b> |
| Accounting Cost              | <b>£1,755,579</b>    |
| Valuation                    | <b>£1,721,271</b>    |
| Change in Value for the Year | <b>£76,613</b>       |
| % Equity Held                | <b>7.3%</b>          |

Kognitiv Spark is commercialising software that provides 3D data to support field service workers in remote locations via Augmented Reality. The company's product offers three significant advantages over the competition: it is the only commercially available solution that allows the real-time sharing of 3D data sets, it can maintain a stable video connection even in low bandwidth environments; and it offers defence-grade security.

The Fund first invested £1,255,579 into Kognitiv Spark in February 2022 as part of a £4.5m funding round alongside existing investors and Foresight WAE EIS. In December 2023, the Fund invested a further £500k as part of a larger round, which included the Foresight Growth VCTs.

The Company finished 2023 with strong results and continues to build revenue and reduce losses. Kognitiv Spark is focusing on scaling their existing customers and capitalising on their traction in the defence and utility sectors. Finally, as adoption of Augmented Reality increases, Kognitiv Spark is iterating its software to enable usage with more hardware including Apple's Vision Pro.

| £'000           | 31 December 2023* | 31 December 2022* |
|-----------------|-------------------|-------------------|
| Retained profit | n/a               | n/a               |
| Net assets      | n/a               | n/a               |

\*Kognitiv Spark is a Canadian company with UK operations and is not required to publically disclose financial information.

## FWT Shares

# FWT Fund Portfolio Overview Summary continued

## 3.

### Cambridge GaN Devices Limited

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

|                              |              |
|------------------------------|--------------|
| First Investment             | January 2021 |
| Accounting Cost              | £984,139     |
| Valuation                    | £1,647,095   |
| Change in Value for the Year | £319,830     |
| % Equity Held                | 2.4%         |

Cambridge GaN Devices ("CGD") is a University of Cambridge spin out founded in 2016. The company has developed a new generation of gallium nitride ("GaN") semiconductor power devices. GaN power devices are smaller, more efficient and up to 100 times faster than silicon alternatives. Target sectors include consumer electronics, industrial lighting, data centres and automotive.

The Fund invested £360,807 into CGD in January 2021 as part of a £6.9m funding round alongside Foresight WAE EIS, the Business Growth Fund and IQ Capital, and a £623,332 follow-on investment in August 2022 as part of a £15 million oversubscribed round, alongside the existing investors.

The Company's product development efforts have continued. CGD now has its first products live in the market. The initial products have focused on the consumer market but to ensure rapid scalability, CGD has shifted its focus to the automotive and industrial sectors. These potential customers are less cost sensitive and buyer in larger volumes.

| £'000         | 31 December 2022 | 31 December 2021 |
|---------------|------------------|------------------|
| Retained loss | (7,283)          | (3,646)          |
| Net assets    | 16,488           | 5,251            |

## 4.

### Previsico Limited

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

|                              |             |
|------------------------------|-------------|
| First Investment             | August 2021 |
| Accounting Cost              | £795,504    |
| Valuation                    | £1,264,472  |
| Change in Value for the Year | (£57,499)   |
| % Equity Held                | 9.6%        |

Previsico was spun-out of Loughborough University in 2019 following an approach to develop a more accurate flood forecasting system. Previsico's FloodMap Live platform uses sophisticated modelling and data feeds to predict flood impacts, including surface water flooding, and provides automated alerts to allow users to protect assets and minimise damage.

The FWT Fund invested £647,993 into Previsico in August 2021 alongside Foresight WAE EIS and Foresight MEIF, and made a £147,511 follow-on investment alongside Foresight WAE EIS, Foresight MEIF and 24 Haymarket in July 2023.

Previsico has demonstrated strong commercial progress, having attracted several recurring revenue contracts from insurers and asset owners. It is selling to insurers Liberty, Zurich, FM Global, AON, and their clients, with live, actionable warnings for surface water flooding. Besides, Previsico expanded its client base with asset owners such as National Grid, UK Power, Network Rail etc.

The company also strengthened its team with an experienced CFO and Head of Sales, and is well-positioned for further growth.

| £'000                    | 31 December 2022 | 31 December 2021 |
|--------------------------|------------------|------------------|
| Retained loss            | (2,283)          | (1,408)          |
| Net (liabilities)/assets | (326)            | 432              |

## 5.



### Living Optics Limited

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

|                              |                    |
|------------------------------|--------------------|
| First Investment             | <b>August 2022</b> |
| Accounting Cost              | <b>£1,247,663</b>  |
| Valuation                    | <b>£1,259,889</b>  |
| Change in Value for the Year | <b>£12,226</b>     |
| % Equity Held                | <b>2.3%</b>        |

Living Optics is a University of Oxford spin-out commercialising next generation hyperspectral imaging technology. The company's hyperspectral camera system promises to capture higher resolution images, faster, at lower cost and in a more compact form factor than incumbent camera systems.

The FWT Fund invested £1,247,663 into Living Optics in August 2022 as part of a £20m funding round alongside Oxford Science Enterprise, Octopus Ventures and existing investors.

Living Optics continues to focus on technology development and remains on track for a planned launch of its first commercial product in late 2023. The technology is attracting strong interest from potential customers in defence and industrial applications and prototype cameras have been successfully deployed in paid trials. The investment round will be used to continue product development and grow sales and marketing capability.

| £'000         | 31 January 2023 | 31 January 2022 |
|---------------|-----------------|-----------------|
| Retained loss | (5,750)         | (2,254)         |
| Net assets    | 20,092          | 3,502           |

## 6.



### Zero Point Motion Limited

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

|                              |                      |
|------------------------------|----------------------|
| First Investment             | <b>November 2021</b> |
| Accounting Cost              | <b>£813,750</b>      |
| Valuation                    | <b>£1,242,318</b>    |
| Change in Value for the Year | <b>£280,781</b>      |
| % Equity Held                | <b>12.6%</b>         |

Zero Point Motion ("ZPM") is a semiconductor start-up which is developing a highly sensitive Inertial Measurement Unit (IMU). The technology has applications in multiple industries including automotive, industrial machinery and consumer electronics.

The FWT Fund invested £813,750 into ZPM in November 2021 as part of a £2.5m funding round alongside u-blox, Verve Ventures and Foresight WAE EIS.

The company is close to producing its first prototype sensors which prove out the core sensing concept developed by the CEO. This milestone has been delayed by approximately 3 months due to challenges associated with developing such a complex technology. ZPM is now seeking to raise a further £10m of capital to finance the development of the production-design chip which is due to enter the market in Q1 2027.

| £'000         | 28 February 2023 | 28 February 2022 |
|---------------|------------------|------------------|
| Retained loss | (791)            | (190)            |
| Net assets    | 1,898            | 2,458            |



## FWT Shares

# FWT Fund Portfolio Overview Summary continued

## 7.

### Oxford Space Systems Limited

[www.oxford.space](http://www.oxford.space)

|                              |                      |
|------------------------------|----------------------|
| First Investment             | <b>February 2022</b> |
| Accounting Cost              | <b>£698,425</b>      |
| Valuation                    | <b>£1,237,755</b>    |
| Change in Value for the Year | <b>£280,780</b>      |
| % Equity Held                | <b>1.4%</b>          |

Oxford Space Systems (“OSS”) is a space technology company which focuses on developing a range of satellite antennas, including large offset reflectors, wrapped-rib antennas, sub meter reflectors, and helical antennas. Using flight-qualified technology and an agile development approach, OSS products offer reduced complexity and increased stowage efficiency at competitive prices.

The Fund first invested £323,000 in October 2021 and then invested £375,000 in a follow-on round in December 2023.

The Company traded strongly in 2023. OSS generated £6.6m of revenue, a 46% increase on the prior year. The Company has successfully launched several antennas into space and is now focusing on its larger products, notably the wrapped rib. These have higher sales value. The Company is targeting a launch within 2024 with its first repeat and constellation sales in 2025.

| £'000         | 31 December 2023 | 31 December 2022 |
|---------------|------------------|------------------|
| Retained loss | (13,712)         | (11,374)         |
| Net assets    | 3,682            | 2,979            |

## 8.

### Mach42 Limited

[www.machine-discovery.com](http://www.machine-discovery.com)

|                              |                   |
|------------------------------|-------------------|
| First Investment             | <b>April 2021</b> |
| Accounting Cost              | <b>£873,494</b>   |
| Valuation                    | <b>£1,174,188</b> |
| Change in Value for the Year | <b>£139,113</b>   |
| % Equity Held                | <b>7.4%</b>       |

Mach42 (“Machine Discovery”) Limited is a University of Oxford spin-out which is developing software to accelerate computational simulations. The company primarily serves the nuclear fusion and electronic design automation design space.

The FWT Fund initially invested £236,251 in Machine Discovery in April 2021 as part of a £1.6m funding round alongside BGF, Foresight WAE EIS, Parkwalk and Oxford Technologies. In August 2023 the FWT completed a £637,243 follow-on investment into the company.

Machine Discovery’s primary focus has been on securing its first enterprise grade contract with a semiconductor company which it hopes to secure in Q2 2024. This will prove a significant step change for the company, and it is hoped that further commercial wins will occur before the end of the year. On the technical side, the team has been working to improve the user interface of its ‘Discovery Platform’ while also developing a range of AI models which can be trained to accurately replicate the performance of complex Analogue semiconductor circuits.

| £'000           | 31 December 2023 | 31 December 2022 |
|-----------------|------------------|------------------|
| Retained profit | n/a              | n/a              |
| Net assets      | 4,970            | 1,000            |

## 9.



### Opsydia Limited

www.opsydia.com

|                              |            |
|------------------------------|------------|
| First Investment             | June 2022  |
| Accounting Cost              | £1,145,156 |
| Valuation                    | £1,171,882 |
| Change in Value for the Year | £26,726    |
| % Equity Held                | 9.3%       |

Opsydia has developed a laser-based technology that rapidly and accurately performs sub-surface marking of diamonds and other gemstones. Opsydia's sub-surface inscription marks cannot be tampered with or removed without destroying the value of the stone, providing diamond producers with a robust and immutable method of connecting a physical stone with its certificate of origin, and offering high-end brands the means to differentiate their products. The technology has now been commercialised and the company already sells the marking systems to several international diamond producers.

The FWT Fund invested £1,145,156 into Opsydia in June 2022 as part of a £3.5m funding round alongside existing investors.

While the company has succeeded in selling further machines into the diamond industry over the past 12 months, sales growth has been challenging due to significant headwinds facing the diamond sector. Management has therefore sought other avenues of growth and has identified a promising application in the photonics and optical computing markets. Opsydia's technology can inscribe waveguides – channels which light is reflected through – much more quickly than conventional processes. Given the expected growth in these sectors over the next 10 years, Opsydia is putting further effort into growing into this sector.

| £'000         | 30 September 2023 | 30 September 2022 |
|---------------|-------------------|-------------------|
| Retained loss | (3,365)           | (2,866)           |
| Net assets    | 3,409             | 3,909             |

## 10.



### Forefront RF Limited

www.forefront.com

|                              |             |
|------------------------------|-------------|
| First Investment             | August 2021 |
| Accounting Cost              | £1,120,224  |
| Valuation                    | £1,128,530  |
| Change in Value for the Year | (£430,437)  |
| % Equity Held                | 8.4%        |

Forefront RF is developing signal cancellation technology to reduce the size and number of components used to receive cellular signals in mobile phones. The company's patent-protected technology would allow for a universal filter module that is ten times smaller than existing modules, enabling a simplified supply chain and more space within the handset, unlocking additional functionality and design flexibility.

The FWT Fund invested £270,461 into Forefront RF Limited in August 2021 as part of a £1.4m round led by Bristol-based Science Creates Ventures, including Foresight WAE EIS, The Business Growth Fund and Cambridge Angels, and a £849,749 follow-on investment in February 2023 as part of a £6.7m funding round alongside the existing investors.

Since the initial investment, Forefront RF has achieved significant milestones in developing its Adaptive Passive Cancellation (APC) technology and extending its intellectual ("IP") portfolio. The company has shifted its focus to become an entire radio frequency module supplier, selling directly to mobile handset manufacturers. R&D efforts continue to show promise and receive a good level of interest from large customers in the sector.

| £'000         | 31 December 2022 | 31 December 2021 |
|---------------|------------------|------------------|
| Retained loss | n/a              | n/a              |
| Net assets    | 633              | 1,276            |

# Investment Managers Review

## Evolution of Foresight Technology VCT plc

In April 2010, the British Government introduced index linked feed-in tariffs ('FiTs') providing minimum inflation-linked prices for electricity produced from various renewable sources, including solar power generating assets. This FiT provided the opportunity for Foresight to launch the Company and utilise its expertise and resources to invest in solar projects.

The Ordinary shares fund was originally a five year planned exit VCT with an option to remain in the fund as a longer-term investor. The fund targeted minimum dividends of 5p per share per annum after the first two years and a minimum return of £1.30 per share after five years.

In 2013, the Company raised an additional £13.1m from shareholders in a "C" shares fund, targeting investment in sub 5MW solar power plants in the UK, supported by the Government's Renewable Obligation (RO) scheme.

The "C" shares fund was a five year planned exit VCT with an option to remain invested in the fund for the long term. The fund targeted minimum dividends of 5p per share per annum from year two, and a minimum target return of £1.20 after five years.

In February 2016, the Company launched a new "D" shares fund in order to invest in complementary asset classes within the energy and infrastructure sectors including smart data, international solar and wider infrastructure offering a similar risk profile.

The D shares fund raised £4.9m before it closed on 31 January 2017. A small top-up offer in March 2017 led to the D shares fund's total fund raising being £5.6m.

The Ordinary shares fund completed a tender offer on May 2017, buying back 10,966,024 shares for £11.0m.

In June 2018, the Company completed the merger of the Ordinary, C and D shares funds into a single enlarged Ordinary Share class to unite its shareholder base and offer enhanced liquidity by the pooling of the existing cash reserves in each fund.

In December 2019, the Company launched the Foresight WAE Technology share class, to invest principally in early stage UK technology companies.

In March 2020, the Ordinary Shares fund of the Company successfully completed a tender offer, buying back 7,435,016 shares for £6m.

In February 2023 the Ordinary Shares fund of the Company successfully completed the sale of the Solar portfolio.

After returning the proceeds from the sale to shareholders, in July 2023 the Company completed the redesignation of the remaining Ordinary Shares to FWT Shares. The Ordinary Shares fund paid 183.5p of Dividends from inception to its closure.

2010

2013

2016

2017

2018

2019

2020

2023



# About the Manager

The Company has appointed Foresight Group LLP (the “Manager”) to provide investment management and administration services. The Manager is a leading private equity and infrastructure investment manager with its parent company, Foresight Group Holdings Limited, listed on the London Stock Exchange. The Manager and undertakings within the same group make up the Foresight Group.

## Foresight Group

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

69%

Institutional AUM

200+

Institutional investors

31%

Retail AUM

40,000

Retail investors

45

Investment vehicles

£12.1bn

AUM (as at 31 March 2024)



**London**  
Stock Exchange

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

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

## Infrastructure

Foresight is a prominent European and Australian real assets investor. Our infrastructure investment strategy focuses on renewable energy and waste projects, as well as batteries, reserve power and interconnectors. In addition, we invest in social infrastructure, broadband companies, transport businesses and natural capital.

£9.8bn

AUM | 81%  
Revenue | 60%

## Private Equity

Foresight is one of the most active UK regional SME investors, having supported hundreds of companies through various economic cycles and has recently expanded its footprint to cover Ireland. We partner with promising SMEs across all sectors and deal stages, working together to achieve long-term sustainable growth. Each year we review over 3,000 business plans and are currently supporting more than 250 SMEs.

£1.6bn

AUM | 13%  
Revenue | 33%

## Foresight Capital Management (“FCM”)

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

£0.7bn

AUM | 6%  
Revenue | 7%

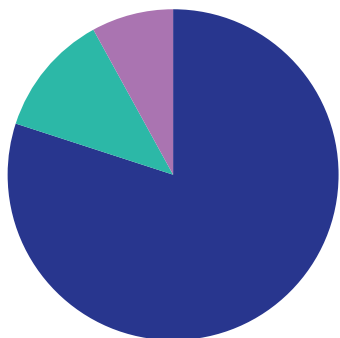
## About the Manager continued

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

### £12.1bn

AUM (as at 31 March 2024)

Group AUM



Key

- Infrastructure (81%)
- Private Equity (13%)
- Foresight Capital Management (6%)



# Responsible Investment

In order to deliver sustainable growth and long-term success, the Manager believes it is critical to incorporate environmental, social and governance (“ESG”) factors into its investment management processes. Often referred to as Responsible Investment, these principles provide not only a key basis for generating attractive returns for investors, but also help build better quality businesses in the UK, creating jobs and making a positive contribution to society.

ESG values form an integral part of the Manager’s day-to-day decision-making, with all new investments made since May 2018 subject to ESG due diligence and ongoing ESG monitoring.

This accounts for 100% of the current portfolio, with the solar assets now being disposed. Central to its investment approach are five ESG Principles which are used to evaluate investee companies. In total, over 100 individual key performance indicators are considered under the five Principles.

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



## Strategy and Awareness

Does the business demonstrate a good awareness of corporate social responsibility?  
Is this reflected in its processes and management structure?



## Environmental

Does the company follow good practice for limiting or mitigating its environmental impact, in the context of its industry?  
How does it encourage the responsible use of the world’s resources?



## Social

What impact does the company have on its employees, customers and society as a whole? Is it taking steps to improve the lives of others, either directly, such as through job creation, or indirectly?



## Governance

Does the company and its leadership team demonstrate integrity?  
Are the correct policies and structures in place to ensure it meets its legislative and regulatory requirements?



## Third Party Interaction

Is the principle of corporate responsibility evidenced in the company’s supply chain and customers?  
How does it promote ESG values and share best practice?



## UN SDGs

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

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

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

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

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

The evaluation of investee companies against each of the five Principles is supported by quantitative and qualitative data, starting at the initial review of an investment opportunity through to exit. This process helps identify both the risks and opportunities that exist within the portfolio and aims to ensure that investments support positive environmental and social outcomes.

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

## Credentials

The Manager has been a member of the UK Sustainable Investment and Finance Association since 2009 and a signatory to the Principles for Responsible Investment ("PRI") since 2013.

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









# Strategic Report

This Strategic Report 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.

## Investment Objective

Foresight Technology VCT plc consists of one share class, the FWT Shares.

The FWT Share class intends to invest principally in early stage UK technology companies.

The Company originally raised £37.8m through an Ordinary Share issue in 2010/2011 and 2011/2012, and subsequently a “C” shares fund of £13.1m and a “D” shares fund of £5.6m. On 29 June 2018, the C and D shares funds were merged with the Ordinary Shares fund. On 5 July 2023 the Ordinary Share class was merged with the FWT Share class. As communicated in the announcement published on 7 July 2023, 547,034 Ordinary Shares were converted to FWT Shares and the remaining 34,046,589 Ordinary Shares were converted into Deferred Convertible Preference Shares.

The Company launched the FWT Shares in December 2019. The number of FWT Shares in issue at 31 March 2024 was 32,445,165.

## Investment objectives

### Performance and Key Performance Indicators (KPIs)

The results and performance of the Company are discussed further in the Directors’ Report.

The Board expects the Investment Manager to deliver a performance which meets the objectives of the Company. The KPIs covering these objectives are growth in net asset value per share and dividend payments, which, when combined, give an overall NAV total return. Alternative Performance Measures (“APMs”) reviewed by the Board include the premium/discount of the share price relative to the net asset value, which shows the percentage by which the mid-market share price of the Company is higher/lower than the net asset value per share, and total expenses as a percentage of average company NAV. KPIs and APMs allow performance comparisons to be made between VCTs. A record of some of these indicators is contained in the Key Metrics section on page 4.

The ongoing charges ratio for the year was 3.4%. The Director’s note that regular share buy-backs at a competitive discount to NAV is an essential KPI and also accretive for existing shareholders. No share buy backs were completed during the year. Further details of the Company’s KPIs can be found in the Glossary of Terms on pages 78 and 79.

A review of the Company’s performance during the financial year, the position of the Company at the year end and the outlook for the coming year is contained within the Investment Manager’s Report. The Board assesses the performance of the Investment Manager in meeting the Company’s objective against the primary KPIs and APMs highlighted above. During the year ending 31 March 2023 the Company recorded a profit of £12.1m compared to a loss of £1.1m in the year ending 31 March 2024. The exceptional level of profit in the prior year was driven by the sale of the Solar portfolio in the Ordinary Share class which resulted in a large realised gain. Investments in unquoted companies at an early stage of their development may disappoint. However, investing in companies with high growth characteristics with the potential to become strong performers within their respective fields creates an opportunity for attractive returns for shareholders.

## 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 and cash. Pending investment in unquoted securities, cash is primarily held in interest bearing accounts as well as in a range of permitted liquidity investments.



### UK companies

Investments are primarily made in companies which are based in the UK and which are Qualifying Companies for the purposes of VCT Rules.

### Asset mix

The FWT Share class invests principally in early stage UK technology companies. The Board has always ensured that at least 80% (and prior to 1 April 2020, 70%) of net share capital raised has been invested in Qualifying Companies. Any uninvested funds are held in cash and a range of permitted liquidity investments.

### Risk diversification and maximum exposures

Risk has been spread by investing in a range of different businesses within different industry sectors at different stages of development, using a mixture of securities, in the case of the FWT Shares. The maximum amount invested by the Company in any one company has been limited to 15% of the portfolio at the time of investment in accordance with VCT Rules. The value of an investment is expected to increase over time as a result of trading progress and a continuous assessment is made of its suitability for sale.

### Borrowing powers

The Company's Articles permit borrowing, to give a degree of investment flexibility. Under the Company's Articles no money may be borrowed without the sanction of an ordinary resolution if the principal amount outstanding of all borrowings by the Company and its subsidiary undertakings (if any), then exceeds, or would as a result of such borrowing exceed, a principal amount equal to the aggregate of the share capital and reserves of the Company and each of its subsidiary undertakings as shown in the audited balance sheet. The underlying portfolio companies in which the Company invests may utilise bank borrowing or other debt arrangements to finance asset purchases but such borrowing would be non-recourse to the Company.

### Other Foresight managed funds

The Company may invest alongside other funds managed or advised by the Investment Manager. Where more than one fund is able to participate in an investment opportunity, allocations will generally be made in proportion to the net cash raised for each such fund, other than where a fund has a pre-existing investment where the incumbent fund will have priority. Implementation of this policy will be subject to the availability of monies to make the investment and other portfolio considerations, such as the portfolio diversity and the need to maintain VCT status.

The Manager provides investment management services or advice to Foresight VCT plc, Foresight Enterprise VCT plc, Foresight Nottingham Fund LP, Foresight Solar Fund Limited, Foresight Inheritance Tax Solutions, Foresight Regional Investment LP, Foresight WAE Technology EIS Fund, Foresight Italian Green Bond Fund, MEIF ESEM Equity LP, Scottish Growth Scheme – Foresight Group Equity Partners LP, NI Opportunities LP, JLEN Environmental Assets Group Limited, Foresight Regional Investment II LP, Foresight Energy Infrastructure Partners S.C.Sp, Foresight Energy Infrastructure Partners II S.C.Sp, Foresight Regional Investment III LP, NI Opportunities II LP, Foresight Sustainable Forestry Company plc, Foresight Regional Investment IV LP, Foresight Regional Investment V LP, AIB Foresight SME Impact LP, Foresight West Yorkshire Business Accelerator LP, FP Foresight Sustainable Future Themes Fund, FP Foresight Global Real Infrastructure Fund, FP Foresight Sustainable Real Estate Securities Fund, FP Foresight UK Infrastructure Income Fund, Thames Ventures VCT 1 plc, Thames Ventures VCT 2 plc, Thames Ventures EIS, Cromwell Foresight Global Sustainable Infrastructure Fund, Foresight Regional Investment Fund VI LP and IFW-Equity LP.

### 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 ("HMRC"). Amongst other conditions, 80% of the Company's investment portfolio must continuously comprise Qualifying Holdings in Qualifying Companies. As at 31 March 2024, 99.7% (2023: 90.7%) of the Company's investment portfolio was held in Qualifying Holdings.

### Management

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

The Investment Manager 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.

A review of the investment portfolio and of market conditions during the year is included within the Investment Manager's Report.

### Financial crime risk assessment

The Company must ensure that there are adequate systems and controls in place to manage any potential financial crime ("FC") risks within the business and combat the potential misuse of its services and products in the furtherance of FC.

The Company aims to meet its responsibilities in carrying out its activities in accordance with the laws and regulations of the UK and the overseas jurisdictions in which it operates. The Company must comply with FC laws and regulations related to, but not limited to, money laundering, terrorist financing, financial sanctions, proliferation financing, fraud, anti-bribery and corruption, market abuse and tax evasion.

The Investment Manager has established a framework to manage FC risk effectively and proportionately, underpinned by five key pillars: Governance, Risk Assessment, Due Diligence & KYC ("Know Your Customer"), Training & Awareness and Monitoring & Surveillance. Please refer to the Investment Manager's Annual Report for further information (**www.foresight.group**).

# Strategic Report continued

Co-investments have been made by other funds that the Investment Manager advises and manages, as follows:

|                                             | Foresight<br>Technology VCT Plc<br>(£) | Foresight WAE<br>Technology EIS Fund<br>(£) | Other Foresight<br>funds<br>(£) | Total Equity Managed by<br>Foresight<br>(%) |
|---------------------------------------------|----------------------------------------|---------------------------------------------|---------------------------------|---------------------------------------------|
| Acu-Flow Limited                            | 315,000                                | 315,00                                      | —                               | 15.2                                        |
| Additive Manufacturing Technologies Limited | 1,268,451                              | 4,315,514                                   | 3,666,036                       | 16.9                                        |
| Audioscenic Limited                         | 1,751,432                              | 836,069                                     | 1,000,004                       | 29.9                                        |
| Cambridge GaN Devices Limited               | 984,139                                | 901,180                                     | —                               | 4.9                                         |
| dRISK Inc                                   | 530,597                                | 530,597                                     | —                               | 14.2                                        |
| Forefront RF Limited                        | 1,120,224                              | 733,212                                     | —                               | 49.6                                        |
| Insphere Limited                            | 434,419                                | 2,263,411                                   | 242,693                         | 49.6                                        |
| Kognitiv Spark Inc                          | 1,755,579                              | 1,755,579                                   | 2,000,000                       | 22.8                                        |
| Living Optics Limited                       | 1,247,663                              | 955,209                                     | —                               | 6.0                                         |
| Machine Discovery Limited                   | 873,494                                | 1,093,222                                   | —                               | 18.0                                        |
| Mirico Limited                              | 262,472                                | 1,837,472                                   | —                               | 7.0                                         |
| Mixergy Limited                             | 374,998                                | 2,330,017                                   | —                               | 10.9                                        |
| Novosound Limited                           | 75,000                                 | 1,575,002                                   | 1,000,023                       | 19.4                                        |
| Open Bionics Limited                        | 324,169                                | 1,759,177                                   | 2,013,887                       | 11.5                                        |
| Opsydia Limited                             | 1,145,156                              | 459,844                                     | —                               | 13.0                                        |
| Oxford Space Systems Limited                | 698,425                                | 2,676,205                                   | —                               | 8.0                                         |
| Phlux Limited                               | 345,174                                | 194,821                                     | —                               | 5.0                                         |
| Previsico Limited                           | 795,504                                | 704,495                                     | 799,995                         | 27.0                                        |
| Refeyn Limited                              | 360,000                                | 2,985,001                                   | 5,938,726                       | 9.1                                         |
| Rovco Limited                               | 565,387                                | 2,565,387                                   | 2,953,761                       | 14.3                                        |
| Synaptec Limited                            | 99,994                                 | 1,999,997                                   | 600,012                         | 17.1                                        |
| The Salford Valve Company Limited           | 250,015                                | 3,424,971                                   | —                               | 34.9                                        |
| Vector Photonics Limited                    | 607,265                                | 897,932                                     | 790,428                         | 25.7                                        |
| VividQ Limited                              | 1,697,490                              | 1,432,107                                   | —                               | 9.6                                         |
| Vypercore Limited                           | 674,521                                | 405,937                                     | —                               | 9.1                                         |
| Zayndu Limited                              | 500,000                                | 500,000                                     | 1,000,000                       | 26.7                                        |
| Zero Point Motion Limited                   | 813,750                                | 813,750                                     | —                               | 25.1                                        |
| Zomp Group Limited                          | 265,000                                | 265,000                                     | —                               | 9.1                                         |

Where the Investment Manager controls over 50% of an investment by virtue of its discretionary management of one or more funds under management, decisions either have to be taken by the individual boards of the shareholding companies in respect of their individual holdings or voting is limited to 50%.

## Environmental, human rights, employee, social and community issues

The Company's investments have been made in companies with clean energy and environmental infrastructure projects which have clear environmental benefits.

The Board recognises the requirement under Section 414 of the Companies Act 2006 to provide information about environmental matters (including the impact of the Company's business on the environment), employee, human rights, social and community issues; and information about any policies it has in relation to these matters and effectiveness of these policies.

The Company does not have any policies in place for human rights, environmental, social and community issues due to having no office premises, no employees and its only suppliers being that of the service industry, as opposed to tangible products.

The Investment Manager's policies in respect of all the above issues can be found on its website [www.foresightgroup.eu](http://www.foresightgroup.eu).

Further, in relation to environmental, social and community impact please refer to the Investment Manager's Review for more information on Foresight Group's Responsible Investment Principles.

The PRI Association, established in 2006, is a global collaborative network of investors working together to put the six Principles for Responsible Investment into practice. As an investment manager, Foresight has a duty to act in the best long-term interests of our beneficiaries. In this fiduciary role, Foresight believes that Environmental, Social, and corporate Governance ("ESG") issues can affect the performance of investment portfolios (to varying degrees across companies, sectors, regions, asset classes and through time). Foresight also recognises that applying these Principles may better align

investors with broader objectives of society. For the 2021 PRI Annual Assessment, Foresight were pleased to be awarded the highest possible scores (A+) for Strategy and Governance and Infrastructure investments, and "A" for Private Equity. These strong results further demonstrate our commitment to sustainability and responsible business practices.

## Diversity

The Board currently comprises two male Directors and one female Director. There is no formal diversity policy in place, however the Board is conscious of the need for diversity and will actively seek and encourage male and female candidates from all ethnic backgrounds when appointing new Directors.

The Manager has an equal opportunities policy and, as at 31 March 2024, employed 239 men and 168 women.

## Global greenhouse gas emissions

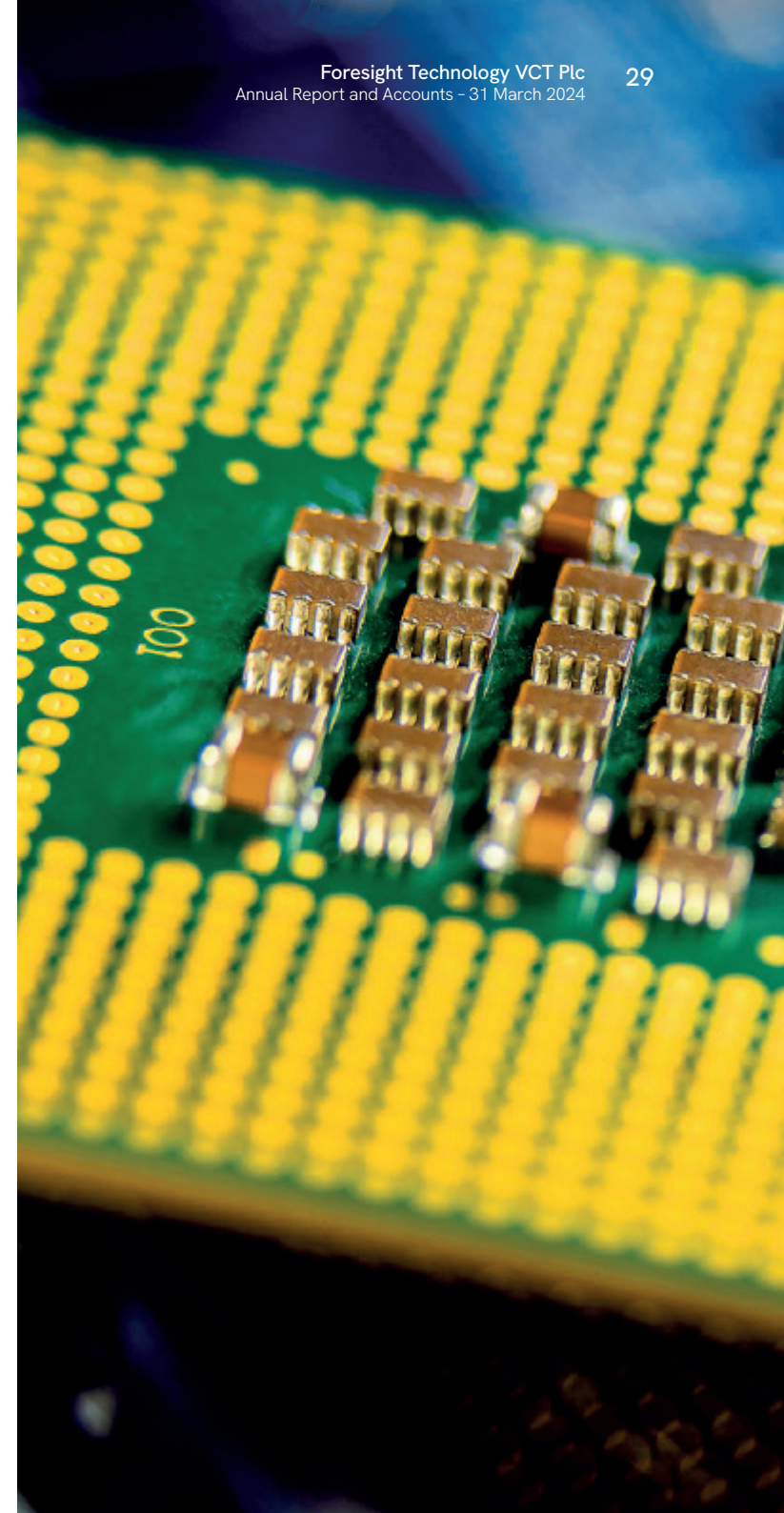
The Company has no greenhouse gas emissions to report from the operations of the Company, nor does it have responsibility for any other emissions sources under the Companies Act 2006 (Strategic Report and Directors' Reports) regulations 2013.

*Signatory of:*



## Dividend policy

Dividends for the FWT Shares Fund are anticipated to be paid from profits generated from realisations within the portfolio. Due to the nature and returns profile of the underlying investments, there will be irregular dividends paid as and when exits occur.





# Strategic Report continued

## Share buyback policy

The Company's buyback policy is, 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.

## Directors' duty to promote the success of the Company

The Directors have a duty to promote the success of the Company for the benefit of shareholders as a whole and to describe how they have performed this duty having regard to matters set out in Section 172(1) of the Companies Act 2006. In fulfilling this duty, the Directors consider the likely consequences of their actions over the long term and on other stakeholders.

As a third party managed VCT, the Company does not have employees. Its main stakeholders therefore comprise its Shareholders, who are also its customers, portfolio companies, the environment and society and a small number of suppliers. These suppliers are external firms engaged by the Board to provide, amongst others, investment management, secretarial, registrar and legal and professional services. The principal relationship is with the Investment Manager and the Investment Manager's Review contains further information on this. Its investment management service is fundamental to the long term success of the Company through the pursuit of the investment objective. The Board reviews the investment performance of the Company and the ability of the Investment Manager to produce satisfactory investment performance. It seeks to maintain a constructive working relationship with the Investment Manager and on an annual basis the Management Engagement & Remuneration Committee reviews the appropriateness of the Investment Manager's appointment.

The Board receives and reviews detailed presentations and reports from the Investment Manager to enable the Directors to exercise effective oversight of the Company's activities.

The Investment Manager seeks to maintain constructive relationships with the Company's other suppliers on behalf of the Company, typically through regular communications and provision of relevant information.

To help the Board in its aim to act fairly between the Company's members, it encourages communications with all shareholders. The Annual and Half-Yearly Reports are issued to shareholders and are available on the Company's website together with other relevant information including quarterly factsheets. The Investment Manager and members of the Board are available to meet with shareholders at the AGM.

Shareholders' views are considered during the Board's annual strategy reviews. The Board has also established guidelines in accordance with which the Investment Manager implements share buybacks at a target discount to NAV. In addition, the Board has adopted a target dividend policy as described in the Dividend Policy on page 29.

As described in more detail within the Corporate Governance Report, the Board is committed to maintaining and demonstrating high standards of corporate governance in relation to the Company's business conduct. The Board also expects high standards at the companies in which the Company is invested. In this regard, it is satisfied that the Investment Manager consistently and proactively engages with portfolio companies on environmental, social and governance matters, where these are material to the investment case and therefore to the long-term success of the Company. More detail on this can be found in the Investment Manager's Review.

For the FWT Shares investments, where environmental, social and governance matters impinge upon the investment case, the Investment Manager engages with investee companies to encourage the issues to be addressed through that company's "100-day plan". The Investment Manager is well placed to undertake this activity, which has always been an integrated element of its investment process. The team of investment professionals is well resourced and, collectively, has a deep

knowledge and understanding across corporate finance, consulting, accountancy and private equity.

While the Manager supports the aims and objectives of the FRC's Stewardship Code, it is not currently a signatory. It is, however, working to ensure alignment with the Stewardship Code, and will periodically review its position regarding becoming a signatory in future. A statement to that effect is noted on the Manager's website can be found at: [www.foresightgroup.eu/stewardship](http://www.foresightgroup.eu/stewardship).

In summary, the Board's primary focus is to promote the long term success of the Company for the benefit of its shareholders, with a view to achieving the investment objective in a manner consistent with its stated investment policy and strategy. In doing so, and as described above, it has due regard to the impact of its actions on other stakeholders and the wider community.

## Principal risks, risk management and regulatory environment

The Board carries out robust half-yearly reviews of the risk environment, including emerging risks, in which the Company operates.

The principal risks and uncertainties identified by the Board which might affect the Company's business model and future performance, and the steps taken with a view to their mitigation, are set out below. Emerging risks that have also been considered include that of climate change and the Russian invasion of Ukraine. There has been no change in the level of severity for the risks described in the following section from the prior year.

Further details of climate change considerations are provided in the Climate Change Statement on page 13. The potential political and economic risks associated with the invasion of Ukraine and the impact on the companies in which the Company invests is under continuous assessment by the Investment Manager.

**Market Risk:** Macroeconomic changes, political developments or external shocks affect the investment community in general and lead to a fall in the valuation of investee companies, a drop in the Company's share price or widening discount to Net Asset Value, resulting in capital losses for Shareholders.

**Key controls and mitigation:** The Investment Manager ensures the portfolio is diversified and the Board reviews it at least quarterly. The Company also maintains sufficient cash reserves to be able to provide additional funding to investee companies where appropriate and to repurchase its own shares.

**Strategic and Performance Risk:** The Board fails to set appropriate strategic objectives and fails to monitor the Company's implementation of strategy which leads to poor performance. Unattractive objectives or prolonged poor performance leads to a lack of investor demand for the Company's shares, resulting in difficulty raising new capital, a lack of cash available to fund buybacks and an inability to control a widening discount.

**Key controls and mitigation:** The Board and the Investment Manager meet on a quarterly basis to assess and monitor the Company's performance and strategy.

**Internal Control Risk:** The control environments at service providers, including the Investment Manager, have inadequate procedures for the identification, evaluation and management of risks, cyber security and GDPR, putting the Company's assets and data at risk.

**Key controls and mitigation:** The Board carries out semi-annual reviews of the system of internal controls, both financial and non-financial, operated by the Investment Manager and other service providers and asks the external auditor to report on the Investment Manager's internal controls. These include controls designed to ensure that the Company's assets are safeguarded and that proper accounting records are maintained.

**Legislative and Regulatory Risk:** The Company fails to comply with applicable laws and regulations including VCT Rules, UK Listing Authority Rules, AIC Code on Corporate Governance, Stewardship Code, Companies Act, Bribery Act, Market Abuse Regulations, GDPR, Criminal Finances Act and relevant Taxes Acts and as a result loses its approval as a VCT. Radical changes to VCT rules limit satisfactory investment returns and the ability to issue new shares causing a reluctance to sell investee companies. This leads to a cash flow issue which restricts dividend payments or share buybacks and the Company's ability to control a widening discount. In extreme circumstances, the current VCT regime ending on 5 April 2025 is not renewed or extended, causing Shareholders to cease to benefit from tax free dividends and capital gains tax exemption after that date.

**Key controls and mitigation:** The Investment Manager is contracted to provide company secretarial, accounting and administration services through qualified professionals and the Board receives regular updates on compliance with relevant regulations. The Company, the Investment Manager and the VCT status adviser are, between them, members of the VCT Managers Association, EIS Association and the AIC and are regularly consulted by HMRC and Treasury, or reply to consultations, before changes in legislation take place, often enabling a middle ground to be agreed on legislative changes. The Board and Investment Manager review corporate governance and regulatory changes on a continual basis and seek additional advice as and when required.

**VCT Qualifying Status Risk:** The Company is required at all times to observe the conditions laid down in the Income Tax Act 2007 for the maintenance of approved VCT status. The loss of such approval could lead to the Company ceasing to be exempt from corporation tax on capital gains, to investors being liable to pay income tax on dividends received from the Company and capital gains tax on the disposal of their shares, and, in certain circumstances, to investors being required to repay the initial income tax relief on their investment.

**Key controls and mitigation:** Legal advice is taken for each transaction to ensure all investments are qualifying. Advance assurance, where appropriate, is sought from HMRC ahead of completion. The Investment Manager keeps the Company's VCT qualifying status under continual review, seeking to take appropriate action to maintain it where required. The Board has also retained RW Blears LLP to undertake an independent VCT status monitoring role.

**Investment Valuation and Liquidity Risk:** Most of the Company's investments are in small and medium-sized unquoted companies which are Qualifying Holdings, and which by their nature entail a higher level of risk, subjective valuations and lower liquidity than investments in larger quoted companies. Unquoted companies are unlisted and there is no published market price for their shares. The value of the shares needs to be calculated based on other information using estimates and judgements, and is reliant on the accuracy and completeness of some information provided by investee companies. The Company may not be able to sell its investments in unquoted companies. Insufficient capital realisations and the Company's inability to raise new capital could prevent the Company from meeting its financial commitments and restrict dividends and buybacks.

**Key controls and mitigation:** The Investment Manager aims to limit the risk attaching to the portfolio as a whole by careful selection, close monitoring and timely realisation of investments, by carrying out rigorous due diligence procedures and maintaining a spread of holdings in terms of industry sector. The Board reviews the investment portfolio with the Investment Manager on a quarterly basis. Valuations are prepared in accordance with the IPEV Valuation Guidelines, as discussed in more detail in note 1 to the accounts. Sensitivity analysis is disclosed in note 15. The Board reviews portfolio valuations quarterly and the external auditor performs an annual review, as noted in the auditor's report.

# Strategic Report continued

## Viability Statement

In accordance with principle 21 of the AIC Code of Corporate Governance published by the AIC in February 2019, the Directors have assessed the prospects of the Company over the three year period to 31 March 2027. This three year period is used by the Board during the strategic planning process and is considered reasonable for a business of its nature and size.

In making this statement, the Board carried out an assessment of the principal risks facing the Company, including those that might threaten its business model, future performance, solvency, or liquidity. The Board concentrated its efforts on the major factors that affect the economic, regulatory and political environment.

The Board also considered the ability of the Company to raise finance and deploy capital. This assessment took account of the availability and likely effectiveness of the mitigating actions that could be taken to avoid or reduce the impact of the underlying risks, including the Investment Manager adapting their investment process to take account of the more restrictive VCT investment rules that currently apply.

The Directors have also considered the Company's income and expenditure projections and underlying assumptions for the next three years and found these to be realistic and sensible. Stress testing on the cash flow forecast has not been performed, due to the discretionary nature of the main inflows and outflows. If fewer funds are raised, and fewer realisations achieved, then fewer investments and buybacks can be made and reduced dividends can be paid. The contracted ongoing costs of the Company are sufficiently covered for the next three years.

Based on the Company's processes for monitoring cash flow, share price discount, ongoing review of the investment objective and policy, asset allocation, sector weightings and portfolio risk profile, the Board has concluded that there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three years to 31 March 2027.

## Performance-related incentives

### FWT Shares fund

The Investment Manager is entitled to a performance incentive fee of 20% of Distributions exceeding a threshold of 110.0p per FWT Share (subject to annual adjustment of this hurdle in line with the Retail Price Index).

### Valuation Policy

Investments held by the Company have been valued in accordance with the International Private Equity and Venture Capital Valuation ("IPEV") guidelines (December 2022) developed by the British Venture Capital Association and other organisations. Through these guidelines, investments are valued as defined at 'fair value'. Where the investment being valued was itself made recently, its cost may provide a good starting point for estimating fair value. At each measurement date, fair value is estimated using appropriate valuation techniques. The portfolio valuations are prepared by the Investment Manager, reviewed and approved by the Board quarterly and subject to annual review by the external auditor.

### 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 forfeited 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; and
- Capital gains on disposal of VCT shares are tax-free, whenever the disposal occurs.

The upfront income tax relief will be forfeited by Shareholders if the shares are not held for five years or the Company loses its approval as a VCT in that period.

The other tax reliefs will similarly be lost if the Company loses its approval as a VCT.

## Venture Capital Trust status

Foresight Technology VCT plc is approved by HMRC as a venture capital trust (VCT) in accordance with the VCT Rules. It is intended that the business of the Company be carried on so as to maintain its VCT status. The Board and the Investment Manager have managed, and continue to manage, the business in order to comply with the legislation applicable to VCTs. In addition, the Board has appointed RW Blears LLP to monitor and provide continuing advice in respect of the Company's compliance with applicable VCT Rules. As at 31 March 2024 the Company had 99.7% (2023: 90.7%) of its funds in such VCT Qualifying Holdings.

The upfront income tax relief will be forfeited by shareholders if the shares are not held for five years.

## Future strategy

The Company will continue to raise new funds in the FWT Shares fund and continue to deploy funds into appropriate qualifying investments for this share class.

**Ernie Richardson**  
Chairman  
30 July 2024





# Governance

## Board of Directors

The wide ranging backgrounds and experience of the Directors provides a strong and complementary balance of skills, knowledge and wisdom to the Company's affairs.

**Ernie Richardson**  
Chairman

**Ernie Richardson**  
Chairman of the Board



|                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|--------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Position</b>                | Chairman of the Board, Nomination Committee Chair                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Appointed</b>               | 1 January 2019                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Experience</b>              | Ernie was appointed as Chairman of the Board in September 2019, having joined the Board in January 2019. Ernie has over 30 years' experience in the venture capital sector and was until 2009 chief executive of venture capital investment firm MTI. He is a graduate chemical engineer and Fellow of the Chartered Institute of Management Accountants and has served as a member of the Council of the British Venture Capital Association and also served as Chair of the investment committee of the National Endowment for Science, Technology and the Arts. He also has over 20 years' operational management experience gained within businesses including British Steel Chemicals Division and chemicals company Laporte Industries and is chairman of several smaller companies. He has also served as Financial Controller of the European Division of the Royal Bank of Canada. |
| <b>Other positions</b>         | Director of Eastwood Langley Limited and Zeti Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Beneficial Shareholding</b> | FWT Shares 40,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

**Tim Dowlen**  
Director



|                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Position                | Director, Management Engagement and Remuneration Committee Chair                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Appointed               | 6 July 2010                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Experience              | A director of insurance broking companies from 1973 to 2016, Tim was most recently a divisional director of City-based Lloyd's broking firm Tasker & Partners where he was responsible for developing the retail insurance broking activities of the firm. Tim was for many years Senior Examiner in liability insurance for the Chartered Insurance Institute. A practising expert witness since 1998, he has given independent evidence to the Courts in over 130 disputes in the insurance sector and is director of GBRW Expert Witness Limited. Tim has specialised in the venture capital sector since starting his own insurance firm in 1974. He acted as insurance broker to a number of fund managers and other financial institutions. |
| Other positions         | Director of Woking Street Angels                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Beneficial Shareholding | FWT Shares 26,374                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

**Carol Thompson**  
Director



|                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Position                | Director, Audit Committee Chair                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Appointed               | 22 March 2021                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Experience              | <p>Carol brings over 25 years' experience in governance and strategic financial management to her role, and has spent large parts of her career as a board member in technology and regulated businesses. She has held senior positions at Hellman &amp; Friedman, a leading private equity investment firm, and JP Morgan. She has also held non-executive and advisory roles at a number of firms including Livingbridge, DWF and JP Morgan.</p> <p>Carol serves as a non-executive director, and also chairs the Company's audit committee.</p> |
| Other positions         | Director of AAA Rated Limited, Maintel Holdings, Nexteq Plc                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Beneficial Shareholding | Nil                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |



# Governance

## Directors' Report

The Directors present their report and the audited accounts of the Company for the year ended 31 March 2024.

### The Board

The Board of the Company consists of three non-executive directors: Ernie Richardson (Chairman), Tim Dowlen and Carol Thompson. There have been no changes to the Board composition from the year end to the date of this report. Further information on the Board and their biographies are included on pages 34 and 35.

The Board has established three Committees to focus on the specific activities of the Company, under the chairmanship of different members of the Board, and ultimately all reporting to the full Board.

### Activities and status

The principal activity of the Company during the year was the making of investments in unquoted companies in the United Kingdom. The Company is not an investment company within the meaning of Section 833 of the Companies Act 2006. It has satisfied the requirements as a VCT under the VCT Rules. Confirmation of the Company's qualification as a VCT has been received up to 31 March 2023 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 loss attributable to equity shareholders for the year amounted to £1.1m (2023: profit of £12.1m). A dividend of 5.5p per share was paid during the year to the previous Ordinary Share holders (2023: one interim dividend of 132.0p per Ordinary Share).

### Net asset value total return

During the year ended 31 March 2024, the Company's principal indicator of performance, net asset value total return per the FWT shares was 98.8p per share at 31 March 2024 (2023: 102.8p).

### Share issues

During the year the Company allotted 9,697,815 FWT Shares under the Offers for Subscription dated 10 January 2023 and 6 September 2023 at prices ranging from 99.9p to 109.9p per share.

At 31 March 2024, the Company had 32,445,165 FWT Shares and 34,046,589 Deferred Convertible Preference Shares in issue.

### 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 are set out in the Strategic Report on pages 30 and 31.

### Engagement with suppliers, customers and others in a business relationship with the Company

A summary of the engagement with suppliers, customers and others in a business relationship with the Company can be found in the Strategic Report on page 30.

### Corporate governance

Please refer to the Corporate Governance section for the Company's corporate governance.

### Management

The Company has appointed Foresight Group LLP ("the Investment Manager") to provide investment management and administration services. Annually, the Management Engagement & Remuneration Committee reviews the appropriateness of the Manager's appointment. In carrying out its review, the Management Engagement & Remuneration Committee considers

the investment performance of the Company and the ability of the Investment 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 Investment 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 Investment Manager on the terms agreed is in the interests of shareholders as a whole. The last review was undertaken in June 2024. Foresight Group LLP is the Secretary of the Company. The principal terms of the management agreement are 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 LLP, who was appointed as investment manager on 27 January 2020, earned fees of £0.5m in the year to 31 March 2024 (2023: £1.1m). Foresight Group LLP received, directly and indirectly, £0.1m excluding VAT (2023: £0.2m) during the year in respect of secretarial, administrative and custodian services to the Company.

Foresight Group LLP also received from investee companies arrangement fees of £96,000 (31 March 2023: £241,000) and directors' fees of £104,000 (31 March 2023: £116,000) as a result of the investments made by the Company.

The Investment Manager is also a party to the performance incentive agreements described in note 13 to the accounts and earned performance incentive fees of £nil (2023: £2.8m). All amounts are stated, where applicable, net of Value Added Tax.

### VCT status monitoring

The Company has retained RW Blears LLP as legal and VCT status 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.

### Likely future developments

Please refer to the Investment Manager's Report on page 13 for more details on likely future developments.

### 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 arise in the conduct of their duties. There is no cover against fraudulent or dishonest actions. The Directors' liability insurance is a qualifying third party indemnity.

### 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 zero days (2023: four days).

### 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 is

required to comply, although additional cost and administration requirements are not material. The Company's approval was confirmed in August 2014. This has not affected the current arrangements with the Investment Manager, who continues to report to the Board and manage the Company's investments on a discretionary basis.

### Audit information

Pursuant to Section 418(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 auditor is 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 auditor is aware of such information.

### Statutory Instrument 2008/410 Schedule 7 Part 6

The following disclosures are made in accordance with Statutory Instrument 2008/410 Schedule 7 Part 6.

### Capital Structure

The Company's issued share capital as at 30 July 2024 was 35,459,937 FWT Shares and 34,046,589 Deferred Convertible Preference Shares.

The FWT Shares represent 100% of total ordinary 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 5 in the Notice of Annual General Meeting on page 76.

### 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.

# Governance

## Directors' Report continued

### Auditor

Pursuant to S487(2) of the Companies Act 2006, the Board proposed the reappointment of Deloitte LLP 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
- 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.

To ensure that projects are allocated equitably between the various funds managed by Foresight Group, a formal allocation policy is followed.

### Whistleblowing

The Company has no employees and therefore a Whistleblowing policy is not required. The Board has been informed that the Investment Manager has arrangements in place in accordance with the UK Corporate Governance Code's recommendations by which staff of the Investment 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. 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 accounts 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.

Post balance sheet events are disclosed in note 20.

### 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. See pages 44 to 46.



## Annual General Meeting

A formal notice convening the Annual General Meeting on 17 September 2024 can be found from page 74.

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 supplement and renew share issue and buyback authorities granted at previous general meetings of the Company and are explained in further detail below.

### 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 £300,000 (representing approximately 56% of the current issued ordinary share capital of the Company) for the purposes listed under the authority requested under Resolution 9. This includes authority to issue shares pursuant to the performance incentive fee arrangements with Foresight Group LLP 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 on the fifth anniversary of the passing of the resolution, and will be in addition to all other existing authorities.

### Resolution 9

Resolution 9 will sanction, in a limited manner, the disapplication of pre-emption rights in respect of the allotment of equity securities (i) with an aggregate nominal value of up to £300,000 in each class of share in the Company pursuant to offer(s) for subscription, (ii) with an aggregate nominal value of

up to 10% of the issued share capital in the Company pursuant to the performance incentive arrangements with Foresight Group LLP and (iii) with an aggregate nominal value of up to 10% of the issued share capital in the Company, in each case where the proceeds of such issue may in whole or in part be used to purchase the Company's shares. This authority will expire at the conclusion of the Annual General Meeting to be held in 2025 and will be in addition to all other existing authorities.

### Resolution 10

It is proposed by Resolution 10 that the Company be empowered to make market purchases (within the meaning of Section 693(4) of the Companies Act 2006) of its own shares. Under this authority the Directors may purchase up to 5,185,584 Ordinary Shares and 2,814,621 FWT Shares (representing approximately 14.99% of each share class at the date of this Annual Report). 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 shares taken from the London Stock Exchange daily official list on the five business days preceding the day on which shares are purchased or, if greater, the amount stipulated by Article 5(6) of the Market Abuse Regulation. This authority shall expire at the conclusion of the Annual General Meeting to be held in 2025.

Whilst, generally, the Company does not expect 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 an investor may be willing to pay more for new shares issued by the Company than he 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

for the benefit of new as well as existing shareholders. This authority when coupled with the ability to issue new shares for the purposes of financing a purchase of shares in the market, enables one company to purchase shares from a shareholder and effectively to sell on those shares through the company to a new investor with the potential benefit of full VCT tax relief. In making purchases the Company will deal only with member firms of the London Stock Exchange at a discount to the then prevailing net asset value per share of the Company's shares to ensure that existing shareholders are not disadvantaged.

This report has been approved for issue by the Board.

### Foresight Group LLP

Company Secretary  
30 July 2024

Registered address:  
The Shard  
32 London Bridge Street  
London SE1 9SG

# Governance

## Corporate Governance

The Board of Foresight Technology VCT plc has considered the Principles and Provisions of the AIC Code of Corporate Governance (“AIC Code”). The AIC Code addresses the Principles and Provisions set out in the UK Corporate Governance Code (“the Code”) issued by the Financial Reporting Council, which are considered relevant to Investment Companies.

The Board considers that reporting against the Principles and Provisions of the AIC Code, which has been endorsed by the Financial Reporting Council, provides more relevant information to shareholders.

The Company has complied with the Principles and Provisions of the AIC Code.

The AIC Code is available on the AIC website ([www.theaic.co.uk](http://www.theaic.co.uk)). It includes an explanation of how the AIC Code adapts the Principles and Provisions set out in the Code to make them relevant for investment companies.

Unless noted as an exception below, the requirements of the AIC Code were complied with throughout the year ended 31 March 2024.

### The Board

The Board comprises three directors, all of whom are non-executive and independent of the Investment Manager and considered independent for the purposes of the AIC Code and the Listing Rules. The Chairman has served on the Board for less than nine years from the date of his appointment in January 2019. The Nomination Committee meets annually to discuss the appropriateness of the Board appointments and considers there to be no other circumstances which are likely to impair the Chairman’s independence. All directors stand for re-election annually at the Company’s AGM.

### Division of responsibilities

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

The Board is responsible to shareholders for the proper management of the Company and meets at least quarterly and more often 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 Investment Manager sets out the matters over which the Investment 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 Investment Manager, in the absence of explicit instruction from the Board, is empowered to exercise discretion in the use of the Company’s voting rights.

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.

The Board has access to the officers of the Company Secretary who also attend all scheduled Board Meetings. Representatives of the Investment Manager, the external auditor and other advisers are invited to attend 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.

In addition to the below, eleven further meetings were held in relation to the allotment of FWT shares and three in relation to the Share Class Merger and Redesignation. Attendance by Directors at Board and Committee meetings is detailed in the table below.

### Meeting attendance during the year

|                  | Board | Audit |
|------------------|-------|-------|
| Ernie Richardson | 4/4   | 2/2   |
| Tim Dowlen       | 4/4   | 2/2   |
| Carol Thompson   | 4/4   | 2/2   |

In light of the responsibilities retained by the Board and its committees and of the responsibilities delegated to the Investment Manager, RW Blears LLP and other service providers, the Company has not appointed a chief executive officer, deputy Chairman or a senior independent non-executive Director as recommended by the AIC Code. The provisions of the AIC 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.

### Audit Committee

The Audit Committee comprises Carol Thompson (Chair), and Tim Dowlen, both are considered to have sufficient recent and relevant financial experience to discharge the role, and meets, 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.

In the prior year, the Board re-appointed Deloitte LLP as the Company's auditor.

The Audit Committee has performed an assessment of the audit process and the auditor's report in the Audit Committee Report. The Directors have decided to recommend the appointment of Deloitte LLP as auditor and a resolution concerning this will be proposed at the Annual General Meeting. Blick Rothenberg Limited provides the Company's taxation services.

### Management Engagement & Remuneration Committee

The Management Engagement & Remuneration Committee comprises Tim Dowlen (Chairman), Ernie Richardson and Carol Thompson 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 Investment Manager.

### Nomination Committee

The Nomination Committee comprises Ernie Richardson (Chairman), Tim Dowlen and Carol Thompson 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, and also considers the resolutions for the annual re-election of directors.

The Board believes that, as a whole, it has an appropriate balance of skills, experience and knowledge which adds considerable value to the Company. Accordingly, it is the Board's recommendation that each of the current directors be re-elected at the upcoming AGM.

The Board also believes that diversity of experience and approach, including gender diversity, amongst Board members is important. In April 2022, the Listing Rules introduced a new requirement for listed companies to target at least 40% female board representation and at least one member of the Board from an ethnic minority background by December 2024. The Board currently comprises two men and one woman and no directors are from an ethnic minority background. No changes to Board composition are being targeted at this time, but the Company will continue to give careful consideration to the issues of Board balance and diversity when making new appointments at the appropriate time.

### Board evaluation

The Board undertakes a formal annual evaluation of its own performance and that of its committees, as recommended by provision 21 of the UK Corporate Governance Code. Initially, the evaluation takes the form of an anonymous questionnaire for



# Governance

## Corporate Governance continued

Board members to complete. The Nomination Committee then discusses the results and recommends appropriate action to the Board for addressing any issues arising from the process.

The Nomination Committee acknowledges the AIC Code's recommendation for an independent Board evaluation to be carried out every three years. As no significant concerns were raised during the Board evaluation process, it is the Board's view that an external evaluation is not currently required. However, this will be kept under review throughout the upcoming year.

## Internal control

The Directors of Foresight Technology 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.

RW Blears LLP provide legal advice and assistance in relation to the maintenance of VCT tax status, the operation of the 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 Group LLP was appointed by the Board as Company Secretary in November 2017 with responsibilities relating to the administration of the non-financial systems of internal control. All Directors have access to the advice and services of the 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 has 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 a continuous process for identifying, evaluating and managing the significant risks faced by the Company, that have 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 Investment Manager's existing risk-based approach to internal control whereby a test matrix is created that identifies the key functions carried out by the Investment 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 and RW Blears 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 Investment 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 and, as all day-to-day operations of the Company are outsourced, this was not deemed necessary at this time.

## UK Stewardship Code

While the Manager supports the aims and objectives of the FRC's Stewardship Code, it is not currently a signatory. It is, however, working to ensure alignment with the Stewardship Code, and will periodically review its position regarding becoming a signatory in future. A statement to that effect is noted on the Manager's website and can be found at: [www.foresightgroup.eu/stewardship](http://www.foresightgroup.eu/stewardship).

## Relations with Shareholders

The Company communicates with Shareholders and solicits their views where it considers it is appropriate to do so. The Investment Manager hosts regular investor forums for Shareholders and publishes quarterly factsheets, as well as information on new investments, on the Company's website.

Individual Shareholders are encouraged to attend the Annual General Meeting on 17 September 2024, where they have the opportunity to ask questions of the Directors, including the Chairs of the Board and the Company's committees.

The Board may from time to time seek feedback through Shareholder questionnaires and there is an open invitation for Shareholders to meet the Investment Manager. For more information on the Directors' relations with Shareholders please refer to the Section 172(1) statement in the Strategic Report on page 30.

**Ernie Richardson**  
Chairman  
30 July 2024



# Governance

## 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 for the approval of this report will be put to the members at the forthcoming Annual General Meeting.

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

### Annual Statement from the Chairman of the Management Engagement and Remuneration Committee

The Board, which is profiled on pages 34 and 35, consists solely of non-executive directors and considers at least annually the level of the Board's fees.

### Consideration by the Directors of matters relating to Directors' remuneration

The Management Engagement and Remuneration Committee comprises all three Directors: Tim Dowlen (Chairman), Ernie Richardson and Carol Thompson.

The Management Engagement and Remuneration Committee has responsibility for determining the remuneration of the Directors, ensuring that these appropriately reflect the time commitment and responsibilities of the role, and meets at least annually.

The Management Engagement and 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 and Remuneration Committee have been provided with advice or services by any person in respect of its consideration 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.

### 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 on 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 2024 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 as requested by any Director.

The above remuneration policy was last approved by Shareholders at the Annual General Meeting on 20 September 2023 and it is the intention of the Board that the above remuneration policy will, subject to shareholder approval, come into effect immediately following the Annual General Meeting of the Company on 17 September 2024. The Directors' Remuneration Policy is available to view by writing to the Company Secretary at the registered office.

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 88.8% of shareholders voted for the resolution approving the Directors' Remuneration Report, showing significant shareholder support.

### Retirement by rotation

All Directors retire and may offer themselves for re-election every year.

### Details of individual emoluments and compensation

The emoluments in respect of qualifying services and compensation of each person who served as a Director during the year are as shown on page 46. No Director has waived or agreed to waive any emoluments from the Company in the current year.

During the year, the Board elected to increase Directors' fees in total by £10,750 per annum. The Board remuneration is expected to increase by 4% for the year ending 31 March 2025.

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

Director 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 shares of 1p each of the Company were as follows:

|                  | 31 March 2024   |               | 31 March 2023   |               |
|------------------|-----------------|---------------|-----------------|---------------|
|                  | Ordinary Shares | FWT Shares    | Ordinary Shares | FWT Shares    |
| Ernie Richardson | —               | 40,000        | —               | 40,000        |
| Tim Dowlen       | —               | 26,374        | 29,558          | 25,906        |
| Carol Thompson   | —               | —             | —               | —             |
| <b>Total</b>     | <b>—</b>        | <b>66,374</b> | <b>29,558</b>   | <b>65,906</b> |

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

The Board believes that Mr Richardson's, Mr Dowlen's and Ms Thompson'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.

# Governance

## Directors' Remuneration Report continued

### 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 2, 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 30 July 2024 and is signed on its behalf by Ernie Richardson (Chairman).

On behalf of the Board

**Ernie Richardson**  
Chairman  
30 July 2024

|                  | Audited Directors' fees year ended 31 March 2024 (£) | Audited Directors' fees year ended 31 March 2023 (£) |
|------------------|------------------------------------------------------|------------------------------------------------------|
| Ernie Richardson | 29,854                                               | 28,250                                               |
| Tim Dowlen       | 25,708                                               | 22,500                                               |
| Carol Thompson   | 23,958                                               | 22,500                                               |
| <b>Total</b>     | <b>79,520</b>                                        | <b>73,250</b>                                        |

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

Votes cast for and against the Directors' Remuneration Report for the year ended 31 March 2024

| Shares and Percentage of votes cast For | Shares and Percentage of votes cast Against |
|-----------------------------------------|---------------------------------------------|
| 88.8%                                   | 11.2%                                       |
| 367,961 votes                           | 46,586 votes                                |

In accordance with new Companies Act 2006 legislation the table 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 2024 | Year ended 31 March 2023 |
|-----------------------------------------------|--------------------------|--------------------------|
| Dividends                                     | £1,903,000               | £45,664,000              |
| Share buybacks                                | —                        | —                        |
| <b>Total Shareholder distributions</b>        | <b>£1,903,000</b>        | <b>£45,664,000</b>       |
| Directors fees                                | £79,520                  | £73,250                  |
| Directors fees % of Shareholder distributions | 4.2%                     | 0.2%                     |

# Governance

## 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 Investment 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 Investment 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 Investment 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 Investment 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 portfolio companies and current market data. Furthermore, the Investment Manager held discussions regarding the investment valuations with the auditor.

### Venture Capital Trust status

Maintaining venture capital trust status and adhering to the VCT Rules is critical to both the Company and its shareholders for them to retain their VCT tax benefits.

The Investment 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 Investment Manager obtains legal advice from RW Blears LLP 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 Investment 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 RW Blears LLP on a quarterly basis and this is reported to both the Board and Audit Committee and the Investment Manager.

The Investment Manager confirmed to the Audit Committee that they were not aware of any material misstatements. Having reviewed the reports received from the Investment Manager and RW Blears LLP, 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.

### Auditor assessment

The Investment Manager and auditor confirmed to the Audit Committee that they were not aware of any material misstatements. Having reviewed the reports received from the Investment 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 Deloitte 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 partner is rotated every five years ensuring that objectivity and independence is not impaired.

The current audit partner, Chris Hunter, assumed responsibility for the audit in 2021. Deloitte LLP was appointed as auditor on 8 January 2021. 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 Investment Manager along with any matters raised during each audit. Deloitte LLP is not engaged for non-audit services.

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

The Audit Committee met in July 2023 to review the annual audited accounts for the year ended 31 March 2023 and the Company's risk register, in December 2023 to review the interim report and the Company's risk register, and in June 2024 to review the Annual Report and Accounts for the year ended 31 March 2024. No other significant items were noted during the year.

**Carol Thompson**  
Audit Committee Chair  
30 July 2024



# Governance

## 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 the Directors have elected to prepare the financial statements in accordance with UK Accounting Standards including FRS 102, *the Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its profit or loss for that year.

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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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 Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that comply 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. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the Directors' Report and the Strategic Report includes a fair review of the development and performance of the business and the position of the issuer, together with a description of the principal risks and uncertainties that they face.

We consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

On behalf of the Board

**Ernie Richardson**  
Chairman  
30 July 2024







# Independent Auditor's Report to the Members of Foresight Technology VCT PLC

## Auditor's Report

### Report on the audit of the Financial Statements

#### 1. Opinion

In our opinion the Financial Statements of Foresight Technology VCT PLC (the Company):

- give a true and fair view of the state of the Company's affairs as at 31 March 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the Financial Statements which comprise:

- the Income Statement;
- the Balance Sheet;
- the Reconciliation of Movement in Shareholders' Funds;
- the Cash Flow Statement; and
- the related notes 1 to 20.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

#### 2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the Financial Statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### 3. Summary of our audit approach

|                                     |                                                                                                                                                              |
|-------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Key audit matters                   | The key audit matter that we identified in the current year was the valuation of unquoted investments.                                                       |
| Materiality                         | The materiality that we used in the current year was £641k, which was determined on the basis of 2% of the net asset value (NAV) of the Company at year end. |
| Scoping                             | Audit work to respond to the risks of material misstatement was performed directly by the engagement team.                                                   |
| Significant changes in our approach | There were no significant changes to our audit approach in the current year.                                                                                 |



#### 4. Conclusions relating to going concern

In auditing the Financial Statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate.

Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Considering as part of our risk assessment the nature of the Company, its business model and related risks including where relevant the impact of the evolving economic landscape, the requirements of the applicable financial reporting framework and the system of internal control;
- Challenging the underlying data and key assumptions through assessing the forecasted cash flows and the impact of external market forces, and evaluating the Directors' plans for future actions in relation to their going concern assessment; and
- Assessing the relevant disclosures about whether the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the Financial Statements are authorised for issue.

In relation to the reporting on how the Company has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the Financial Statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

#### 5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### 5.1. Valuation of unquoted investments



##### Key audit matter description

The Company holds unquoted investments of £22.1m representing 69% of the Company's net assets (2023: £20.0m, 79%).

The valuation of the investments held by the Company, due to materiality in the context of the financial statements as a whole, is considered to be one of the areas which has the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit. The unquoted investments are valued by Foresight Group LLP (the "Manager") in line with the International Private Equity and Venture Capital Valuation (IPEV) Guidelines and carry a high degree of judgement. We have pinpointed the significant risk of material misstatement to the unquoted investments that are valued using a Venture Capital (VC) method and material investments applying a Multiple method.

Refer to note 1b to the financial statements for the accounting policy on unquoted investments and details of the investments are disclosed in note 8 to the financial statements. Critical accounting judgements and key sources of estimation uncertainty are disclosed in note 1f to the financial statements. The valuation of investment risk is included within the Audit Committee report on page 47.

# Independent Auditor's Report to the Members of Foresight Solar and Technology VCT PLC

## Auditor's Report

### 5.1. Valuation of unquoted investments *continued*

How the scope of our audit responded to the key audit matter

We have performed the following testing procedures to address the key audit matter:

- Obtaining an understanding of the relevant controls in place over the valuation of unquoted investments through enquiry of management;
- assessed the valuation methodology applied for compliance with the IPEV Guidelines and involved the valuation specialists to assess the assumptions adopted, enquired with and challenged the Manager on the assumptions where appropriate;
- tested the judgemental inputs around forecast revenue against management accounts and performed back testing of management estimates against latest financial information and historical performance where available, to challenge or corroborate the assumption on those inputs. We assessed the Company's performance against development milestones and business plan, including reviewing the investment papers and enquiries with the individual investment managers;
- tested the judgemental inputs around maintainable revenue against management accounts;
- reviewed the suitability and accuracy of the multiple from a basket of comparable transactions/quoted companies;
- benchmarked the discount rates applied in the valuation of the investee company to industry average rates of return;
- tested a sample of unquoted investee company data (e.g., financial information and capital structures) to supporting documentation; and
- assessed whether any critical judgement or sources of estimation uncertainty are applied and appropriately disclosed.

Key observations

Based on our testing, we concluded that the valuation of the unquoted investments is reasonable.

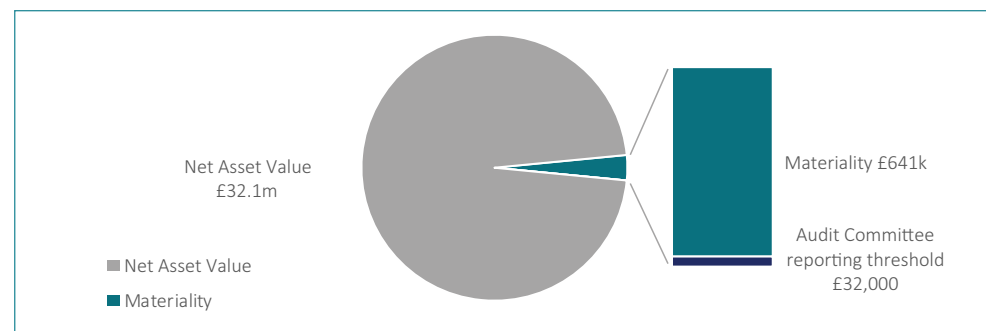
### 6. Our application of materiality

#### 6.1. Materiality

We define materiality as the magnitude of misstatement in the Financial Statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the Financial Statements as a whole as follows:

|                                     |                                                                                                                                      |
|-------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|
| Materiality                         | £641k (2023: £505k)                                                                                                                  |
| Basis for determining materiality   | 2% (2023: 2%) of net asset value.                                                                                                    |
| Rationale for the benchmark applied | Net asset value is the primary measure used by the Shareholders in assessing the performance of the Company as an investment entity. |



#### 6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 70% of materiality for the 2024 audit (2023: 70%). In determining performance materiality, we considered the quality of the Company's overall control environment and management's willingness to correct errors identified in previous audits.

### 6.3. Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £32,000 (2023: £25,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the Financial Statements.

## 7. An overview of the scope of our audit

### 7.1. Scoping

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. There were no changes to our scoping approach in the current year. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

### 7.2. Our consideration of the control environment

The investment management and accounting and reporting operations were undertaken by the Manager, the safeguarding of assets resides with the Manager. We have obtained an understanding of the Manager's systems of internal control and reviewed the Manager's controls report. Similar to prior year, we adopted a controls reliance strategy over the valuation of unquoted investments. This consisted of testing the relevant controls over the review, challenge and approval of the unquoted investment valuation. We did not rely on IT controls as no relevant automated controls were identified.

### 7.3. Our consideration of climate-related risks

As part of our risk assessment, we have considered the potential impact of climate change on the Company's business and its financial statements. We obtained an understanding of the process for identifying climate-related risks, the processes and controls in place, as well as the determination of any mitigating actions.

The Company continues to develop its assessment of the potential impact of environmental, social and governance ("ESG") related risks, including climate change. As outlined in the strategic report on page 30, the Board considers climate change to be an emerging risk within the business.

Details of the Board's climate change considerations are provided in the Climate Change Statement in the Responsible Investment section on page 13. We have assessed whether the risks identified by the entity are consistent with our understanding of the business and read the disclosures in the Annual Report to consider whether they are materially consistent with note 1f of the financial statements and our knowledge obtained in the audit.

## 8. Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report.

Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## 9. Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## 10. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

A further description of our responsibilities for the audit of the Financial Statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



# Independent Auditor's Report to the Members of Foresight Solar and Technology VCT PLC

## Auditor's Report

### 11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

#### 11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Company's remuneration policies, key drivers for Directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management and the Audit Committee about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Company's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and relevant internal specialists, including valuations and IT, regarding how and where fraud might occur in the Financial Statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following area: valuation of solar assets and unquoted investments. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the Financial Statements. The key laws and regulations we considered in this context included the UK Companies Act, Financial Conduct Authority ("FCA"), Listing Rules and the Corporation Tax Act 2010.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the Financial Statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty. These included the Company's compliance with VCT regulations.

#### 11.2. Audit response to risks identified

As a result of performing the above, we identified the valuation of solar assets and unquoted investments as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the Financial Statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the Financial Statements;
- enquiring of management and the Audit Committee concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, and reviewing correspondence with HMRC and the FCA; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

## Report on other legal and regulatory requirements

### 12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- 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 Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Directors' Report.

### 13. Corporate Governance Statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the Financial Statements and our knowledge obtained during the audit:

- the Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 38;
- the Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 32;
- the Directors' statement on fair, balanced and understandable set out on page 48;
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 30 to 31;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 42; and
- the section describing the work of the Audit Committee set out on page 41.

### 14. Matters on which we are required to report by exception

#### 14.1. Adequacy of explanations received and accounting records

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Financial Statements are not in agreement with the accounting records and returns.

We have nothing to report in this regard.

#### 14.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of Directors' remuneration have not been made or the part of the Directors' Remuneration Report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in this regard.

### 15. Other matters which we are required to address

#### 15.1 Auditor tenure

Following the recommendation of the Audit Committee, we were appointed by the Board of Directors on 8th January 2021 to audit the Financial Statements for the year ending 31 March 2021 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is four years, covering the year ended 31 March 2024.

#### 15.2 Consistency of the audit report with the additional report to the Audit Committee

Our audit opinion is consistent with the additional report to the Audit Committee we are required to provide in accordance with ISAs (UK).

### 16. Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Chris Hunter, CA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Edinburgh, United Kingdom

30 July 2024

# Financial Statements

## Income Statement for the year ended 31 March 2024

|                                      |       | Year ended<br>31 March 2024 |                  |                | Year ended<br>31 March 2023 |                  |                |
|--------------------------------------|-------|-----------------------------|------------------|----------------|-----------------------------|------------------|----------------|
|                                      |       | Revenue<br>£'000            | Capital<br>£'000 | Total<br>£'000 | Revenue<br>£'000            | Capital<br>£'000 | Total<br>£'000 |
|                                      | Notes |                             |                  |                |                             |                  |                |
| Investment holding losses            | 8     | —                           | (1,086)          | (1,086)        | —                           | (12,096)         | (12,096)       |
| Realised gains on investments        | 8     | —                           | —                | —              | —                           | 27,917           | 27,917         |
| Income                               | 2     | 941                         | —                | 941            | 656                         | —                | 656            |
| Investment management fees           | 3     | (135)                       | (404)            | (539)          | (263)                       | (3,557)          | (3,820)        |
| Other expenses                       | 4     | (459)                       | —                | (459)          | (559)                       | —                | (559)          |
| <b>Profit/(loss) before taxation</b> |       | <b>347</b>                  | <b>(1,490)</b>   | <b>(1,143)</b> | <b>(166)</b>                | <b>12,264</b>    | <b>12,098</b>  |
| Taxation                             | 5     | —                           | —                | —              | —                           | —                | —              |
| <b>Profit/(loss) after taxation</b>  |       | <b>347</b>                  | <b>(1,490)</b>   | <b>(1,143)</b> | <b>(166)</b>                | <b>12,264</b>    | <b>12,098</b>  |
| Profit/(loss) per share              |       |                             |                  |                |                             |                  |                |
| Ordinary share                       | 7     | 2.3p                        | (2.4)p           | (0.1)p         | 0.2p                        | 31.7p            | 31.9p          |
| FWT Share                            | 7     | (1.8)p                      | (2.5)p           | (4.3)p         | (1.2)p                      | 6.7p             | 5.5p           |

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 comprehensive income has been presented.

The Company's comprehensive loss for the year is £1,143,000 (2023: Income of £12,098,000).

The notes on pages 60 to 73 form part of these Financial Statements.



# Financial Statements

## Reconciliation of Movements in Shareholders' Funds

|                                                 | Called-up<br>share<br>capital<br>£'000 | Share<br>premium<br>account<br>£'000 | Capital<br>redemption<br>reserve<br>£'000 | Distributable<br>reserve*<br>£'000 | Capital<br>reserve*<br>£'000 | Revaluation<br>reserve<br>£'000 | Total<br>£'000 |
|-------------------------------------------------|----------------------------------------|--------------------------------------|-------------------------------------------|------------------------------------|------------------------------|---------------------------------|----------------|
| <b>Year ended 31 March 2024</b>                 |                                        |                                      |                                           |                                    |                              |                                 |                |
| <b>As at 1 April 2023</b>                       | <b>568</b>                             | <b>19,079</b>                        | <b>208</b>                                | <b>1,828</b>                       | <b>603</b>                   | <b>3,009</b>                    | <b>25,295</b>  |
| Share issues in the year                        | 97                                     | 9,960                                | —                                         | —                                  | —                            | —                               | 10,057         |
| Expenses in relation to share issues            | —                                      | (236)                                | —                                         | —                                  | —                            | —                               | (236)          |
| Expenses in relation to prior year share issues | —                                      | (12)                                 | —                                         | —                                  | —                            | —                               | (12)           |
| Share class merger                              | (341)                                  | 341                                  | —                                         | —                                  | —                            | —                               | —              |
| Investment holding losses                       | —                                      | —                                    | —                                         | —                                  | —                            | (1,086)                         | (1,086)        |
| Dividends paid                                  | —                                      | —                                    | —                                         | (1,903)                            | —                            | —                               | (1,903)        |
| Management fees charged to capital              | —                                      | —                                    | —                                         | —                                  | (404)                        | —                               | (404)          |
| Revenue profit for the year                     | —                                      | —                                    | —                                         | 347                                | —                            | —                               | 347            |
| <b>As at 31 March 2024</b>                      | <b>324</b>                             | <b>29,132</b>                        | <b>208</b>                                | <b>272</b>                         | <b>199</b>                   | <b>1,923</b>                    | <b>32,058</b>  |

|                                                 | Called-up<br>share<br>capital<br>£'000 | Share<br>premium<br>account<br>£'000 | Capital<br>redemption<br>reserve<br>£'000 | Distributable<br>reserve*<br>£'000 | Capital<br>reserve*<br>£'000 | Revaluation<br>reserve<br>£'000 | Total<br>£'000 |
|-------------------------------------------------|----------------------------------------|--------------------------------------|-------------------------------------------|------------------------------------|------------------------------|---------------------------------|----------------|
| <b>Year ended 31 March 2023</b>                 |                                        |                                      |                                           |                                    |                              |                                 |                |
| <b>As at 1 April 2022</b>                       | <b>517</b>                             | <b>13,998</b>                        | <b>208</b>                                | <b>38,112</b>                      | <b>(14,207)</b>              | <b>15,105</b>                   | <b>53,733</b>  |
| Share issues in the year                        | 51                                     | 5,217                                | —                                         | —                                  | —                            | —                               | 5,268          |
| Expenses in relation to share issues            | —                                      | (131)                                | —                                         | —                                  | —                            | —                               | (131)          |
| Expenses in relation to prior year share issues | —                                      | (5)                                  | —                                         | (4)                                | —                            | —                               | (9)            |
| Realised gains on disposal of investments       | —                                      | —                                    | —                                         | —                                  | 27,917                       | —                               | 27,917         |
| Investment holding losses                       | —                                      | —                                    | —                                         | —                                  | —                            | (12,096)                        | (12,096)       |
| Dividends paid                                  | —                                      | —                                    | —                                         | (36,114)                           | (9,550)                      | —                               | (45,664)       |
| Management fees charged to capital              | —                                      | —                                    | —                                         | —                                  | (3,557)                      | —                               | (3,557)        |
| Revenue loss for the year                       | —                                      | —                                    | —                                         | (166)                              | —                            | —                               | (166)          |
| <b>As at 31 March 2023</b>                      | <b>568</b>                             | <b>19,079</b>                        | <b>208</b>                                | <b>1,828</b>                       | <b>603</b>                   | <b>3,009</b>                    | <b>25,295</b>  |

The notes on pages 60 to 73 form part of these Financial Statements

\* Total distributable reserves at 31 March 2024 were £471,000 (2023: £2,431,000).

# Financial Statements

## Balance Sheet at 31 March 2024

Registered Number: 07289280

|                                                        |       | As at 31 March 2024 | As at 31 March 2023 |
|--------------------------------------------------------|-------|---------------------|---------------------|
|                                                        | Notes | £'000               | £'000               |
| <b>Fixed assets</b>                                    |       |                     |                     |
| Investments held at fair value through profit and loss | 8     | 22,111              | 19,951              |
| <b>Current assets</b>                                  |       |                     |                     |
| Debtors                                                | 9     | 983                 | 170                 |
| Cash and cash equivalents                              |       | 9,276               | 5,437               |
|                                                        |       | <b>10,259</b>       | <b>5,607</b>        |
| <b>Creditors</b>                                       |       |                     |                     |
| Amounts falling due within one year                    | 10    | (312)               | (263)               |
| <b>Net current assets</b>                              |       | <b>9,947</b>        | <b>5,344</b>        |
| <b>Net assets</b>                                      |       | <b>32,058</b>       | <b>25,295</b>       |
| <b>Capital and reserves</b>                            |       |                     |                     |
| Called-up share capital                                | 11    | 324                 | 568                 |
| Share premium account                                  |       | 29,132              | 19,079              |
| Capital redemption reserve                             |       | 208                 | 208                 |
| Distributable reserve                                  |       | 272                 | 1,828               |
| Capital reserve                                        |       | 199                 | 603                 |
| Revaluation reserve                                    |       | 1,923               | 3,009               |
| <b>Equity shareholders' funds</b>                      |       | <b>32,058</b>       | <b>25,295</b>       |
| <b>Net asset value per share</b>                       |       |                     |                     |
| Ordinary Share                                         |       | n/a                 | 7.2p                |
| FWT Share                                              | 12    | 98.8p               | 102.8p              |

The accounts on pages 56 to 73 were approved by the Board of Directors and authorised for issue on 30 July 2024 and were signed on its behalf by:

Ernie Richardson  
Chairman  
30 July 2024

The notes on pages 60 to 73 form part of these Financial Statements.

# Financial Statements

## Cash Flow Statement for the year ended 31 March 2024

|                                                                 | Year ended<br>31 March 2024<br>£'000 | Year ended<br>31 March 2023<br>£'000 |
|-----------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Cash flow from operating activities</b>                      |                                      |                                      |
| Deposit and similar interest received                           | 119                                  | 30                                   |
| Investment management fees paid                                 | (689)                                | (1,030)                              |
| Performance incentive paid                                      | —                                    | (2,767)                              |
| Secretarial fees paid                                           | (103)                                | (173)                                |
| Other cash payments                                             | (371)                                | (299)                                |
| <b>Net cash outflow from operating activities</b>               | <b>(1,044)</b>                       | <b>(4,239)</b>                       |
| <b>Cash flow from investing activities</b>                      |                                      |                                      |
| Purchase of investments                                         | (3,146)                              | (10,146)                             |
| Investments pending completion                                  | (729)                                | (100)                                |
| Net proceeds on sale of investments                             | —                                    | 52,247                               |
| Investment income received                                      | 822                                  | 984                                  |
| <b>Net cash (outflow)/inflow from investing activities</b>      | <b>(3,053)</b>                       | <b>42,985</b>                        |
| <b>Cash flow from financing activities</b>                      |                                      |                                      |
| Proceeds of fund raising                                        | 9,996                                | 5,239                                |
| Expenses of fund raising                                        | (157)                                | (98)                                 |
| Equity dividends paid                                           | (1,903)                              | (45,664)                             |
| <b>Net cash inflow/(outflow) from financing activities</b>      | <b>7,936</b>                         | <b>(40,523)</b>                      |
| <b>Net inflow/(outflow) of cash in the year</b>                 | <b>3,839</b>                         | <b>(1,777)</b>                       |
| <b>Reconciliation of net cash flow to movement in net funds</b> |                                      |                                      |
| Increase/(Decrease) in cash for the year                        | 3,839                                | (1,777)                              |
| Net cash at start of year                                       | 5,437                                | 7,214                                |
| <b>Net cash at end of year</b>                                  | <b>9,276</b>                         | <b>5,437</b>                         |

### Analysis of changes in net debt

|                           | At 1 April 2023<br>£'000 | Cashflow<br>£'000 | At 31 March 2024<br>£'000 |
|---------------------------|--------------------------|-------------------|---------------------------|
| Cash and cash equivalents | 5,437                    | 3,839             | 9,276                     |

The notes on pages 60 to 73 form part of these financial



# Financial Statements

## Notes to the Accounts for the year ended 31 March 2024

### 1. Accounting policies

Foresight Technology VCT plc is a public limited company incorporated in England and Wales and its registered office is at The Shard, 32 London Bridge Street, London, United Kingdom, SE1 9SG.

The Company has been approved as a Venture Capital Trust by HMRC under Section 259 of the Income Taxes Act 2007.

The Company's principal activity is to provide private investors with capital growth from a portfolio of investments in fast-growing unquoted companies in the UK.

A summary of the principal accounting policies, all of which have been applied consistently throughout the year, is 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice (SORP): Financial Statements of Investment Trust Companies and Venture Capital Trusts issued in November 2014 and updated in October 2019 and July 2022..

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investments.

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.

As permitted by FRS 102, paragraph 14.4, investments are held as part of an investment portfolio, and their value to

the Company is through their marketable value as part of a portfolio of investments, rather than as a medium through which the Company carries out its business. Therefore, the investments are not recognised as consolidated subsidiaries or associated undertakings, but are held at fair value through profit or loss.

#### 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. 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 given due consideration to the impact of macroeconomic challenges and Russia's invasion of Ukraine on the business, as set out in the Strategic Report and have reasonable expectation that the Company has adequate

resources to continue in operational existence for the foreseeable future being at least 12 months from the date of signing of the financial statements. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### Foreign Currencies

The Company's financial statements are presented in Pounds Sterling, which is also the Company's functional currency.

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

All investments held by the Company are classified as "fair value through profit or loss". The Board values investments in accordance with the International Private Equity and Venture Capital ("IPEV") Valuation Guidelines, as updated in December 2022 with further COVID-19 guidance issued in March 2020.

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.

Purchases and sales of unquoted investments are recognised when the contract for acquisition or sale becomes unconditional.

All unquoted investments are initially held at cost for an appropriate period where there is considered to have been no change in fair value. Where such a basis is no longer appropriate, unquoted investments are stated at fair value in accordance with the following rules which are consistent with the IPEV Valuation guidelines. Expenses incurred directly in relation to the acquisition of an asset will be capitalised, and thus added to the cost of the asset, as they are incurred.

The Company has direct investments in a number of portfolio companies (“portfolio companies”). The Directors base the fair value of the investments on information received from the Investment Manager. The Investment Manager’s assessment of fair value of investments is determined in accordance with IPEV Valuation Guidelines. These inputs include maintainable earnings, comparable multiples and discounts for the FWT Shares investments.

Gains or losses on movement in fair value of the investments is recognised 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.

### c) Income

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. Loan interest income is calculated using the effective interest method and recognised on an accruals basis. Other income such as deposit interest is included on an accruals basis.

### d) Expenses

All expenses (inclusive of VAT), including loan interest payable, 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 management fees payable to the Investment Manager and 100% of any performance incentive fees payable to the Investment Manager 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.

### e) Share based payments

The performance incentive fee (classified as a share based payment) may be satisfied by either a cash payment or the issue of Ordinary Shares (or by a combination of both) ultimately at the discretion of the Investment Manager, and

therefore falls within the definition of a share-based payment under FRS 102.26. As the Investment Manager has the choice of settlement, the arrangement is accounted for as a cash-settled transaction.

The fair value of the amount payable to the Investment Manager is recognised as an expense, with a corresponding increase in liabilities, over the vesting period.

The Board determines the fair value at each reporting date based on the amount of cash expected to be paid under the performance related incentive fee arrangement over the vesting period. This amount is not recognised until it is considered more likely than not that the performance condition will be met (delivery of the specified financial performance to exceed the hurdle rate during the vesting period). The vesting period is not fixed and is estimated as the period required to meet the performance condition. It is based on an estimate of the period required to meet future performance of the fund and future distributions.

The liability is remeasured at each balance sheet date and at settlement date. To the extent not paid, any changes in the fair value of the liability are recognised as a performance incentive fee in profit or loss over the vesting period.

### f) Critical accounting judgments and key sources of estimation uncertainty

The preparation of the financial statements requires the Board to make judgements and estimates that affect the application of policies and reported amounts of assets, liabilities, income and expenses. In the Board’s opinion, there was no critical accounting judgement applied. The Board considers that the only area where the Board and the Investment Manager make critical estimates and assumptions that may have a significant effect on the financial statements relates to the fair valuation of unquoted investments. Trading results of investee companies may differ from the estimates made. The underlying assumptions are reviewed and approved on each valuation date.

The Board considers that the fair value of investments not

quoted in an active market involves critical estimates and assumptions because they are determined by the Investment Manager, using valuation methods and techniques generally recognised as standard within the industry (common methods used are the Venture Capital method, Investments held at cost and the Discounted revenue multiple method). Valuations use observable data to the extent practicable. However, they also rely on significant unobservable inputs about the maintainable earnings; comparable multiples and discounts. Furthermore, changes in these inputs and assumptions could affect the reported fair value of unquoted investments. The determination of what constitutes “observable” requires significant judgement by the Investment Manager. The Investment Manager considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. Both the Audit Committee and the auditor review the Investment Manager’s valuations in detail. Sensitivity analysis is performed on the portfolio as a whole and for more detail on this please refer to note 15.

The Board notes that the Investment Manager also makes estimates relating to the share-based payment expense and liability but does not consider this to have a significant effect on the financial statements.

The Board and the Investment Manager have assessed the impact of climate-related risks on the financial statements, and do not consider there to be a material impact on the judgements and estimates from the physical and transition climate-related risks.

### g) Basic financial instruments

During the year the Company held trade and other debtors, trade and other creditors, and cash and cash equivalents balances.

# Financial Statements

## Notes to the Accounts for the year ended 31 March 2024 (continued)

### Trade and other debtors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

### Trade and other creditors

Trade and other creditors (including long term borrowings) are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost.

### Cash and cash equivalents

Cash and cash equivalents comprise cash balances and other equivalent assets classified as cash due to insignificant risk of valuation movements.

### h) Other financial instruments

Other financial instruments not meeting the definition of Basic Financial Instruments include investments held at fair value through profit and loss and are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss.

### i) Taxation

The Company is currently registered in the United Kingdom. The Company is taxed at 25% which is the general rate of corporation tax in the United Kingdom. However due to the Company's status as a Venture Capital Trust and the continued intention to meet the conditions required to comply with Part 6 of the Income Tax Act 2007, no provision for taxation is required in respect of any realised or unrealised appreciation of the Company's investments which arise.

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.

### j) Deferred taxation

Provision is made for corporation tax at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date on the excess of taxable income over allowable expenses. 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.

### k) Capital reserves

The capital and revenue reserves are made up of the following accounts:

#### (i) Capital reserve

The following are accounted for in this reserve:

- Gains and losses on realisation of investments;
- Permanent diminution in value of investments;
- 75% of management fee expense and 100% of any performance incentive expense, together with the related tax effect to this reserve in accordance with the policies; and
- Income and costs for the year (capital items).

#### (ii) Revaluation reserve (unrealised capital reserve)

Increases and decreases in the valuation of investments held at the year-end are accounted for in this reserve, except to the extent that the diminution is deemed permanent.

#### (iii) Distributable reserve

The following are accounted for in this reserve:

- Repurchase of shares;
- Cancellation of share premium;
- Dividends paid; and
- Income and costs for the year (revenue items).

In accordance with stating all investments at fair value through profit and loss, all such movements through both revaluation and realised capital reserves are shown within the Income Statement for the year.

## 2. Income

|                     | Year ended<br>31 March 2024<br>£'000 | Year ended<br>31 March 2023<br>£'000 |
|---------------------|--------------------------------------|--------------------------------------|
| Dividends received  | 822                                  | 264                                  |
| Loan stock interest | —                                    | 362                                  |
| Bank interest       | 119                                  | 30                                   |
|                     | <b>941</b>                           | <b>656</b>                           |

## 3. Investment management fees

|                                                           | Year ended<br>31 March 2024<br>£'000 | Year ended<br>31 March 2023<br>£'000 |
|-----------------------------------------------------------|--------------------------------------|--------------------------------------|
| Investment management fees charged to the capital account | 404                                  | 790                                  |
| Investment management fees charged to the revenue account | 135                                  | 263                                  |
| Performance incentive fees                                | —                                    | 2,767                                |
|                                                           | <b>539</b>                           | <b>3,820</b>                         |

The Investment Manager advises the Company on investments in qualifying companies under an agreement dated 31 August 2010 (as novated to the Investment Manager and amended on 27 January 2020), and receives management fees, paid quarterly in advance, of 2% of FWT Share net assets. If the annual expenses of the Company exceed 3.6% of the Company's total assets less current liabilities, the Company is entitled to reduce the fees paid to the Investment 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 being 27 January 2023.

Management fees are calculated on the most recently announced net assets and payable quarterly in advance. Supplemental management fees are paid in relation to funds raised during the quarter.

No performance incentive fee was accrued in the year (2023: £2,767,000). See note 13 for further information.

## 4. Other expenses

|                                                                               | Year ended<br>31 March 2024<br>£'000 | Year ended<br>31 March 2023<br>£'000 |
|-------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Secretarial services (excluding VAT)                                          | 81                                   | 173                                  |
| Directors' remuneration including employer's National Insurance contributions | 82                                   | 76                                   |
| Auditor's remuneration excluding VAT <sup>1</sup>                             | 57                                   | 53                                   |
| Other                                                                         | 239                                  | 257                                  |
|                                                                               | <b>459</b>                           | <b>559</b>                           |

<sup>1</sup>There were no non-audit fees paid to the Company's auditor during the year (2023: nil). The auditor remuneration is for the audit of the annual financial statements.

The Company has no employees other than the Directors which is consistent with the prior year.



# Financial Statements

## Notes to the Accounts for the year ended 31 March 2024 (continued)

### 5. Taxation

#### a) Analysis of charge in the year:

|                               | Year ended 31 March 2024 |                  |                | Year ended 31 March 2023 |                  |                |
|-------------------------------|--------------------------|------------------|----------------|--------------------------|------------------|----------------|
|                               | Revenue<br>£'000         | Capital<br>£'000 | Total<br>£'000 | Revenue<br>£'000         | Capital<br>£'000 | Total<br>£'000 |
| Corporation tax               | —                        | —                | —              | —                        | —                | —              |
| <b>Total tax for the year</b> | <b>—</b>                 | <b>—</b>         | <b>—</b>       | <b>—</b>                 | <b>—</b>         | <b>—</b>       |

#### b) Factors affecting current tax charge for the year:

The tax assessed for the year is lower than (2023: lower than) the standard rate of corporation tax in the UK of 25% (2023: 19%). The differences are explained below:

|                                        | Year ended<br>31 March 2024<br>£'000 | Year ended<br>31 March 2023<br>£'000 |
|----------------------------------------|--------------------------------------|--------------------------------------|
| (Loss)/profit before taxation          | (1,143)                              | 12,098                               |
| Corporation tax at 25% (2023: 19%)     | (286)                                | 2,299                                |
| Effect of:                             |                                      |                                      |
| Non taxable dividend income            | (206)                                | (50)                                 |
| Other non taxable income               | —                                    | —                                    |
| Realised capital losses not deductible | —                                    | (5,304)                              |
| Unrealised capital losses not taxable  | 272                                  | 2,298                                |
| Unutilised management expenses         | 220                                  | 757                                  |
| <b>Total tax charge for the year</b>   | <b>—</b>                             | <b>—</b>                             |

As a qualifying VCT the Company is exempt from tax on capital gains; therefore, no provision for deferred tax has been recognised in respect of any capital gains or losses arising on the revaluation or disposal of investments.

The Company has not recognised an estimated deferred tax asset of £3,323,000 (2023: £3,112,000) arising as a result of unutilised excess management expenses, due to uncertainty about the availability of future taxable profits to offset the losses against.

### 6. Dividends

|                                                              | Year ended<br>31 March 2024<br>£'000 | Year ended<br>31 March 2023<br>£'000 |
|--------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Ordinary Shares                                              |                                      |                                      |
| Dividends - paid in the year - 5.5p per share (2023: 132.0p) | 1,903                                | 45,664                               |
| FWT Shares                                                   |                                      |                                      |
| Dividends - paid in the year - nil per share (2023: nil)     | —                                    | —                                    |

The Board is not recommending a final dividend on the FWT Shares Fund for the year ended 31 March 2024. There are no proposals to pay dividends after the year end of 31 March 2024 at the time of the issuance of this report.

Set out above are the total dividends payable in respect of the financial year, which is the basis on which the requirements of section 274 of The Income Tax Act 2007 are considered.

As at 31 March 2024, reserves available for dividend distribution were £471,000 (2023: £2,431,000) comprising the capital and distributable reserves.

In accordance with s529 of the Income Tax Act 2007, a venture Capital Trust may not retain more than 15% of its qualifying income in any accounting period.

## 7. Return per share

|                                                                     | Year ended 31 March 2024 |                     | Year ended 31 March 2023 |                     |
|---------------------------------------------------------------------|--------------------------|---------------------|--------------------------|---------------------|
|                                                                     | Ordinary Shares<br>£'000 | FWT shares<br>£'000 | Ordinary Shares<br>£'000 | FWT Shares<br>£'000 |
| Total (loss)/profit after taxation                                  | (17)                     | (1,126)             | 11,034                   | 1,064               |
| Total (loss)/profit per share<br>(note a)                           | (0.1)p                   | (4.3)p              | 31.9p                    | 5.5p                |
| Revenue profit/(loss) from<br>ordinary activities after<br>taxation | 806                      | (459)               | 72                       | (238)               |
| Revenue profit/(loss) per share<br>(note b)                         | 2.3p                     | (1.8)p              | 0.2p                     | (1.2)p              |
| Capital gain/(loss) from<br>ordinary activities after<br>taxation   | (823)                    | (667)               | 10,962                   | 1,302               |
| Capital (loss)/gain per share<br>(note c)                           | (2.4)p                   | (2.5)p              | 31.7p                    | 6.7p                |
| Weighted average number of<br>shares in issue during the year       | 34,593,623               | 26,203,986          | 34,593,623               | 19,466,327          |

### Notes:

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

## 8. Investments held at fair value through profit or loss

|                              | 2024<br>£'000 | 2023<br>£'000 |
|------------------------------|---------------|---------------|
| <b>Unquoted investments</b>  | <b>22,111</b> | <b>19,951</b> |
|                              |               |               |
|                              | 2024<br>£'000 | 2023<br>£'000 |
| <b>Book cost at 1 April</b>  | <b>16,942</b> | <b>31,126</b> |
| Investment holding gains     | 3,009         | 15,105        |
| <b>Valuation at 1 April</b>  | <b>19,951</b> | <b>46,231</b> |
| Movements in the year:       |               |               |
| Purchases at cost            | 3,246         | 10,146        |
| Disposal proceeds            | —             | (52,247)      |
| Realised gains               | —             | 27,917        |
| Investment holding losses    | (1,086)       | (12,096)      |
| <b>Valuation at 31 March</b> | <b>22,111</b> | <b>19,951</b> |
| <b>Book cost at 31 March</b> | <b>20,188</b> | <b>16,942</b> |
| Investment holding gains     | 1,923         | 3,009         |
| <b>Valuation at 31 March</b> | <b>22,111</b> | <b>19,951</b> |

# Financial Statements

## Notes to the Accounts for the year ended 31 March 2024 (continued)

### 9. Debtors

|                                 | As at<br>31 March 2024<br>£'000 | As at<br>31 March 2023<br>£'000 |
|---------------------------------|---------------------------------|---------------------------------|
| Prepayments                     | 172                             | 9                               |
| Investments pending completion* | 729                             | 100                             |
| Other debtors                   | 82                              | 61                              |
|                                 | <b>983</b>                      | <b>170</b>                      |

\* Investments pending completion relates to funds which had been transferred to lawyers pending completion of one investment (2023: one investment) post year end.

### 10. Creditors

|                 | As at<br>31 March 2024<br>£'000 | As at<br>31 March 2023<br>£'000 |
|-----------------|---------------------------------|---------------------------------|
| Trade creditors | 26                              | 55                              |
| Accruals        | 286                             | 208                             |
|                 | <b>312</b>                      | <b>263</b>                      |

### 11. Called-up share capital

|                                                        | As at<br>31 March 2024<br>£'000 | As at<br>31 March 2023<br>£'000 |
|--------------------------------------------------------|---------------------------------|---------------------------------|
| Allotted, called up and fully paid:                    |                                 |                                 |
| Nil Ordinary Shares of 1p each<br>(2023: 34,593,623)   | —                               | 346                             |
| 32,445,165 FWT Shares of 1p each<br>(2023: 22,200,316) | 324                             | 222                             |
|                                                        | <b>324</b>                      | <b>568</b>                      |

On 5 July 2023 the Ordinary Share class was merged with the FWT Share class. On the basis of the conversion ratios, 34,593,623 Ordinary Shares were converted into 547,034 FWT Shares, and the remaining 34,046,589 Ordinary Shares were converted into Deferred Convertible Preference ('DCP') Shares. These DCP shares are not listed and have no value attributable to them.

Under the offers for subscription dated 10 January 2023 and 6 September 2023, 9,697,815 shares were issued during the year in the FWT Shares Fund based at issue prices ranging from 99.9p to 109.9p. This share issue was under the new VCT provisions that commenced on 6 April 2006, namely: 30% up front income tax relief which can be retained by qualifying investors if the shares are held for the minimum five year holding period.

Details of voting rights are disclosed in the Notice of Annual General Meeting on page 74 onwards. A summary of the Investment Policy can be found in the Strategic Report on page 26.

|                         | Ordinary Shares No. | FWT Shares No.    |
|-------------------------|---------------------|-------------------|
| At 1 April 2023         | 34,593,623          | 22,200,316        |
| Allotment of shares     | —                   | 9,697,815         |
| Share Class Merger      | (34,593,623)        | 547,034           |
| <b>At 31 March 2024</b> | <b>—</b>            | <b>32,445,165</b> |

## 12. Net asset value per share

Net asset value per FWT Share is based on net assets at the year end of £32,058,000 (2023: £22,818,000) and on 32,445,165 FWT Shares (2023: 22,200,316), being the number of FWT Shares in issue at that date.

## 13. Share based payments

### FWT Shares

The threshold for the FWT Shares is 20% of distributions in excess of 110.0p per FWT Share, subject to annual adjustment of this hurdle in line with the Retail Price Index (the “FWT share threshold”).

At the year end date, the FWT share threshold was not satisfied and no expense or liability was recognised (2023: no expense or liability).

Grant Date: 27 January 2020

Vesting conditions: Distributions exceed the FWT share threshold

Vesting period: Variable from 27 January 2020

Method of settlement accounting: Cash (with the option of settling in shares in the event of any cash flow restrictions).

### Ordinary Shares

In the prior year a payment under the Ordinary shares performance incentive scheme was made. The performance fee paid in the year ending 31 March 2023 was £2,767,000. No performance fee was recognised in the year ending 31 March 2024 for the Ordinary share class.



# Financial Statements

## Notes to the Accounts for the year ended 31 March 2024 (continued)

### 14. Capital commitments and contingent liabilities

The Company had no capital commitments or contingent liabilities at 31 March 2024 (2023: £nil).

### 15. Financial instrument risk management

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 and cash equivalents, short-term debtors, creditors that arise directly from the Company's operations.

#### 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 2024:

| Company                        | 31 March 2024<br>£'000 | 31 March 2023<br>£'000 |
|--------------------------------|------------------------|------------------------|
| Investments held at fair value | 22,111                 | 19,951                 |

The investment portfolio consists of unquoted investments. Unquoted investments consist of equity in portfolio companies and are valued at fair value through profit or loss.

The main risks arising from the Company's financial instruments are credit risk, valuation risk, regulatory risk, interest risk, foreign currency risk and liquidity risk. The Board regularly reviews and agrees policies for managing each of these risks.

Detailed below is a summary of the financial risks to which the Company is exposed, and the policies agreed by the Board for management of these risks.

#### 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 its current asset investments, cash and other debtors. 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 investment grade funds, and so credit risk is considered to be low. The Company currently invests its cash holdings with Barclays. Its money market holdings are with HSBC, Goldman Sachs (previously RBS), Blackrock and Insight Investments. The maximum exposure to credit risk at 31 March 2024 was £10,087,000 (31 March 2023: £5,598,000) based on cash, money market funds and other receivables (amounts due on investments). The majority of the Company's assets are held in its own name in certificated form and therefore custodian default risk is negligible.

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

| Credit risk   | 31 March 2024<br>£'000 | 31 March 2023<br>£'000 |
|---------------|------------------------|------------------------|
| Other debtors | 811                    | 161                    |
| Cash          | 9,276                  | 5,437                  |
| <b>Total</b>  | <b>10,087</b>          | <b>5,598</b>           |

#### Price risk

The FWT Shares primarily invests in early stage UK technology companies. The Company's investment portfolio is recognised in the Balance Sheet at fair value, in accordance with IPEV Valuation Guidelines.

Price risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices. At 31 March 2024, the Company's direct investments in the portfolio companies were valued at net assets excluding the outstanding loans issued by the Company. A 10% increase/decrease in valuation of the total portfolio would result in a valuation movement of £2,211,100 (2023: £1,995,000).

The Board have selected the impact of a change of 10% as this is considered reasonable given the current level of volatility observed both on a historical basis and market expectations for future movement.

### Liquidity risk

The investments in equity and fixed interest stocks of unquoted portfolio 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.

To counter the 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.

|                                                     | 31 March 2024<br>£'000 | 31 March 2023<br>£'000 |
|-----------------------------------------------------|------------------------|------------------------|
| <b>Maturity analysis:</b>                           |                        |                        |
| - in one year or less                               | 9,276                  | 5,437                  |
| - in more than one year but less than two years     | —                      | —                      |
| - in more than two years but less than three years  | —                      | —                      |
| - in more than three years but less than four years | —                      | —                      |
| - in more than four years but less than five years  | —                      | —                      |
| <b>Total</b>                                        | <b>9,276</b>           | <b>5,437</b>           |

### Foreign currency risk

Foreign currency risk arises as the values of recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. The majority of the Company's assets are in the United Kingdom and denominated in sterling, and therefore the directors do not consider foreign currency risk to be material. As at 31 March 2024, the company had a holding in one existing portfolio company denominated in Canadian Dollars (CAD) and an investment denominated in US Dollars (USD). Therefore, the Company is exposed to foreign currency risk in respect of these portfolio companies. The applicable exchange rates as at 31 March 2024 were £:CAD 1.7108 and £:USD 1.2732 (2023: £:€ 1.1355, £:CAD 1.6726 and £:USD 1.2351).

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

|                              | 31 March 2024<br>£'000 | 31 March 2023<br>£'000 |
|------------------------------|------------------------|------------------------|
| <b>Foreign exchange risk</b> |                        |                        |
| Investments - EUR            | —                      | 264                    |
| Investments - CAD            | 1,721                  | 1,145                  |
| Investments - USD            | 550                    | 565                    |
| <b>Total</b>                 | <b>2,271</b>           | <b>1,974</b>           |

If the Canadian Dollar was to strengthen/weaken 10% against the pound, the value of CAD denominated assets would increase/decrease by £191,000/(£156,000) respectively (2023: £127,000/(£104,000)). If the US Dollar was to strengthen/weaken 10% against the pound, the value of USD denominated assets would increase/decrease by £61,000/(£50,000) respectively (2023: £63,000/(£51,000)).

### Interest rate risk

The fair value of the Company's cash investments may be affected by interest rate movements. The Board does not consider this to be a significant risk as the overall value of interest received is immaterial. The benchmark rate, which determines the interest payments received on cash and loan balances held, is the bank base rate which was 5.25% at 31 March 2024 (4.25% at 31 March 2023).

# Financial Statements

## Notes to the Accounts for the year ended 31 March 2024 (continued)

| Company                                    | Total fixed portfolio |               | Weighted average interest rate |               | Weighted average time for which rate is fixed |               |
|--------------------------------------------|-----------------------|---------------|--------------------------------|---------------|-----------------------------------------------|---------------|
|                                            | 31 March 2024         | 31 March 2023 | 31 March 2024                  | 31 March 2023 | 31 March 2024                                 | 31 March 2023 |
|                                            | £'000                 | £'000         | %                              | %             | Days                                          | Days          |
| Short term fixed interest securities       |                       |               |                                |               |                                               |               |
| Cash and cash equivalents                  | 9,276                 | 5,437         | 1.7                            | 1.0           | —                                             | —             |
| <b>Total exposed to interest rate risk</b> | <b>9,276</b>          | <b>5,437</b>  |                                |               |                                               |               |

### Fair value hierarchy

In accordance with amendments to FRS 102, 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).

| As at 31 March 2024     | Level 1<br>£'000 | Level 2<br>£'000 | Level 3<br>£'000 | Total<br>£'000 |
|-------------------------|------------------|------------------|------------------|----------------|
| Unquoted investments    | —                | —                | 22,111           | 22,111         |
| <b>Financial assets</b> | <b>—</b>         | <b>—</b>         | <b>22,111</b>    | <b>22,111</b>  |

| As at 31 March 2023     | Level 1<br>£'000 | Level 2<br>£'000 | Level 3<br>£'000 | Total<br>£'000 |
|-------------------------|------------------|------------------|------------------|----------------|
| Unquoted investments    | —                | —                | 19,951           | 19,951         |
| <b>Financial assets</b> | <b>—</b>         | <b>—</b>         | <b>19,951</b>    | <b>19,951</b>  |

### Transfers

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

### Sensitivity Analysis Equity Price Sensitivity

The Board believes the Company's investments are mainly exposed to equity price risk, as the Company holds 100% of its investments in small companies. All of the investments made in unquoted companies, irrespective of the instruments the Company holds carry a full equity risk.

The table below shows the impact on profit and net assets if there were to be a 15% (2023: 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 portfolio of investments in unquoted companies.

The sensitivity analysis below assumes that the investments held by the Company produce an overall movement of 15%, and that the portfolio of investments held by the Company is perfectly correlated to this overall movement in share prices. This percentage reflects a number of factors, including the performance of the underlying investee companies as well as the wider market uncertainties associated with the difficult economic outlook, inflationary pressures, energy prices, Brexit and Russia's invasion of Ukraine. However, Shareholders should note that this level of correlation would not be the case in reality. Movements may occur in the value of both quoted and unquoted companies and result from changes in the market or alternatively as a result of assumptions made when valuing the portfolio or a combination of the two. The sensitivity analysis below is only applicable to the FWT Shares due to the Ordinary Shares being merged with the FWT Shares post year-end.

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.

|                                                                                                    | 2024<br>Profit and<br>Net assets | 2023<br>Profit and<br>Net assets |
|----------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------|
| If overall share prices fell by 15%, with all other variables held constant – decrease (£'000)     | (3,317)                          | (2,869)                          |
| Decrease in earnings, and net asset value, per FWT share (in pence)                                | (10.2)p                          | (12.9)p                          |
|                                                                                                    | 2024<br>Profit and<br>Net assets | 2023<br>Profit and<br>Net assets |
| If overall share prices increase by 15%, with all other variables held constant – increase (£'000) | 3,317                            | 2,869                            |
| Increase in earnings, and net asset value, per FWT share (in pence)                                | 10.2p                            | 12.9p                            |

## 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 an adequate return to shareholders by allocating its capital to assets commensurate with the level of risk.

Since the Company is a VCT, at least 80% of the capital of the Company (as measured under the tax legislation) must be invested in the relatively high risk asset class of small UK companies within approximately 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 Company 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.

It regards the net assets of the Company as the Company's capital, as the level of liabilities 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.

### Financial liabilities and borrowing facilities

The Company had no committed borrowing facilities, liabilities or guarantees at 31 March 2024 or 31 March 2023, other than those shown on the balance sheet.

### Fair value

The fair value of the Company's financial assets and liabilities, except for investments at 31 March 2024 and 31 March 2023 are not materially different from their carrying values.

## 17. Related party transactions

No Director has an interest in any contract to which the Company is a party. Transactions with or on behalf of portfolio companies are disclosed in Note 10. All transactions were on an arms length basis.

## 18. Transactions with the Investment Manager

Foresight Group LLP was appointed as Investment Manager in January 2020 and earned fees of £539,000 in the year ended 31 March 2024 (2023: £1,053,000). No performance fee was paid during the year (2023: £2,767,000).

Foresight Group LLP is the Company Secretary (appointed in November 2017) and received accounting and company secretarial services fees of £81,000 (2023: £173,000), during the year.

At the balance sheet date there was £46,000 due to (2023: £35,000 due from) Foresight Group LLP. No amounts have been written off in the year in respect of debts due to or from the Investment Manager.



# Financial Statements

## Notes to the Accounts for the year ended 31 March 2024 (continued)

### 19. Subsidiaries and related undertakings

The Company had holdings in the following subsidiaries as at the year end:

| Name           | Address                                             | Principal Activity | Direct/indirect holding | Class and percentage of shares held |
|----------------|-----------------------------------------------------|--------------------|-------------------------|-------------------------------------|
| Youtan Limited | The Shard, 32 London Bridge Street, London, SE1 9SG | Finance company    | Direct                  | A Ordinary 100%                     |

#### Related undertakings

Under Section 409 of the Companies Act 2006, the Company is required to disclose specified details of its related undertakings, which are undertakings where the Company's holding amounted to 20% or more of the nominal value of any class of shares as at the year end. These are listed below. The percentage holding shown does not reflect the total percentage of all voting rights in the Company as a whole. In respect of those undertakings in which the Company is described as having an indirect holding, the class and percentage of shares held shown refers to the shares in the relevant company which are held by its parent company in which the Company has a direct holding, save where that indirect holding is described as 'Nil' where the shares in the relevant company are held in trust for the Company.

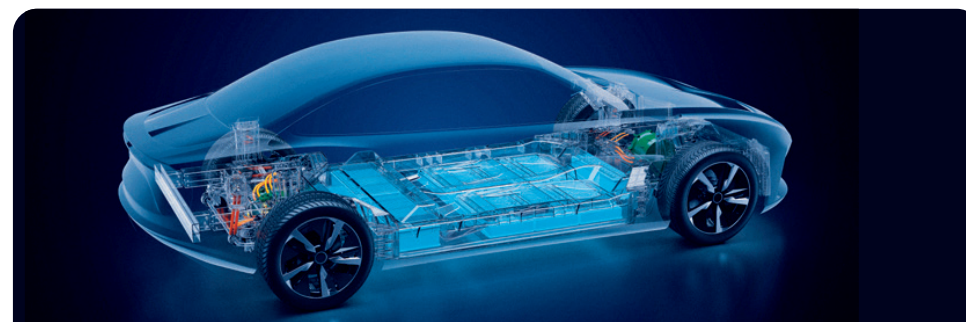
| Name                | Address                                                           | Principal Activity                        | Direct/indirect holding | Class and percentage of shares held          |
|---------------------|-------------------------------------------------------------------|-------------------------------------------|-------------------------|----------------------------------------------|
| Audioscenic Limited | Suite A, Epsilon House Enterprise Road, Southampton, SO16 7NS     | Manufacture of consumer electronics       | Direct                  | A Ordinary Shares 23%, B Ordinary Shares 27% |
| dRISK Inc           | 130 W. Union Street, Pasadena, CA, 91103, USA                     | Other business support service activities | Direct                  | Series Seed-2 Preferred Stock 28%            |
| Kognitiv Spark Inc  | 40 Crowther Lane, 2nd Floor<br>Fredericton, New Brunswick, Canada | Remote worker support software            | Direct                  | C Ordinary Shares 27%                        |

| Name                      | Address                                                                     | Principal Activity                                      | Direct/indirect holding | Class and percentage of shares held |
|---------------------------|-----------------------------------------------------------------------------|---------------------------------------------------------|-------------------------|-------------------------------------|
| Living Optics Limited     | 46 Woodstock Road, Oxford, United Kingdom, OX2 6HT                          | Manufacture of hyperspectral cameras                    | Direct                  | A Ordinary Shares 83%               |
| Mirico Limited            | 6 Zephyr Building Eighth Street, Harwell Oxford, Didcot, England, OX11 0RL  | Manufacture of laser gas sensors                        | Direct                  | H Ordinary Shares 50%               |
| Opsydia Limited           | 9400 Garsington Road, Oxford Business Park, Oxford, United Kingdom, OX4 2HN | Laser gemstone inscription                              | Direct                  | A Ordinary Shares 31%               |
| Previsico Limited         | Atic 5 Oakwood Drive, Loughborough University, LE11 3QF                     | Other professional, scientific and technical activities | Direct                  | A Ordinary Shares 37%               |
| VividQ Limited            | 55 Baker Street, London, United Kingdom, W1U 7EU                            | Other information technology service activities         | Direct                  | B2 Shares 51%                       |
| Zero Point Motion Limited | 1 Cathedral Square, Bristol, BS1 5DD                                        | Manufacture of optical precision instruments            | Direct                  | A Ordinary Shares 29%               |

## 20. Post balance sheet events

Between the year end and the date of this report, under the offer for subscription to raise up to £15 million FWT shares (with an overallotment facility to raise up to a further £10 million), the Company issued a total of 3,014,772 shares based on an unaudited NAV of 99.9p per share.

Between the year end and the date of this report, the FWT shares invested a total of £2.5m across six investee companies, bringing total deployment to £22.6m.



# Notice of Annual General Meeting

17 September 2024

Notice is hereby given that the Annual General Meeting of Foresight Technology VCT plc (“the Company”) will be held on 17 September 2024 at 12.30pm at the offices of Foresight Group, The Shard, 32 London Bridge Street, London, SE1 9SG 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.

|              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Resolution 1 | To receive the Report and Accounts for the year ended 31 March 2024.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Resolution 2 | To approve the Directors’ Remuneration Policy.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Resolution 3 | To approve the Directors’ Remuneration Report.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Resolution 4 | To re-elect Ernie Richardson as a Director.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Resolution 5 | To re-elect Tim Dowlen as a Director.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Resolution 6 | To re-elect Carol Thompson as a Director.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Resolution 7 | To reappoint Deloitte LLP as auditor and to authorise the directors to fix the auditor’s remuneration.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Resolution 8 | That, in addition to all existing authorities, the directors be and they are authorised to allot relevant securities generally, in accordance with Section 551 of the Companies Act 2006, up to a nominal amount of £430,414 (representing approximately 122% of the current issued ordinary share capital) provided that the authority and power conferred by this Resolution 8 will expire on the fifth anniversary of the passing of this resolution.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Resolution 9 | <p>That, in addition to 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) pursuant to the authority conferred by Resolution 8 as if section 561(1) of that Act did not apply to any such allotment, provided that this power shall be limited to:</p> <ul style="list-style-type: none"> <li>(i) the allotment of equity securities with an aggregate nominal value of up to £300,000 by way of issues of (FWT Shares pursuant to offer(s) for subscription;</li> <li>(ii) the allotment of equity securities with an aggregate nominal value of up to 10% of the issued share capital of the Company by way of an issue of FWT Shares pursuant to the performance incentive arrangements with Foresight Group LLP; and</li> <li>(iii) the allotment of equity securities with an aggregate nominal value of an amount up to or equal to 10% of the issued FWT Share capital of the Company from time to time,</li> </ul> <p>in each case where the proceeds of such issue may in whole or part be used to purchase the Company’s shares. This authority will expire at the conclusion of the Annual General Meeting to be held in 2025.</p> |

**Resolution 10**

That, in addition to 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 provided that:

- (i) the aggregate number of shares to be purchased shall not exceed 6,451,906 FWT Shares or, if lower such number of shares rounded down to the nearest whole share as shall equal 14.99% of the Company's FWT Shares in issue at the date of passing 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 shares is the higher of (1) an amount equal to 105% of the average of the middle market quotation for shares taken from the London Stock Exchange daily official list for the five business days immediately preceding the day on which the shares are purchased, and (2) the amount stipulated by Article 5(6) of the Market Abuse Regulation
- (iv) the authority conferred by this resolution shall expire on the conclusion of the Annual General Meeting of the Company to be held in the year 2025 unless such authority is renewed prior to such time; and
- (v) the Company may make a contract to purchase shares under the authority conferred by this resolution prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of shares pursuant to such contract.

By order of the Board

Foresight Group LLP

Company Secretary

30 July 2024

The Shard  
32 London Bridge Street  
London  
SE1 9SG



# Notice of Annual General Meeting

## 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. To be entitled to attend and vote at the meeting (and for the purposes of the determination by the Company of the votes they may cast), members must be registered in the Register of Members of the Company at 10.00pm on 12 September 2024 (or, in the event of any adjournment, 10.00pm on the date which is two (excluding non-business days) days before the time of the 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 0370 707 4017. 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 the publication of this notice, the Company's issued share capital was 35,459,937 FWT Shares, carrying one vote each. Therefore, the total voting rights in the Company as at the date of this notice is 35,459,937.
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](http://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](http://www.investorcentre.co.uk/eproxy), in each case, so as to be received no later than 48 hours (excluding non working 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.

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting (and any adjournment of the meeting) by following the procedures described in the CREST Manual (available via [www.euroclear.com](http://www.euroclear.com)). CREST Personal Members or other CREST sponsored members (and those CREST members who have appointed a voting service provider) should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a ‘CREST Proxy Instruction’) must be properly authenticated in accordance with Euroclear UK & Ireland Limited’s (EUI) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message (regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by the issuer’s agent (ID 3RA50) by the latest time(s) for receipt of proxy appointments specified in Note 3 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any

change of instructions to a proxy appointed through CREST should be communicated to him by other means.

CREST members (and, where applicable, their CREST sponsors or voting service providers) should note that EUI does not take available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members (and, where applicable, their CREST sponsors or voting service providers) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

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.

# Glossary of Terms

## Average Discount on Buybacks

The average of the discount applied to the price of a share buyback against the Net Asset Value per share.

## DCF

Discounted Cash Flows

## Dividend Yield

Dividend yield for the FWT Shares was nil (2023: nil).

## FWT

Foresight WAE Technology

## Growth in NAV per Share

The movement in the published NAV per share between financial years, the published NAV per share was 98.8p (2023: 102.8p) being a movement of (3.9%) (2023: 5.5%) when compared to the years previous.

## Manager/Investment Manager

Foresight Group LLP is the Investment Manager of the Company.

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

## Net Asset Value (NAV)

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

## NAV Total Return

The sum of the published NAV per share plus all dividends paid per share (for the relevant share class) over the lifetime of the Company.

For the FWT Share class, the published NAV per share was 98.8p (2023: 102.8p) and the dividends per FWT share since launch was nil (2023: nil), thereby giving a NAV total return per FWT Share of 98.8p (2023: 102.8p).

## Ongoing Charges Ratio

The annualised sum of expenditure incurred in the ordinary course of business being £1.0m (2023: £1.6m) expressed as a percentage of the average Company Net Asset Value of £28.3m (2023: £63.4m).

### Qualifying Company or Qualifying Holding

A Qualifying Holding consists of shares or securities first issued to the VCT (and held by it ever since) by a company satisfying certain conditions. The conditions are detailed but include that the company must be a Qualifying Company under the VCT Rules which requires, amongst other things, that it has gross assets not exceeding £15 million immediately before and £16 million immediately after the investment, employs the money raised for the purposes of a qualifying trade within a certain time period and is not controlled by another company. Additionally, in any twelve month period the company can receive no more than £5 million from VCT funds and Enterprise Investment Schemes, and any other European State-aided risk capital source. The company must have fewer than 250 full time (or equivalent) employees at the time of making the investment. VCT funds raised after 5 April 2012 cannot be used by a Qualifying Company to fund the purchase of shares in another company. Funds raised after 5th April 2017 cannot be invested in companies which generate or export electricity, heat or energy and, after the date of Royal Assent to Finance Act 2017-18, may only be invested in companies which satisfy a new risk-to-capital condition which requires that at the time of investment it is reasonable to conclude there is a significant risk that there will be a loss of capital of an amount greater than the net investment return.

### Share Price Total Return

The sum of the current share price plus all dividends paid per share. This allows performance comparisons to be made between VCTs.

For the FWT Share class, the share price at year end was 100.0p (2023: 100.0p) and the dividends per FWT share since launch was nil (2023: nil), thereby giving a share price total return per FWT Share of 100.0p (2023: 100.0p).

### Share Price (Discount)/Premium to NAV

A (discount)/premium to NAV is the percentage by which the mid-market share price of the Company is (lower than)/higher than the net asset value per share.

For the FWT Shares, the share price at the year end was 100.0p (2023: 100.0p) compared to the NAV of 98.8p (2023: 102.8p), giving a premium of 1.2% (2023: discount of 2.7%).

### VCT

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

### VCT Rules

The provisions of Part 6 of the Income Tax Act 2007, statutory instruments made thereunder and prevailing guidelines, custom and practise of HMRC all of which are subject to change from time to time.



## Notes

## Notes

[illegible]

# Financial Conduct Authority

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



## Beware of share fraud

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

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

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

## How to avoid share fraud

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

## Report a scam

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

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

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

In association with



# Corporate Information

## Registered Number

07289280

## Directors

Ernie Richardson (Chairman)

Tim Dowlen

Carol Thompson

## Company Secretary

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The Shard

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SE1 9SG

## Investment Manager & Administration provider

Foresight Group LLP

The Shard

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SE1 9SG

## Auditor

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Union Plaza

1 Union Wynd

Aberdeen

AB10 1SL

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Covent Garden

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WC2B 5AH

## Solicitors and VCT Status Advisers

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South Bank

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SE1 8PB

## Registrar

Computershare Investor Services plc

The Pavilions

Bridgwater Road

Bristol

BS99 6ZY

## Market Maker

Panmure Gordon & Co

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London

EC4M 9AF

## Important information:

The Company currently conducts its affairs so that the shares issued by Foresight Technology 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.



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# Foresight

FOR A SMARTER FUTURE

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