



Unaudited Half-Yearly Financial Report
for the six month period ended 30 June 2012



Foresight VCT

Objective

Ordinary Shares

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

Planned Exit Shares

To combine greater security of capital than is normal within a VCT with the enhancement of investor returns created by the VCT tax benefits — income tax relief of 30% of the amount invested, and tax-free distribution of income and capital gains. The key objective of the Planned Exit Shares fund is to distribute a minimum of 110p per Share issued through a combination of tax-free income, buybacks and tender offers before the sixth anniversary of the closing date of the Offer.

Infrastructure Shares

To invest in companies which own and operate essential assets and services which enjoy long-term contracts with strong counterparties or government concessions. To ensure VCT qualification, Foresight Group will focus on companies where the provision of services is the primary activity and which generate long-term contractual revenues, and thereby facilitate the payment of regular predictable dividends to investors.



For further information go to
www.foresightgroup.eu

Financial Highlights

Ordinary Shares Fund

- Interim dividend of 7.5p per Ordinary Share paid on 23 March 2012.
- Net asset value per Ordinary Share increased by 3.6% for the six month period ended 30 June 2012 to 120.8p compared to 123.9p as at 31 December 2011, after taking into account the interim dividend above.
- Realisation proceeds and loan repayments totalling £5,374,083 were received from four portfolio companies by the Ordinary Shares Fund.
- The Ordinary Shares fund provided follow-on funding totalling £1,568,305 for eight portfolio companies and invested £2,480,181 in four new companies.

Planned Exit Shares Fund

- Net asset value per Planned Exit Share as at 30 June 2012 was 89.2p compared to 92.4p as at 31 December 2011.
- Four investments were made by the Planned Exit Shares fund totalling £860,835.
- One loan repayment was received by the Planned Exit Shares fund for £125,000.

Infrastructure Shares Fund

- Net asset value per Infrastructure Share as at 30 June 2012 was 94.6p.

Contents

Highlights	1
Chairman's Statement	2
Investment Manager's Report	4
Investment Summary	8
Unaudited Half-Yearly Results and Responsibility Statements	14
Unaudited Non-Statutory Analysis between the Ordinary Shares, Planned Exit Shares and Infrastructure Shares Funds	15
Unaudited Income Statement	17
Unaudited Balance Sheet	18
Unaudited Reconciliation of Movements in Shareholders' Funds	18
Unaudited Cash Flow Statement	19
Notes to the Unaudited Half-Yearly Results	20
Shareholder Information	23

“Foresight VCT plc was founded in 1997 and is still the best performing VCT since launch. The Company offers three different types of investment to shareholders via the Ordinary, Planned Exit and Infrastructure Share portfolios and currently has assets of c.£54 million.”

John Gregory Chairman



Chairman's Statement

“In particular there has been continued strong performance in the Ordinary Shares portfolio during the period ended 30 June 2012 with the net asset value increasing by 3.6% to 120.8p per share after taking account of the 7.5p per share interim dividend. The majority of the increase was generated by valuation increases in Autologic Diagnostics, Alaric and Aquasium.”

John Gregory Chairman

Performance and Dividends

I am pleased to be able to report generally sound progress in the development of our investment portfolios.

At 30 June 2012, the Company has three classes of shares (Ordinary Shares, Planned Exit Shares and Infrastructure Shares) and each class of shares has its own portfolio of investments, the performances of which are more fully described in the Investment Manager's Report.

In particular there has been continued strong performance in the Ordinary Shares portfolio during the period ended 30 June 2012 with the net asset value increasing by 3.6% to 120.8p per share after taking account of the 7.5p per share interim dividend. The majority of the increase was generated by valuation increases in Autologic Diagnostics, Alaric and Aquasium. Further information on these companies can be found in the Investment Manager's Report. The net asset value of the Planned Exit Share portfolio decreased by 3.5% due to provisions being made against the valuations of Closed Loop Recycling and i-plas. In respect of Closed Loop the Investment Manager has been actively involved in the development of this business and has confidence for the Company's investment in it, which is held in both the Ordinary Shares fund and Planned Exit Shares fund. The Infrastructure Shares fund recently closed having raised some £16.4 million for Foresight VCT, in excess of the original £15 million target. The net asset value at 30 June 2012 was 94.6p per Infrastructure Share. The pipeline of opportunities for the investment of these funds is promising and I hope to be able to report on several new investments in the annual report and accounts to 31 December 2012.

Notwithstanding these positive signs, stock market sentiment as evidenced recently is fragile, significant macroeconomic uncertainties remain, and trading and credit conditions continue to be difficult in many sectors of the economy. Against this background the Board and Foresight Group continues to believe it important to adopt a cautious approach to managing the portfolio.

The Company's policy is whenever possible to maintain a steady flow of tax-free dividends, generated from income or from capital profits realised on the sale of investments. As a result of the series of recent successful realisations, the Board is pleased to have been in a position to approve an interim dividend of 7.5p per Ordinary Share, which was paid on 23 March 2012. In addition to underpinning dividends in the future, these realisations have provided the funds required for new investments to replace those that have been sold and with the opportunity to generate further value for shareholders.

Furthermore, the Board announced on 1 June 2012 an interim dividend of 5.0p per Planned Exit Share to be paid on 31 August 2012. The shares were quoted ex dividend on 15 August 2012 and the record date for payment was 17 August 2012.

Valuation Policy

Investments held by the Company have been valued in accordance with the International Private Equity and Venture Capital (IPEVC) valuation guidelines (August 2010) developed by the British Venture Capital Association and other organisations. Through these guidelines investments are valued, as defined, at 'fair value'. Ordinarily, unquoted investments will be valued at cost for a limited period following the date of acquisition, being the most suitable approximation of fair value unless there is an impairment or significant accretion in value during the period. Quoted investments and investments traded on AIM and PLUS (formerly OFEX) are valued at the bid price as at 30 June 2012. The portfolio valuations are prepared by Foresight Group and are subject to approval by the Board.

Enhanced Buyback

I am pleased to report that the Company's 2012 enhanced buyback scheme proved to be popular with shareholders with 2,830,963 Ordinary Shares being tendered for the enhanced buyback at 117.49p per share. As a result of this transaction, 2,748,723 new Ordinary Shares were issued at 121.2p per share.

Other Share Issues and Share Buybacks

Alongside the enhanced buyback, the Company announced a top-up offer of Ordinary Shares. During April 2012, 173,176 Ordinary Shares were issued at 121.2p per share.

On 30 March 2012, 70,844 Ordinary Shares were allotted under the Company's Dividend Reinvestment Scheme at 117.46p per share.

On 7 October 2011, the Company launched a joint offer with Foresight 2 VCT plc to raise £30 million through the issue of Infrastructure Shares, a new share class. Between 1 January 2012 and 30 June 2012, 16,406,496 Infrastructure Shares were allotted at 100.0p per share. The offer closed on 18 July 2012 having issued a total of 16,647,858 Infrastructure Shares at 100.0p per share.

All of these share issues were under the new VCT provisions which commenced on 6 April 2006, namely: 30% upfront income tax relief which can be retained by qualifying investors if the shares are held for the minimum five year holding period.

As part of the Company's continuing buyback programme, during the period, 417,338 Ordinary Shares were purchased for cancellation at a cost of £449,484.

Investment Manager Novation

On 18 June 2012, the Board approved the novation of the investment management contract from Foresight Group LLP to Foresight Group CI Limited, another Foresight Group company. The novation does not affect the services provided to the company or the terms, conditions or costs of those services.

Outlook

Following over two years of economic fragility, potential acquirers have now returned to the market, which has been reflected in the increase in portfolio activity in terms of realisations over the last 12 months. Additionally, Foresight Group is seeing its deal flow of new investment opportunities increasing and this has been reflected in the recently completed new investments referred to in the Investment Manager's Report. We remain cautious about the economic outlook, however, and the Investment Manager will aim to invest only in opportunities which are considered sufficiently robust and attractive. The Board and Investment Manager believe the portfolio contains a number of attractive companies and that these may translate into realisations that will, over the medium term, be reflected in further positive net asset value performance and continued distributions to shareholders.

John Gregory

Chairman

Telephone: 01296 682751

email: j.greg@btconnect.com

31 August 2012



Investment Manager's Report

The Company's three share classes (Ordinary Shares, Planned Exit Shares and Infrastructure Shares) each have their own separate investment portfolio, the performance of each of which is described below. For some investments it may be appropriate for them to be held by more than one class of share.

Following a recent series of successful exits within the Ordinary Shares fund, cash has been generated for reinvestment, to pay dividends and for share buybacks to be implemented and accordingly new potential investment opportunities are being actively but cautiously considered. Following a new investment of £690,000 in Leisure Efficiency Limited in January 2012, the Planned Exit fund was effectively fully invested. The recently established Infrastructure Shares fund successfully raised the maximum amount sought of £16.4 million by the closing date of 18 July 2012 and a number of investments are being considered from a growing pipeline of secondary PFI opportunities although the first investment has not yet been made. Against a background of challenging economic fundamentals and continuing uncertainties and volatility, the Investment Manager is only looking at new opportunities which are considered sufficiently robust and attractive, particularly in valuation terms.

The performance of the Ordinary Shares fund during the six month period to 30 June 2012 has been encouraging overall while the performance of the Planned Exit Shares fund has been affected by both positive and negative factors during the period. This resulted in the net asset value per Ordinary Share increasing by 3.6% to 120.8p per share after adding back the interim dividend of 7.5p on 23 March 2012, and the net asset value per Planned Exit Share decreasing by 3.5% to 89.2p per share. The net asset value per Infrastructure Share is 94.6p.

Ordinary Shares Fund Portfolio Review

As referred to in the Chairman's Statement, the performance of the Ordinary Shares portfolio overall during the period has been encouraging, notwithstanding the generally weak UK macroeconomic environment and the recent dip into a mild recession. A number of investee companies continued to trade well and enjoyed good growth, most notably Aquasium, Autologic Diagnostics, Infrared Integrated Systems and Alaric Systems, with exporters trading appreciably better than those companies largely serving domestic markets. Unsurprisingly, others have been affected to varying degrees by recession induced factors, including i-plas and Silvigen. These mixed trading conditions are likely to prevail well beyond 2012, putting greater emphasis on robust business models and quality of management.

Similar to 2011, activity in the Ordinary Shares portfolio continued at a high level during the six month period to 30 June 2012, particularly in terms of successful realisations and new investments. Reflecting strong merger and acquisition activity and investor interest in the technology sector, four significant realisations during the period generated proceeds totalling up to £6.5 million, namely the sale of Ebtec, a subsidiary of **Aquasium Technology** (£2,187,278), the partial sale of the investment in **Autologic Diagnostics** (£2,092,178)

and the sales of **Infrared Integrated Systems** (£621,311) and **Camwood** (£473,316). Four new investments totalling £2,480,181 were completed during the period, namely **Wholesale Efficiency Limited** (£1,000,000), **Leisure Efficiency II Limited** (£675,150), **Flowrite Refrigeration Holdings Limited** (£492,500) and **Biofortuna Limited** (£312,531). The performance highlights during the six months to 30 June 2012 are detailed below.

Following the demerger of the business on 1 January 2012 referred to in the last Annual Report, **Abacus Wood (formerly Land Energy)** made good progress during the period, achieving positive EBITDA at the Bridgend plant level. Demand continues to exceed supply for the plant's wood pellets and a further £240,265 was invested by the Ordinary Shares fund to finance capital expenditure and working capital. The new management team, led by Julian Tranter, a highly experienced CEO, plans to double plant capacity at Bridgend and expand into the growing distributed energy supply markets by establishing ESCos (Energy Supply Companies), many of which are already supplied. This expansion is proposed to be funded by raising an estimated £9.5 million from new investors, some of which will be into SPVs in order to minimise existing shareholder dilution. Reflecting the terms of the demerger, a provision of £60,765 has been made against the original cost of investment.

Alaric Systems, which develops and sell credit card authorisation and anti credit card fraud software to major financial institutions and retailers worldwide, performed particularly strongly in the year to 31 March 2012, generating a profit before interest and tax of £1.5 million on sales of £8.7 million markedly ahead of the previous year, in which a PBIT of £0.5 million was achieved on sales of £5.76 million. The growing sales pipeline includes a number of large contracts which are either in negotiation or prospect but their timing is difficult to predict. Capacity to satisfy the order book is being met through continuing recruitment in Kuala Lumpur and also London. In May 2012, the Company received £73,857, comprising a loan redemption premium payment (£62,920) and interest (£10,937).

Trading during the period at both subsidiaries of **Aquasium Technology**, namely CVE and Ebtec, has exceeded both budgeted revenues and operating profits with continuing demand for CVE's smaller electron welding machines. In June 2012, the Massachusetts based subsidiary, Ebtec Corporation, was successfully sold to NASDAQ listed EDAC Technologies Corporation for approximately \$11 million in cash and stock, generating a 2.5 times return on original cost. Ebtec is an engineering services company providing high energy beam precision electron welding, cutting and drilling services to diverse industry sectors including the aerospace, power and medical sectors. Having invested a total of £1.93 million in Aquasium since 2001, the Company received £3,036,059 from the sale of Ebtec, comprising an initial £2,613,294 in cash (including interest of £426,016) plus up to a further £422,765 held in escrow receivable over the next 16 months. The Company still holds 33% of Aquasium's equity and £666,667 of loans.

AtFutsal Group provides facilities for futsal, a fast growing type of indoor football with 30 million participants worldwide and the only type of indoor football recognised by the Football Association. The Swindon arena is generating cash while sales have built up steadily at the flagship super arena in Birmingham which is now operating at cash break-even. Educational activities are increasingly important with several hundred students now taking sports related courses within AtFutsal's arenas and a number of partnerships established with educational establishments, football clubs and training organisations. The small, sub optimal Cardiff arena was closed down recently as a result of continuing small losses and a change in educational funding in Wales from September 2012. To help create national coverage, a further super arena has just been opened in Leeds funded with £762,500 from Foresight VCTs, including £98,173 from the Company. Sales growth is behind original expectations with UK consumer spending under pressure, but the company will benefit from economies of scale as national coverage will enhance the growth of the educational activities.

Autologic Diagnostics develops and sells sophisticated automotive diagnostic software and hardware to independent mechanics and garages to allow them to service and repair vehicles. In the year ended 31 December 2011, it generated an operating profit of £5.2 million on sales of £12.2 million (£2.7 million on sales of £9.3 million in 2010). The company is continuing to grow sales and profits in its current financial year, particularly in the USA. As mentioned above, part of the investment in Autologic was sold in January 2012 in a £48 million secondary management buy-out funded by ISIS Equity Partners. The sale generated cash proceeds of £2.1 million, against original cost of £0.75 million and Foresight VCT has retained an ongoing investment of £1.486 million in a combination of equity and loan stock in the new company formed to effect the buy-out.

The Company's investment in **Camwood** (original cost £90,378) was sold in April 2012 to the senior management team for £473,316, generating a 5.2 times return. Foresight first invested in Camwood, an IT consulting company providing application portfolio management services to large enterprises, in October 2003, ultimately investing a total of £1.54 million on behalf of the Company (£543,000) and another Foresight managed fund by way of loans and equity. During 2008, the Camwood software IP and development staff were hived down into a subsidiary, App-DNA, which was subsequently sold to Citrix Systems Inc in October 2011 for \$92 million. As referred to in the last Annual Accounts, the sale of App-DNA generated a return for the Company of £7.5 million (with up to a further £0.9 million held in escrow), some 32 times original cost.

Closed Loop Recycling is now making solid operational, commercial and revenue generating progress resulting from production rates at record levels, significantly improved plant reliability and consistency of demand exceeding capacity. The company continues to be affected by raw material quality which restricts throughput and yield, but is making some progress in addressing this problem. In March, the Company advanced a short-term loan of £230,069 to meet working

capital requirements. Two major investment projects totalling over £17 million are planned at the Dagenham site. The first is to double and improve the mixed plastic sorting capacity (thereby removing a major constraint on inputs and so improving plant throughput and efficiency) and the second to increase production capacity to meet the substantial demand for the cleaned and sorted output, which should be possible without adding significantly to its fixed overhead costs. These projects are expected to be largely financed through a variety of funds, including third party and other Foresight managed funds. Facilities provided by Allied Irish Bank, the incumbent bank, will be placed onto a term basis.

Notwithstanding the above solid trading and advancing expansion plans, a provision of 10% (£193,632) has been made against the original cost of the investment to reflect the proposed introduction of an executive share option scheme. Principally because of the weight of prior ranking capital provided by the Foresight funds, the recently enlarged management team currently has no realistic equity incentive, a situation which is not considered to be in the best, longer term interests of all shareholders. To address this, a capital reorganisation is being effected to facilitate the introduction of such an incentive scheme, which is in line with normal market practice but necessitates making such a provision.

Northampton based **Infrared Integrated Systems**, a market leader in the retail queue monitoring and people counting markets, continued to grow strongly and profitably, implementing a significant contract in the US to provide its queue monitoring solution across the estate of a major supermarket group. The company was trading at record levels, with a strong pipeline of large potential customers undergoing product trials and was strongly cash generative. Following a competitive sale process, a large US corporation made an attractive takeover offer in June 2012. The Company sold its investment for up to £901,878, of which £621,311 was paid at completion and up to a further £280,567 is receivable over the next two years and is held either in escrow or subject to future performance criteria being met, giving a 2.5 to 3.6 times return on the original cost of investment of £250,005.

Trading at **i-plas Group**, which manufactures a range of building products from waste plastics, was particularly disappointing during the period with continuing heavy losses despite price rises, cost-cutting and a management reorganisation in late 2011. The Company advanced short-term loans totalling £123,334 to fund working capital requirements during the period. Further funding is being sought from new investors. Reflecting the poor performance, a provision of £388,515 has been made against the cost of this investment, reducing the carrying value to £nil.

Despite strong interest in **Silvigen's** animal bedding product, 'Silvibed', principally from chicken growers, this has not yet been reflected in a satisfactory rate of sales growth as many prospective customers are still bound by longer-term contracts elsewhere. In February, the Company advanced a short-term loan of £58,335 to meet working capital requirements. With continuing losses and yet further funding required, the plant has recently been mothballed. A further provision



Investment Managers' Report continued

of 50% has been made, reducing the carrying value to zero and an administrator is likely to be appointed shortly.

Withion Power has successfully built, tested and connected to the National Grid the first 0.5MW phase of its planned 3MW waste wood to energy plant in Derby. During the period, the plant has been operating at regular planned intervals, exporting electricity to the Grid while undergoing further trials and optimisation procedures. During the period, the Company invested £766,000 alongside £234,000 Foresight 2 VCT plc to finance capital expenditure and provide additional working capital. Further funding is expected to be sought from third parties during 2012 and 2013 to facilitate the construction of further phases to reach 3MW in total. Under the original merger terms between Foresight VCT and the keydata VCTs, additional share consideration may be due to keydata shareholders after September 2013 if the value of the merger assets (Withion) at 30 September 2013 is greater than their value at the time of the merger. At the current time there has been no increase in value.

Planned Exit Shares Fund Portfolio Review

One new investment was made during the period, with £690,000 being invested by the Planned Exit Shares fund in **Leisure Efficiency Limited** in January which purchased and installed energy saving equipment at 34 David Lloyd Leisure sites. Revenues are generated by taking the predominant share of the resultant energy savings for the first seven years of the arrangement.

The Planned Exit Shares fund backed a management buy-in of long established Petersfield based **Channel Safety Systems** with £565,000 in December 2010. Channel designs and distributes fire safety systems and emergency lighting, as well as providing associated services. Notwithstanding stagnant market conditions in the construction and electrical contracting sectors, the company achieved limited growth in sales and EBITDA in its financial year to 31 October 2011 and is continuing to trade profitably in line with budget in the current year. The management team is pursuing several growth strategies, including launching new products such as energy efficient LED emergency lighting and a domestic fire detection range which have met with considerable demand.

The opportunity was taken to acquire a further small shareholding for £2,835 from a retiring director of **Data Continuity Group**, which implements and maintains data storage, backup and data recovery services solutions for companies, under term contracts and increasingly as a managed service. The company continues to trade well and enjoys a very high level of customer retention.

As reported in the last Annual Accounts, in December 2011, the Foresight VCT Planned Exit Shares fund and the Foresight 2 VCT Planned Exit Shares fund each invested £800,000 in **Industrial Engineering Plastics** by way of loans and equity to finance a management buy-in of this long established, profitable distributor/fabricator of plastic materials to a wide range of customers in a variety of industrial sectors. It soon became apparent that the new

management structure needed to be amended. Accordingly, the shares held by the recently appointed buy-in manager representing 50% of the equity were acquired during the period by the two funds for a total cost of £150,000, split equally between the two funds. The company continues to trade well in line with budget under the able management of the original founder while a new Managing Director is recruited.

In February, **Portchester Equity** repaid £125,000 to each of the Foresight VCT Planned Exit Shares fund and the Foresight 2 VCT Planned Exit Shares fund. The remaining £500,000 loans from each VCT were rolled over for a further six months to fund short-term working capital requirements of one of the subsidiaries of this family owned investment company which owns majority shareholdings in seven separate, well-established trading companies. The remaining £500,000 of loans were repaid on 8 August 2012.

Although most investments are performing well within the Planned Exit Shares fund, trading at **i-plas Group** is particularly disappointing as explained above. Reflecting the poor performance, a provision of £262,015 has been made against the cost of this investment, reducing the carrying value to £nil. As explained above, although Closed Loop Recycling is trading well and plans to increase capacity are well advanced, it has been necessary to make a provision of 10% (£56,667) against the original cost of the investment to reflect the proposed introduction of an executive share option scheme as explained above.

Where provisions have been made against the value of underlying investments, we have also provided against the income due from such investments and this is reflected in the negative income amount in the Income Statement of the Company.

As planned, a dividend of 5.0p per share is due to be paid on 31 August 2012.

Infrastructure Shares Fund Portfolio Review

Fundraising for the Infrastructure Share class closed on 18 July 2012 with the maximum funds being raised of £32.8 million, split equally between the Company and Foresight 2 VCT plc, i.e. £16.4 million for each VCT. The investment strategy is focused on infrastructure investments in secondary market PFI, energy efficiency and onsite power.

The Foresight team comprises experienced PFI professionals with strong track records in both secondary and primary market PFI as well as wider infrastructure investments. Over recent months, the team has met existing PFI equity investors, including the established infrastructure funds and contractor-investors, to source suitable assets as well as leveraging its strong relationships with the PFI financial advisory and accounting communities which often act on behalf of vendors during secondary market disposals. The team is currently in discussions with 12 potential investment opportunities totalling over £30 million, including schools, fire stations and water treatment works, and is working through the risk assessment, due diligence and VCT

clearance processes in respect of certain projects. The current pipeline is encouraging but there are challenges to completing on these assets including the outcome of due diligence and risk assessment and successful completion of negotiations with the vendors regarding fair value of the assets.

As well as secondary market PFI investments, Foresight are considering investments in energy efficiency and onsite energy which are covered by the investment policy, exhibit an infrastructure-like risk and return profile and are likely to achieve VCT qualifying trade status with HMRC. Foresight are confident that the Infrastructure share funds will be invested by April 2013 in a range of suitable assets.

Investment Activity

Ordinary Shares Fund — Purchases

Four new investments totalling £2,480,181 were completed during the period, namely **Wholesale Efficiency** (£1,000,000), **Leisure Efficiency II** (£675,150), **Flowrite Refrigeration Holdings** (£492,500) and **Biofortuna** (£312,531). Eight follow-on investments were made during the period from the Ordinary Shares fund totalling £1,568,305, namely: Withion Power (£766,000); Abacus Wood (formerly Land Energy) (£240,265); Closed Loop Recycling (£230,069); i-plas Group (£123,334); AtFutsal (£98,173); Silvigen (£58,335); Trilogy (£32,000) and DCG (£20,129).

As part of a £2.1 million growth capital funding round in March 2012, alongside existing shareholders and other Foresight VCTs, the Company invested £312,531 in Wirral based **Biofortuna**, a molecular diagnostics company with leading, proprietary expertise in cryo-preserving, enabling molecular reagents to be freeze-dried and stabilised, thereby substantially reducing distribution costs and transport losses while increasing the ease of use of such reagents.

In March 2012, alongside other Foresight VCTs, the Company invested £675,150 and £1,000,000 by way of loans and equity in **Leisure Efficiency II** and **Wholesale Efficiency** respectively, pending investment in two specific energy efficiency opportunities. These and a pipeline of other such opportunities are actively being progressed.

In May 2012, the Foresight funds led a £3.5 million management buyout of Maidstone based Flowrite Services, which provides refrigeration and air conditioning maintenance and installation services principally to pubs and restaurants in the UK through a national network of some 60 engineers. Alongside management and other Foresight VCTs, the Company invested £492,500 in the form of loans and equity in a new holding company, **Flowrite Refrigeration Holdings Limited**, established to effect the buyout. Flowrite achieved significant operating profits on sales of £7.5 million during the year to 31 October 2011. Trading to date in the current year is ahead of that in the corresponding period for last year.

The Board and Investment Manager have agreed that, within the existing investment policy, greater emphasis should, for the foreseeable future, be placed on private equity investments and less emphasis on environmental infrastructure investments.

Ordinary Shares Fund — Realisations

As described more fully above, four significant realisations were achieved during the period, generating total proceeds of £5,374,083, namely the sale of Ebtec, a subsidiary of **Aquasium Technology** (£2,187,278), the partial sale of the investment in **Autologic Diagnostics** (£2,092,178) and the sales of **Camwood** (£473,316) and **Infrared Integrated Systems** (£621,311). The Company also received £73,857 from Alaric, comprising a loan redemption premium payment and interest, and a distribution of £69,809 from Oxonica.

Planned Exit Shares Fund — Purchases

One new investment was made during the period, with £690,000 being invested by the Planned Exit Shares fund in **Leisure Efficiency** in January and £75,000 being invested into **Industrial Engineering Plastics** in March as mentioned above. There were two follow-on investments into **Data Continuity Group** and **Trilogy Communications** for £2,835 and £93,000 respectively.

Planned Exit Shares Fund — Realisations

A loan repayment of £125,000 was received from Portchester Equity.

Outlook

Trading at many of the portfolio companies during the period was stronger than expected at the beginning of the year, benefiting from positive export conditions. Other businesses operating solely in UK markets have found trading to be relatively difficult, except for those with particular competitive advantages. The continuing M & A market facilitated a number of successful realisations, generating significant profits and cash for dividends, share buybacks and reinvestment.

These mixed trading conditions are likely to prevail well beyond 2012 but we are cautiously optimistic about the current prospects and outlook for a number of portfolio companies, which continue to display good order books and revenue and profit growth. The M & A market continues to be active which augurs well for further possible realisations during 2012 and 2013. However, with challenging and uncertain macroeconomic fundamentals plus the potential for the recession to continue for some time, Foresight is planning for a prolonged period of little or no real growth. Foresight is now actively pursuing new investment opportunities — particularly private equity investments rather than environmental infrastructure investments — but is adopting a cautious approach in the light of current trading conditions.

David Hughes

Chief Investment Officer
Foresight Group
31 August 2012



Investment Summary

Ordinary Shares Fund

Investment	30 June 2012			31 December 2011		
	Amount	Valuation	Valuation Methodology	Amount	Valuation	
	Invested £	£		Invested £	£	
Withion Power Limited†	4,717,546	4,717,546	* Asset basis	3,951,546	3,951,546	
Alaric Systems Limited	1,473,372	2,801,112	* Discounted revenue multiple	1,473,372	2,225,040	
Autologic Diagnostics Holdings Limited	1,486,358	2,448,579	* Discounted earnings multiple	813,604	3,825,463	
Data Continuity Group Limited	270,099	1,922,315	* Discounted revenue multiple	249,970	1,928,622	
Aquasium Technology Limited	1,000,000	1,837,443	* Discounted earnings multiple	1,930,000	2,776,644	
Closed Loop Recycling Limited	1,936,319	1,692,687	* Discounted revenue multiple	1,706,250	1,656,250	
Trilogy Communications Limited	993,715	1,645,759	* Discounted earnings multiple	961,715	2,072,751	
Wholesale Efficiency Limited	1,000,000	1,000,000	* Cost	—	—	
Corero Network Security plc	1,903,116	683,317	* Bid price	1,903,116	620,241	
Leisure Efficiency II Limited	675,150	675,150	* Cost	—	—	
Abacus Wood Limited	607,647	546,882	Price of recent funding round less impairment	367,382	367,382	
Flowrite Refrigeration Holdings Limited	492,500	492,500	Cost	—	—	
iCore Limited	750,000	375,000	Price of recent funding round less impairment	750,000	375,000	
ANT plc	1,225,600	362,554	Bid price	1,225,600	327,788	
Biofortuna Limited	312,531	312,531	Cost	—	—	
alwaysON Group Limited	405,306	303,980	Price of recent funding round less impairment	405,306	303,980	
AtFutsal Group Limited	369,161	276,871	Price of recent funding round less impairment	270,988	203,241	
Aigis Blast Protection Limited	860,325	175,787	Discounted revenue multiple	860,325	342,545	
Sarantel Group plc	3,134,493	60,075	Bid price	3,134,493	84,471	
Docherty Heat and Energy Distributor Limited	9,438	9,438	Asset basis	9,438	9,438	
Oxonica plc	2,804,473	—	Nil value	2,804,473	77,344	
SkillsMarket Limited	1,827,316	—	Nil value	1,827,316	—	
Nanotecture Group plc	1,000,000	—	Nil value	1,000,000	—	
Silvigen Limited	769,429	—	Nil value	711,094	355,547	
DSM GeoData Limited	700,000	—	Nil value	700,000	—	
i-plas Group Limited	653,696	—	Nil value	530,362	265,181	
Infrared Integrated Systems Limited	—	—	Sold	250,005	623,480	
Camwood Limited	—	—	Sold	90,378	458,297	
	31,377,590	22,339,520		27,926,733	22,850,251	

* Top ten investments by value shown on pages 10 to 11.

† The Ordinary Share Fund's investment in Withion Power Limited was invested by Keydata Income VCT 1 plc and Keydata Income VCT 2 plc before they merged with Foresight VCT plc on 28 February 2011. The value of the investment at the date of the merger was £3,960,984.

Investment Summary

Planned Exit Shares Fund

Investment	30 June 2012		Valuation Methodology	31 December 2011	
	Amount	Valuation		Amount	Valuation
	Invested £	£		Invested £	£
Industrial Engineering Plastics Limited	875,000	875,000	* Cost	800,000	800,000
Data Continuity Group Limited	752,835	831,412	* Discounted revenue multiple	750,000	831,925
Trilogy Communications Limited	558,000	697,500	* Discounted earnings multiple	465,000	581,250
Leisure Efficiency Limited	690,000	690,000	* Cost	—	—
Channel Safety Systems Group Limited	565,000	565,000	* Cost	565,000	565,000
Closed Loop Recycling Limited	566,667	510,000	* Price of recent funding round less impairment	566,667	566,667
Portchester Equity Limited	500,000	500,000	* Cost	625,000	625,000
Withion Power Limited	374,952	374,952	* Cost	374,952	374,952
i-plas Group Limited	524,030	—	Nil value	524,030	262,015
	5,406,484	5,043,864		4,670,649	4,606,809

* All investments with a carrying value are shown on pages 12 to 13.

Infrastructure Shares Fund

At 30 June 2012, twelve investments each of £1 million and one investment of £0.5 million had been made in acquisition vehicles preparing to trade. An update on any investments made will be given in the Annual Report and Accounts to 31 December 2012.



Investment Summary

Ordinary Shares Portfolio

Top ten investments by value at 30 June 2012 are detailed below:

Withion Power Limited



is carrying out its first project in Derby. This project is targeting 3.0MW of electricity generation from waste wood sourced from local suppliers. The project is being built in three phases with phase 1 currently in early stages of operation, and generating electricity. A period between 3-6 months at this scale is required to fully understand the operations and resolve any issues. Further funding is expected to be sought from third parties during 2012 and 2013 to facilitate the construction of further phases to reach 3MW in total. This project is being developed in conjunction with O-Gen UK limited.

Alaric Systems Limited



develops payment system software, principally credit card authorisation ("Authentic") and card fraud detection ("Fractals") software, which is sold to major financial institutions, card processors and, increasingly, major retailers worldwide. Alaric is enjoying strong growth. Contracts have been won in the USA, Mexico, Australia and New Zealand while a number of other promising contracts are in prospect, including in the Far East. Capacity to satisfy these orders is being met through continuing expansion of the office in Kuala Lumpur. Audited accounts for the year to 31 March 2012 showed significant growth in PBIT to £1.5 million on sales of £8.7 million (£588k on £5.76 million sales in 2011), well ahead of budget, with cash at that date of £3.6 million. Progress to date in the current year to March 2013 shows continuing growth in sales and profitability.

Autologic Diagnostics Holdings Limited



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

A secondary buy-out of Autologic was completed on 20 January 2012, realising proceeds of £2,092,178 for Foresight VCT plc. Foresight VCT plc retains a loan and share investment in the company.

Data Continuity Group Limited



is a provider of data storage and back-up solutions to corporates either remotely as a managed service or at customers' premises. The demand for DCG's services is driven by greater compliance requirements for retention and retrieval of data and the ever growing volume of electronic data produced by organisations. The company continues to build its managed service customer base and its recurring revenues. A mid-range service with multi-tenant capability has been launched for re-sale by channel partners and the company will soon provide a virtualised disaster recovery service.

Aquasium Technology Limited



is principally engaged in the design, manufacture, sales and servicing of electron beam welding and vacuum furnace equipment at its facilities in Cambridgeshire, UK. The group sold its stake in Ebtec, a component manufacturing and processing service, head quartered in Massachusetts, USA For \$11 million. The sale resulted in Foresight recouping 1.3x of the total original investment. Foresight retains a loan and equity position in Aquasium.

Investment Summary

Ordinary Shares Portfolio

Closed Loop Recycling Limited



is the first plant in the UK to recycle waste PET and HDPE plastic bottles into food grade packaging material. The company continues to make solid operational, commercial and revenue progress with recent production rates at record levels and significantly improved plant reliability and consistency. Product quality remains high and there is strong demand for all the recycled material it produces. The company continues to be affected by raw material quality which restricts throughput and yield, but has substantially succeeded in addressing this problem. It is also planning significant investment at the Dagenham site to increase capacity to meet the substantial demand for the cleaned and sorted output, which should be possible without adding significantly to its fixed overhead costs. Closed Loop Recycling is now generating revenues in excess of £1.3 million per month.

Trilogy Communications Limited



is a world class supplier of audio communications to the defence, emergency management, industrial and broadcast sectors. Trilogy counts some of the world's best known names in broadcast and defence among its customer base including the BBC, Sony, Radio France, Raytheon, Northrop Grumman and Lockheed Martin.

Wholesale Efficiency Limited

is a company preparing to trade in the energy efficiency sector.

Corero Network Security plc



is a network security systems company delivering solutions to address the challenges organisations face in protecting their IT systems and networks and online assets from the threats of cyber crime.

Leisure Efficiency II Limited

is a company preparing to trade in the energy efficiency sector.



Investment Summary

Planned Exit Shares Portfolio

Investments at 30 June 2012 are detailed below:

Industrial Engineering Plastics Limited



established over 25 years ago and based in Liphook and Birmingham, distributes and fabricates industrial plastics. The company primarily supplies ventilation and pipe fittings, plastic welding rods, hygienic wall cladding, plastic sheets and tanks.

Across the project range, the majority of customers are either plastic fabricators, duct installers or chemical plants. IEP primarily sources material from Germany, the UK and China. Foresight backed an MBI of IEP in December 2011 with a total investment of £1.6 million, £800k of which was invested from the Planned Exit Fund.

Data Continuity Group Limited



is a provider of data storage and back-up solutions to corporates either remotely as a managed service or at customers' premises. The demand for DCG's services is driven by greater compliance requirements for retention and retrieval of data and the ever growing volume of electronic data produced by organisations. The company continues to build its managed service customer base and its recurring revenues. A mid-range service with multi-tenanted capability has been launched for re-sale by channel partners and the company will soon provide a virtualised disaster recovery service.

Trilogy Communications Limited



is a world class supplier of audio communications to the defence, emergency management, industrial and broadcast sectors. Trilogy counts some of the world's best known names in broadcast and defence among its customer base including the BBC, Sony, Radio France, Raytheon, Northrop Grumman and Lockheed Martin.

Leisure Efficiency Limited

provides energy efficiency solutions to David Lloyd Leisure Limited ("David Lloyd"). The energy efficiency solution includes the deployment and ongoing monitoring of energy equipment across more than 30 David Lloyd sites throughout the UK. The deployment was completed in May 2012. Revenues will be generated through a pay as you save agreement.

Investment Summary

Planned Exit Shares Portfolio

Channel Safety Systems Group Limited



specialises in the design, distribution, installation and service of fire detection systems and emergency lighting. Demand for most of Channel Safety Systems' products and systems is driven by health and safety regulation and, increasingly, carbon reduction initiatives and legislation, which Channel Safety Systems addresses with its low energy LED emergency lighting range. Foresight backed an MBI of Channel Safety Systems in December 2010 with a total investment of £1.1 million from the Planned Exit fund. During 2011, the company has traded ahead of the previous year, is introducing a range of new products and is focusing on increasing its sales to both new and existing customers. The budget for 2012 reflects the expected benefits from these actions.

Closed Loop Recycling Limited



is the first plant in the UK to recycle waste PET and HDPE plastic bottles into food grade packaging material. The company continues to make solid operational, commercial and revenue progress with production rates at record levels and significantly improved plant reliability and consistency. Product quality remains high and there is strong demand for all the recycled material it produces. The company continues to be affected by raw material quality which restricts throughput and yield, but is making progress in addressing this problem. It is also planning significant investment at the Dagenham site to increase capacity to meet the substantial demand for the cleaned and sorted output, which should be possible without adding significantly to its fixed overhead costs. Closed Loop Recycling is currently profitable and generating revenues in excess of £1.3 million per month.

Portchester Equity Limited

is a family owned investment company with majority stakeholdings in eight separate businesses. The investment is a short-term (12 month) working capital loan facility providing an attractive yield and strong security. The loan was repaid during August 2012.

Withion Power Limited



is carrying out its first project in Derby. This project is targeting 3.0MW of electricity generation from waste wood sourced from local suppliers. The project is being built in three phases with phase 1 currently in early stages of operation, and generating electricity. A period between 3-6 months at this scale is required to fully understand the operations and resolve any issues. Further funding is expected to be sought from third parties during 2012 and 2013 to facilitate the construction of further phases to reach 3MW in total. This project is being developed in conjunction with O-Gen UK limited.



Unaudited Half-Yearly Results and Responsibility Statements

Principal Risks and Uncertainties

The principal risks faced by the Company can be divided into various areas as follows:

- Performance
- Regulatory
- Operational; and
- Financial

The Board reported on the principal risks and uncertainties faced by the Company in the Annual Report and Accounts for the year ended 31 December 2011. A detailed explanation can be found on page 19 of the Annual Report and Accounts which is available on www.foresightgroup.eu or by writing to Foresight Group at ECA Court, 24–26 South Park, Sevenoaks, Kent, TN13 1DU.

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

Directors' Responsibility Statement:

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

The Directors confirm to the best of their knowledge that:

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

Going Concern

The Company's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Business Review in the 31 December 2011 annual report. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are described in the Chairman's Statement, Business Review and Notes to the Accounts of the 31 December 2011 annual report. In addition, the annual report includes the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

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

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

The half-yearly Financial Report has not been audited or reviewed by the auditors.

On behalf of the Board

John Gregory

Chairman

31 August 2012

Unaudited Non-Statutory Analysis between the Ordinary Shares, Planned Exit Shares and Infrastructure Shares Funds

Income Statements

for the six months ended 30 June 2012

	Ordinary Shares Fund			Planned Exit Shares Fund			Infrastructure Shares Fund		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Realised gains on investments	—	5,055	5,055	—	—	—	—	—	—
Investment holding losses	—	(3,962)	(3,962)	—	(299)	(299)	—	—	—
Income	644	—	644	216	—	216	1	—	1
Investment management fees	(101)	(303)	(404)	(7)	(21)	(28)	(23)	(68)	(91)
Other expenses	(233)	—	(233)	(39)	—	(39)	(12)	—	(12)
Return/(loss) on ordinary activities									
before taxation	310	790	1,100	170	(320)	(150)	(34)	(68)	(102)
Taxation	30	—	30	(35)	5	(30)	—	—	—
Return/(loss) on ordinary activities									
after taxation	340	790	1,130	135	(315)	(180)	(34)	(68)	(102)
Return/(loss) per share	1.2p	2.8p	4.0p	2.2p	(5.1)p	(2.9)p	(0.3)p	(0.6)p	(0.9)p

Balance Sheets

at 30 June 2012

	Ordinary Shares Fund £'000	Planned Exit Shares Fund £'000	Infrastructure Shares Fund £'000
Fixed assets			
Investments held at fair value through profit or loss	22,340	5,044	12,500
Current assets			
Debtors	2,412	338	4,059
Money market securities and other deposits	5,611	109	—
Cash	3,394	182	—
	11,417	629	4,059
Creditors			
Amounts falling due within one year	(312)	(158)	(1,037)
Net current assets	11,105	471	3,022
Net assets	33,445	5,515	15,522
Capital and reserves			
Called-up share capital	277	62	164
Share premium account	3,539	—	15,460
Capital redemption reserve	384	—	—
Special distributable reserve	26,854	5,643	(68)
Revenue reserve	159	314	(34)
Capital reserve	11,331	(141)	—
Revaluation reserve	(9,099)	(363)	—
Equity shareholders' funds	33,445	5,515	15,522
Number of shares in issue	27,684,809	6,179,833	16,406,496
Net asset value per share	120.8p	89.2p	94.6p

At 30 June 2012 there was an inter-share debtor/creditor of £168,000 which has been eliminated on aggregation.



Unaudited Non-Statutory Analysis between the Ordinary Shares, Planned Exit Shares and Infrastructure Shares Funds

Reconciliations of Movements in Shareholders' Funds

for the six months ended 30 June 2012

	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Special distributable reserve £'000	Revenue reserve £'000	Capital reserve £'000	Revaluation reserve £'000	Total £'000
Ordinary Shares Fund								
As at 1 January 2012	279	—	352	30,932	(181)	8,372	(5,137)	34,617
Share issues in the period	30	3,595	—	—	—	—	—	3,625
Expenses in relation to share issues	—	(56)	—	—	—	—	—	(56)
Repurchase of shares	(32)	—	32	(3,775)	—	—	—	(3,775)
Net realised gain on disposal of investments	—	—	—	—	—	5,055	—	5,055
Investment holding losses	—	—	—	—	—	—	(3,962)	(3,962)
Dividends	—	—	—	—	—	(2,096)	—	(2,096)
Management fees charged to capital	—	—	—	(303)	—	—	—	(303)
Revenue return for the period	—	—	—	—	340	—	—	340
As at 30 June 2012	277	3,539	384	26,854	159	11,331	(9,099)	33,445

	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Special distributable reserve £'000	Revenue reserve £'000	Capital reserve £'000	Revaluation reserve £'000	Total £'000
Planned Exit Shares Fund								
As at 1 January 2012	62	—	—	5,682	179	(146)	(64)	5,713
Expenses in relation to share issues	—	—	—	(18)	—	—	—	(18)
Investment holding losses	—	—	—	—	—	—	(299)	(299)
Management fees charged to capital	—	—	—	(21)	—	—	—	(21)
Tax credited to capital	—	—	—	—	—	5	—	5
Revenue return for the period	—	—	—	—	135	—	—	135
As at 30 June 2012	62	—	—	5,643	314	(141)	(363)	5,515

	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Special distributable reserve £'000	Revenue reserve £'000	Capital reserve £'000	Revaluation reserve £'000	Total £'000
Infrastructure Shares Fund								
As at 1 January 2012	—	—	—	—	—	—	—	—
Share issues in the period	164	16,157	—	—	—	—	—	16,321
Expenses in relation to share issues	—	(697)	—	—	—	—	—	(697)
Management fees charged to capital	—	—	—	(68)	—	—	—	(68)
Revenue loss for the period	—	—	—	—	(34)	—	—	(34)
As at 30 June 2012	164	15,460	—	(68)	(34)	—	—	15,522

Unaudited Income Statement

for the six months ended 30 June 2012

	Six months ended 30 June 2012 (Unaudited)			Six months ended 30 June 2011 (Unaudited)			Year ended 31 December 2011 (Audited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Realised gains on investments	—	5,055	5,055	—	4,145	4,145	—	11,312	11,312
Investment holding									
(losses)/gains	—	(4,261)	(4,261)	—	32	32	—	(2,871)	(2,871)
Realised gains on derivatives	—	—	—	—	—	—	—	25	25
Unrealised losses on the									
value of derivatives	—	—	—	—	(35)	(35)	—	(25)	(25)
Income	861	—	861	296	—	296	712	—	712
Investment management fees	(131)	(392)	(523)	(75)	(226)	(301)	(166)	(499)	(665)
Other expenses	(284)	—	(284)	(239)	—	(239)	(460)	—	(460)
Return/(loss) on ordinary									
activities before taxation	446	402	848	(18)	3,916	3,898	86	7,942	8,028
Taxation	(5)	5	—	(4)	4	—	(8)	8	—
Return/(loss) on ordinary									
activities after taxation	441	407	848	(22)	3,920	3,898	78	7,950	8,028
Return/(loss) per share:									
Ordinary Share	1.2p	2.8p	4.0p	(0.3)p	11.0p	10.7p	(0.1)p	25.0p	24.9p
Planned Exit Share	2.2p	(5.1)p	(2.9)p	1.1p	0.0p	1.1p	1.4p	(1.0)p	0.4p
Infrastructure Share	(0.3)p	(0.6)p	(0.9)p	N/A	N/A	N/A	N/A	N/A	N/A

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 and no operations were discontinued in the period.

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



Unaudited Balance Sheet

at 30 June 2012

	As at 30 June 2012 £'000	As at 30 June 2011 £'000	As at 31 December 2011 £'000
Fixed assets			
Investments held at fair value through profit or loss	39,884	29,320	27,458
Current assets			
Debtors	6,641	1,238	2,119
Derivative financial instruments	—	12	—
Money market securities and other deposits	5,720	1,804	11,341
Cash	3,576	4,662	98
	15,937	7,716	13,558
Creditors			
Amounts falling due within one year	(1,339)	(31)	(686)
Net current assets	14,598	7,685	12,872
Net assets	54,482	37,005	40,330
Capital and reserves			
Called-up share capital	503	349	341
Share premium account	18,999	27,336	—
Capital redemption reserve	384	344	352
Special distributable reserve	32,429	10,529	36,614
Revenue reserve	439	(102)	(2)
Capital reserve	11,190	856	8,226
Revaluation reserve	(9,462)	(2,307)	(5,201)
Equity shareholders' funds	54,482	37,005	40,330
Net asset value per share:			
Ordinary Share	120.8p	108.8p	123.9p
Planned Exit Share	89.2p	93.7p	92.4p
Infrastructure Share	94.6p	N/A	N/A

Unaudited Reconciliation of Movements in Shareholders' Funds

for the six months ended 30 June 2012

	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Special distributable reserve £'000	Revenue reserve £'000	Capital reserve £'000	Revaluation reserve £'000	Total £'000
Company								
As at 1 January 2012	341	—	352	36,614	(2)	8,226	(5,201)	40,330
Share issues in the period	194	19,752	—	—	—	—	—	19,946
Expenses in relation to share issues	—	(753)	—	(18)	—	—	—	(771)
Repurchase of shares	(32)	—	32	(3,775)	—	—	—	(3,775)
Net realised gain on disposal of investments	—	—	—	—	—	5,055	—	5,055
Investment holding losses	—	—	—	—	—	—	(4,261)	(4,261)
Dividends	—	—	—	—	—	(2,096)	—	(2,096)
Management fees charged to capital	—	—	—	(392)	—	—	—	(392)
Tax credited to capital	—	—	—	—	—	5	—	5
Revenue return for the period	—	—	—	—	441	—	—	441
As at 30 June 2012	503	18,999	384	32,429	439	11,190	(9,462)	54,482

Unaudited Cash Flow Statement

for the six months ended 30 June 2012

	Six months ended 30 June 2012 £'000	Six months ended 30 June 2011 £'000	Year ended 31 December 2011 £'000
Cash flow from operating activities			
Investment income received	657	261	400
Deposit and similar interest received	29	7	20
Investment management fees paid	(353)	(293)	(713)
Secretarial fees paid	(60)	(41)	(138)
Other cash payments	(217)	(540)	(551)
Net cash inflow/(outflow) from operating activities and returns on investment	56	(606)	(982)
Taxation	—	—	—
Returns on investment and servicing of finance			
Purchase of investments	(4,909)	(837)	(3,259)
Net proceeds on sale of investments	5,637	7,875	16,120
Net proceeds from derivative transactions	—	—	49
Net capital inflow from financial investment	728	7,038	12,910
Equity dividends paid	(2,096)	(1,629)	(1,646)
Management of liquid resources			
Movement in money market funds	5,621	194	(9,343)
	5,621	194	(9,343)
Financing			
Proceeds of fund-raising	—	235	235
Acquisition issue shares	—	8	8
Expenses of fund-raising	(72)	—	(180)
Dividends reinvested	83	—	59
Repurchase of own shares	(842)	(1,248)	(1,633)
	(831)	(1,005)	(1,511)
Increase/(decrease) in cash	3,478	3,992	(572)



Notes to the Unaudited Half-Yearly Results

for the six months ended 30 June 2012

- 1 The unaudited half-yearly results have been prepared on the basis of the accounting policies set out in the statutory accounts of the Company for the year ended 31 December 2011. Unquoted investments have been valued in accordance with IPEVC guidelines. Quoted investments are stated at bid prices in accordance with the IPEVC guidelines and UK Generally Accepted Accounting Practice.
- 2 These are not statutory accounts in accordance with S436 of the Companies Act 2006 and the financial information for the six months ended 30 June 2012 and 30 June 2011 has been neither audited nor reviewed. Statutory accounts in respect of the period to 31 December 2011 have been audited and reported on by the Company's auditors and delivered to the Registrar of Companies and included the report of the auditors which was unqualified and did not contain a statement under S498(2) or S498(3) of the Companies Act 2006. No statutory accounts in respect of any period after 31 December 2011 have been reported on by the Company's auditors or delivered to the Registrar of Companies.
- 3 Copies of the Interim Report will be sent to shareholders and will be available for inspection at the Registered Office of the Company at ECA Court, 24-26 South Park, Sevenoaks, Kent, TN13 1DU.

4 Net asset value per share

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

	Ordinary Shares Fund		Planned Exit Shares Fund		Infrastructure Shares Fund	
	Net Assets	Number of	Net Assets	Number of	Net Assets	Number of
	£'000	Shares in	£'000	Shares in	£'000	Shares in
		Issue		Issue		Issue
30 June 2012	33,445	27,684,809	5,515	6,179,833	15,522	16,406,496
30 June 2011	31,218	28,694,271	5,787	6,179,833	N/A	N/A
31 December 2011	34,617	27,940,367	5,713	6,179,833	N/A	N/A

5 Return per share

The weighted average number of shares for the Ordinary Shares, Planned Exit Shares and Infrastructure Shares funds used to calculate the respective returns are shown in the table below.

	Ordinary Shares Fund (Shares)	Planned Exit Shares Fund (Shares)	Infrastructure Shares Fund (Shares)
Six months ended 30 June 2012	27,964,520	6,179,833	11,804,500
Six months ended 30 June 2011	35,674,443	6,179,833	N/A
Year ended 31 December 2011	32,097,234	6,179,833	N/A

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

6 Income

	Six months ended 30 June 2012 £'000	Six months ended 30 June 2011 £'000	Year ended 31 December 2011 £'000
Loan stock interest	833	285	599
Overseas based Open Ended Investment Companies ("OEICs")	28	11	24
Dividends	—	—	77
Bank deposits	—	—	2
Other	—	—	10
	861	296	712

Notes to the Unaudited Half-Yearly Results

for the six months ended 30 June 2012

7 Investments at fair value through profit or loss

Company	Quoted £'000	Unquoted £'000	Total £'000
Book cost as at 1 January 2012	6,265	26,333	32,598
Investment holding (losses)/gains	(5,232)	92	(5,140)
Valuation at 1 January 2012	1,033	26,425	27,458
Movements in the period:			
Purchases at cost	—	17,409	17,409
Disposal proceeds	—	(5,637)	(5,637)
Realised gains	—	4,915	4,915
Investment holding gains/(losses)	73	(4,334)	(4,261)
Valuation at 30 June 2012	1,106	38,778	39,884
Book cost at 30 June 2012	6,265	43,020	49,285
Investment holding losses	(5,159)	(4,242)	(9,401)
Valuation at 30 June 2012	1,106	38,778	39,884

Ordinary Shares Fund	Quoted £'000	Unquoted £'000	Total £'000
Book cost as at 1 January 2012	6,265	21,662	27,927
Investment holding (losses)/gains	(5,232)	156	(5,076)
Valuation at 1 January 2012	1,033	21,818	22,851
Movements in the period:			
Purchases at cost	—	4,048	4,048
Disposal proceeds	—	(5,512)	(5,512)
Realised gains	—	4,915	4,915
Investment holding gains/(losses)	73	(4,035)	(3,962)
Valuation at 30 June 2012	1,106	21,234	22,340
Book cost at 30 June 2012	6,265	25,113	31,378
Investment holding losses	(5,159)	(3,879)	(9,038)
Valuation at 30 June 2012	1,106	21,234	22,340

Deferred consideration of £140,000 was also recognised by the Ordinary Shares Fund in the period.

Planned Exit Shares Fund	Quoted £'000	Unquoted £'000	Total £'000
Book cost as at 1 January 2012	—	4,671	4,671
Investment holding losses	—	(64)	(64)
Valuation at 1 January 2012	—	4,607	4,607
Movements in the period:			
Purchases at cost	—	861	861
Disposal proceeds	—	(125)	(125)
Investment holding losses	—	(299)	(299)
Valuation at 30 June 2012	—	5,044	5,044
Book cost at 30 June 2012	—	5,407	5,407
Investment holding losses	—	(363)	(363)
Valuation at 30 June 2012	—	5,044	5,044

Infrastructure Shares Fund	Quoted £'000	Unquoted £'000	Total £'000
Book cost and valuation as at 1 January 2012	—	—	—
Movements in the period:			
Purchases at cost	—	12,500	12,500
Valuation at 30 June 2012	—	12,500	12,500
Book cost at 30 June 2012	—	12,500	12,500
Investment holding gains	—	—	—
Valuation at 30 June 2012	—	12,500	12,500



Notes to the Unaudited Half-Yearly Results

for the six months ended 30 June 2012

8 Related Parties

Foresight Group, as Investment Manager of the Company, is considered to be a related party by virtue of its management contract with the Company. During the period, services of a total value of £523,000 (30 June 2011: £301,000; 31 December 2011: £665,000) were purchased by the Company from Foresight Group. At 30 June 2012, the amount due from Foresight Group was £116,000.

Foresight Fund Managers Limited, as Secretary of the Company and as a subsidiary of Foresight Group, is also considered to be a related party of the Company. During the period, services of a total value of £50,000 excluding VAT (30 June 2011: £50,000; 31 December 2011: £100,000) were purchased by the Company from Foresight Fund Managers Limited. At 30 June 2012, the amount due to Foresight Fund Managers Limited included within creditors was £nil.

No Director has, or during the period had, a contract of service with the Company. No Director was party to, or had an interest in, any contract or arrangement (with the exception of Directors' fees) with the Company at any time during the period under review or as at the date of this report.

Dividends

Shareholder Information

Shareholders who wish to have dividends paid directly into their bank account rather than by cheque to their registered address can complete a Mandate Form for this purpose. Mandates can be obtained by telephoning the Company's registrar, Computershare Investor Services plc (see back cover for details).

Share price

The Company's Ordinary Shares, Planned Exit Shares and Infrastructure Shares are listed on the London Stock Exchange. The mid-price of the Company's Ordinary Shares is given daily in the Financial Times in the Investment Companies section of the London Share Service. Share price information can also be obtained from many financial websites. Due to the fact that Planned Exit and Infrastructure Shares are bought back at net asset value, and in order to keep costs down, it has been decided not to list the Planned Exit and Infrastructure Shares in the Financial Times.

Investor centre

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

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

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

Trading shares

The Company's Ordinary, Planned Exit and Infrastructure Shares can be bought and sold in the same way as any other quoted company on the London Stock Exchange via a stockbroker. The primary market maker for Foresight VCT plc is Matrix Corporate Capital.

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

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

Indicative financial calendar

April 2013 Announcement of preliminary results for the year ending 31 December 2012.

April 2013 Posting of the annual report for the year ending 31 December 2012.

May 2013 Annual General Meeting.

August 2013 Announcement of Half-Yearly Results for the six months ending 30 June 2013.



Open invitation to meet the Investment Manager

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

Enquiries

Please contact Foresight Group for any queries regarding Foresight VCT plc:

Telephone: 01732 471800

Fax: 01732 471810

e-mail: info@foresightgroup.eu

website: www.foresightgroup.eu

Foresight VCT plc is managed by Foresight Group CI which is authorised and regulated by the Guernsey Financial Services Commission. Past performance is not necessarily a guide to future performance. Stock markets and currency movements may cause the value of the 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.



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Corporate Information

Directors

John Gregory (Chairman)
Peter Dicks
Gordon Humphries

Company Secretary

Foresight Fund Managers Limited
ECA Court
South Park
Sevenoaks
TN13 1DU

Investment Manager

Foresight Group CI Limited
La Plaiderie House
La Plaiderie
St Peter Port
Guernsey
GY1 1WP

Registered Office

ECA Court
24–26 South Park
Sevenoaks
TN13 1DU

Auditor and Tax Advisers

KPMG Audit Plc
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

Contact Numbers

Registrar's Shareholder Helpline: Computershare (0870 703 6292)
General and Portfolio Queries: Foresight Group (01732 471812)

Bankers

Lloyds TSB Bank plc
123 Colmore Row
Birmingham
B3 2DL

Solicitors and VCT Status Advisers

SGH Martineau LLP
No. 1 Colmore Square
Birmingham
B4 6AA

Registrar

Computershare Investor Services plc
PO Box 82
The Pavilions
Bridgwater Road
Bristol
BS99 6ZZ

Registered Number

03421340



Foresight VCT plc

ECA Court
South Park
Sevenoaks
Kent
TN13 1DU
Tel: 01732 471800