

Foresight VCT plc

Annual Report and Accounts

31 December 2024

 **Foresight**
Invest Build Grow

Our Purpose

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

Key objectives



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



Developing Net Asset Value Total Return above a 5% annual target



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



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

Key dates

Annual General Meeting 2 June 2025

Half-yearly results to 30 June 2025 September 2025

Annual results to 31 December 2025 April 2026

Awards



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Financial Highlights

NAV Total Return per share increased by 8.7% in the year.
The Company paid a dividend totalling 11.4p per share which represented a dividend yield of 15.5%.

£222.9m	82.0p	£17.5m	11.4p
Total net assets as at 31 December 2024	NAV per share as at 31 December 2024	Increase in valuation of investments in the year ended 31 December 2024	Dividend paid on 28 June 2024

- Total net assets **£222.9 million**.
- A final dividend of **4.4p** per share was paid on 28 June 2024, costing **£11.9 million**.
- A special interim dividend of **7.0p** per share was also paid on 28 June 2024, distributing **£18.8 million**.
- Net Asset Value per share decreased by 4.5% from **85.9p** at 31 December 2023 to **82.0p** at 31 December 2024. After adding back the payment of **11.4p** dividend made on 28 June 2024, NAV Total Return per share was **93.4p**, bringing the increase in total return in the year to **8.7%**.
- Four new investments totalling **£8.3 million** and six follow-on investments costing **£6.0 million** were made during the year.
- The value of the investment portfolio fell by **£4.7 million** in the year to 31 December 2024. This was driven by an increase of **£17.5 million** in the valuation of investments, plus **£14.3 million** of new and follow-on investments offset by sales of investments totalling **£36.0 million** and loan repayments totalling **£0.5 million**.
- The offer for subscription launched on 10 December 2024 was closed to further applications on 20 December 2024 and raised a total of **£24.1 million** after expenses.
- The Board is recommending a final dividend for the year ended 31 December 2024 of **4.1p** per share, to be paid on 27 June 2025.
- Following the successful realisation of Hospital Services Group Limited, the Board also declared a special dividend of **6.4p** per share, to be paid on 9 May 2025.



Financial Highlights continued

Key metrics

	1 year	3 years	5 years
Movement in NAV Total Return for the period shown to 31 December 2024 ¹	8.7%	22.4%	53.3%

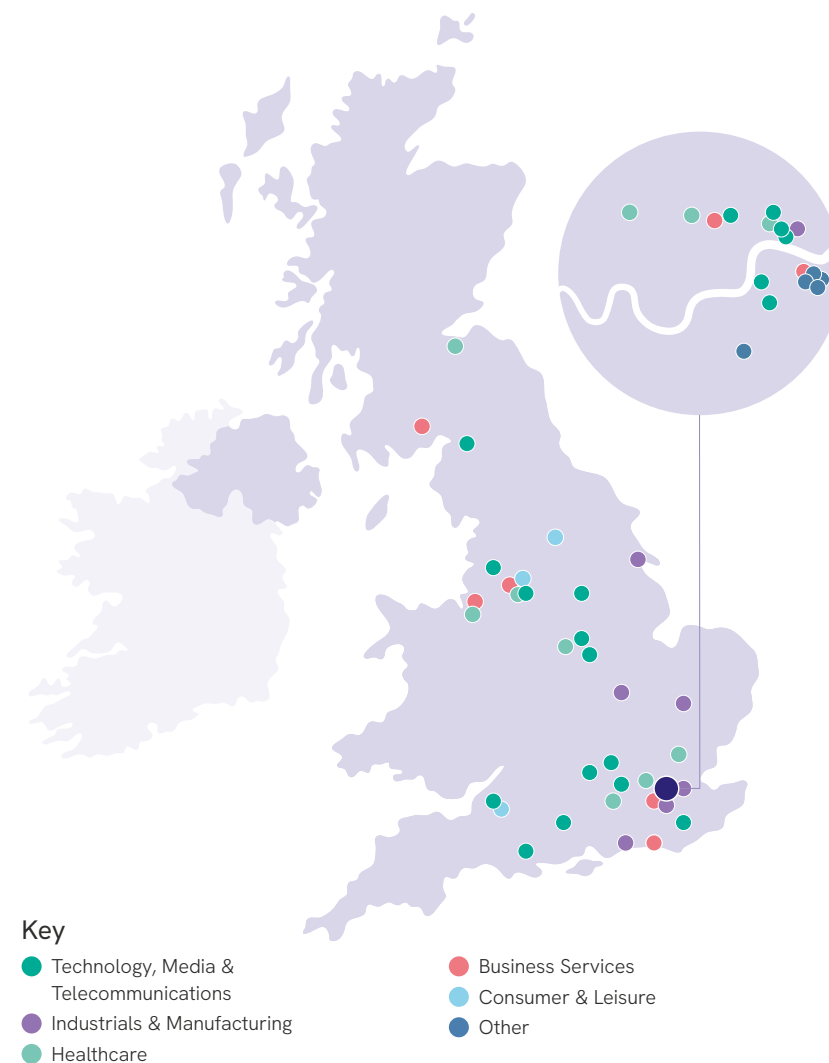
	31 December 2024	31 December 2023
Total net assets	£222.9m	£219.1m
Net Asset Value per share	82.0p	85.9p
Movement in Net Asset Value Total Return during the year ¹	8.7%	7.8%
Share price	73.5p	78.5p
Share Price Total Return ^{1,2}	233.4p	231.0p
Dividends per share paid in the year ¹	11.4p	8.4p
Dividend yield ¹	15.5%	10.7%
Shares in issue	271,779,253	255,218,477

	2024	2023
Discount to NAV at 31 December ¹	10.4%	8.6%
Average discount on buybacks ¹	7.5%	7.5%
Shares issued through fundraising	16,683,714	37,910,583
Shares issued under the dividend reinvestment scheme	7,086,604	4,940,235
Shares bought back during the year under review ¹	7,209,542	6,784,285
Ongoing charges ratio (based on quarterly average net assets) ¹	2.2%	2.2%

1. Definitions of these Alternative Performance Measures ("APMs") can be found in the Glossary on page 114.

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

Place of business of portfolio companies



Chair's Statement



I am pleased to present the Company's audited Annual Report and Accounts for the year ended 31 December 2024, and to report an increase in Net Asset Value Total Return of 8.7% for the year and a dividend yield of 15.5%, including a special dividend.

Margaret Littlejohns
Chair of Foresight VCT plc

Overview of 2024

I am pleased to present the Company's audited Annual Report and Accounts for the year ended 31 December 2024.

The Company's Net Asset Value ("NAV") Total Return per share increased by 7.5p per share to 93.4p, which is calculated by adding the dividends of 11.4p paid during the year to the Company's year end NAV per share of 82.0p.

In the first half of 2024 the UK economy started to bounce back from the recession of late 2023, showing some signs of growth again. However, the second half of the year proved more subdued, resulting in the overall annual growth in UK GDP of a modest 0.9%. Inflation eased, reaching the Bank of England's target rate of 2% in May, but nudged up again in the subsequent months, with CPI ending the year at 2.5%. With inflation more under control, the Bank of England began cutting UK interest rates but at a slower rate than originally anticipated.

The year saw elections in a large number of countries, many of which generally expressed their dissatisfaction with their incumbent governments and voted for change. In the UK the Labour government swept to power in July, emphasizing growth as a key objective. Their first budget in October included increased public spending on health, infrastructure and technology which should help to boost the economy, but surprisingly also levied higher employer taxes on businesses, potentially to the detriment of the labour market and inflation. Both domestic and international concerns, particularly the continuing geopolitical conflicts in Ukraine and the Middle East, have weighed on the markets during the year.

The Company's well-balanced portfolio, with investments in different sectors and at different stages of development, has performed well in aggregate against this fluctuating backdrop. Some of the investee companies have faced greater challenges than others, particularly those that are consumer-facing. The Manager continues to work closely with them to help them through these difficulties. On the other hand, other companies within the portfolio are flourishing in this state of flux and delivering strong profits. We are encouraged by the improving M&A market and have benefited recently from some very profitable exits.

Portfolio overview

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Investments as at
31 December 2024

£17.5m

Increase in valuation of
investments in the year ended
31 December 2024

£36.5m

Cash proceeds generated from
disposal of investments in the
year ended 31 December 2024

Chair's Statement continued

Overview of 2024 continued

The overall solid performance of the Company in 2024 demonstrates the advantages of a generalist VCT and well-diversified portfolio.

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

- Developing Net Asset Value Total Return above a 5% annual target
- Paying annual ordinary dividends of at least 5% of the latest announced NAV
- Implementing a significant number of new and follow-on investments, exceeding deployment requirements to maintain VCT status
- Maintaining a programme of regular share buybacks at a discount of no more than 7.5% to NAV

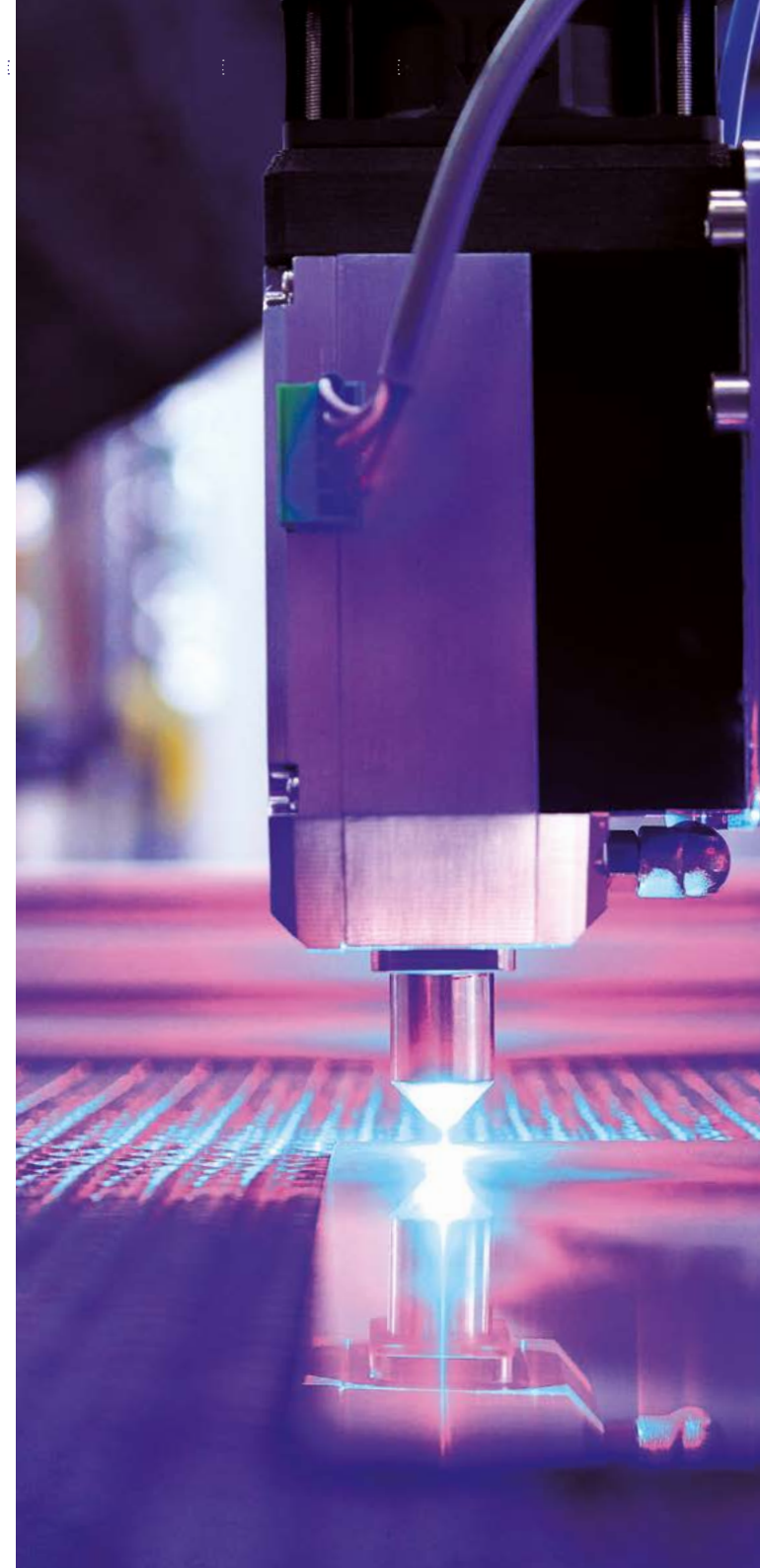
The Board and the Manager believe that these key objectives remain appropriate and the Company's performance in relation to each of them over the past year is reviewed in more detail below.

Net Asset Value and dividends

The net assets of the Company increased moderately over the period from £219.1 million at 31 December 2023 to £222.9 million at 31 December 2024. This was following the payment of both an ordinary and special dividend, costing the Company £30.7 million in total (including shares allotted under the dividend reinvestment scheme).

After the successful realisations of Callen-Lenz Associates Limited and Specac International Limited, the Board declared a special interim dividend of 7.0p per share in addition to the final dividend for the year ended 31 December 2023 of 4.4p per share. The combined dividend of 11.4p per share was paid on 28 June 2024.

At the end of 2024, nearly three quarters of the Company's assets were invested and the Board believed it would be in the Company's best interest to raise further funds to provide liquidity for its activities in 2025 and beyond. On 10 December 2024, the Company launched an offer for subscription to raise up to £20.0 million, with an over-allotment facility to raise up to a further £5.0 million, through the issue of new shares. The offer was closed to applications on 20 December 2024 having raised gross proceeds of £25.0 million, £24.1 million after expenses. We would like to thank those existing shareholders who supported the offer and welcome all new shareholders to the Company.



Chair's Statement continued

Net Asset Value and dividends continued

The sales of Callen-Lenz Associates Limited and Specac International Limited generated proceeds of £34.2 million at completion. From initial investment to completion, the two exits combined returned to the Company a total of £35.7 million. This is an exceptional achievement from a combined initial investment of £6.2 million and represents a cash-on-cash multiple of 6.4 times. The Company also successfully exited 200 Degrees Holdings Limited for proceeds of £1.9 million.

Post year end the Company continued its strong track record of exits with the sale of Hospital Services Group Limited, generating proceeds of £26.2 million at completion with potential for a further £1.0 million over the coming years, representing a return of 8.5 times the original investment. Following this successful realisation, the Board has declared a special dividend of 6.4p per share to be paid on 9 May 2025, based on an ex-dividend date of 17 April 2025 and with a record date of 22 April 2025.

The percentage increase in total return per share from an investment in the Company's shares made five years ago is 53.3%, which is well above the minimum target return set by the Board of 5% per annum. Exceeding this target is at the core of the Company's current and future portfolio management objectives.

Adding back the 30% upfront income tax relief and subtracting the maximum fees paid by direct investors on entry and the 7.5% discount on buyback, an initial investment of £10,000 made on 1 January 2020 would have yielded £17,886 five years later, assuming dividends were reinvested when paid. This represents a tax exempt gain of £7,886 over five years or an average return of 15.8% per annum, not including a potential further £1,591 tax credit receivable on dividends reinvested. An illustration of this calculation can be seen on page 9.

The Board is recommending a final dividend for the year ended 31 December 2024 of 4.1p per share, to be paid on 27 June 2025 based on an ex-dividend date of 12 June 2025, with a record date of 13 June 2025.

At the year end, amounts available for distribution totalled £73,735,000 (2023: £52,046,000).

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

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

Investment performance and portfolio activity

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

In brief, during the year under review, the Manager completed four new investments in a range of sectors, and six follow-on investments costing £8.3 million and £6.0 million respectively. The Company also disposed of three investments very successfully, as described above, as well as the disposal of three challenged businesses within the portfolio. Furthermore, the Company received loan principal repayments totalling £0.5 million. Further details of these particular investments and realisations can be found in the Manager's Review on pages 17 to 20.

The Board and the Manager are confident that a significant number of new and follow-on investments can be achieved in 2025.

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

Responsible investing

The analysis of environmental, social and governance ("ESG") issues is embedded in the Manager's investment process and these factors are considered key in determining the quality of a business and its long-term success. Central to the Manager's responsible investment approach are five ESG principles that are applied to evaluate investee companies, acquired since May 2018, throughout the lifecycle of their investment, from their initial review and acquisition to their final sale. Every year, the portfolio companies are assessed and progress is measured against these principles. More detailed information about the process can be found on pages 46 to 49 of the Manager's Review.

Buybacks

During the period, the Company repurchased 7,209,542 shares for cancellation at an average discount of 7.5%, in line with its objective of maintaining regular share buybacks at a discount of no more than 7.5% to the prevailing NAV per share. The Board and the Manager consider that the ability to offer to buy back shares at this level of discount is fair to both continuing and selling shareholders and continues to help underpin the discount to NAV at which the shares trade.

Chair's Statement continued

Buybacks continued

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

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

Management charges, co-investment and performance incentive

The annual management fee is an amount equal to 2.0% of net assets, excluding cash balances above £20.0 million, which are charged at a reduced rate of 1.0%.

This has resulted in ongoing charges for the period ended 31 December 2024 of 2.2%, which is at the lower end of the range when compared to recent cost ratios of competitor VCTs.

Since March 2017, co-investments made by the Manager and individual members of the Manager's private equity team have totalled £1.4 million alongside the Company's investments of £115.6 million.

The co-investment scheme requires that the individual members of the team invest in all of the Company's investments from that date onwards and prohibits selective "cherry picking" of co-investments. The Board believes that the co-investment scheme aligns the interests of the Manager's team with those of shareholders and has contributed to the gradual improvement in the Company's investment performance.

In addition to the co-investment scheme, a performance incentive scheme has been in place since 2023. This scheme, in brief, is based on the Company's investment performance over a rolling five-year period, over which the percentage movement in NAV Total Return per share needs to exceed a hurdle of 25.0% before any performance fee each year can be earned. The annual fee is subject to a cap of 1.0% of the closing NAV at the end of the five-year period. More details on the calculation of the performance fee can be found in note 13 of this report.

A total of £2.0 million has been accrued as an estimate of the performance fee due in respect of this financial year, based on the Company's performance over the last five years. Over this period I am very pleased to report that the NAV Total Return per share has increased by 41.5p before any performance incentive provision, representing an average of 8.3p each year.

Board composition

The Board continues to review its own performance and undertakes succession planning to maintain an appropriate level of independence, experience, diversity and skills in order to be in a position to discharge its responsibilities. 2024 has seen some planned changes to the composition of the Board.

After more than eight years as a Non-Executive Director, Jocelin Harris did not stand for re-election at the AGM on 4 June 2024. On behalf of the Company, I would once again like to thank Jocelin for his significant contribution and dedication to the Company, which has benefited enormously from his wise counsel during his many years of service.



Chair's Statement continued

Shareholder communication

We were delighted to meet with some shareholders in person at the AGM on 4 June 2024. We hope many of you will be available to attend our next in-person investor forum event which will take place on 14 May 2025. These events have proven very popular with our shareholders in the past and provide the opportunity to learn firsthand about some of our investee companies from their founders and management.

VCT Sunset Clause

I am pleased to report that new regulations have been made to extend the UK's VCT scheme by ten years to April 2035, following the European Commission's confirmation that they would not oppose the continuation of the scheme. This now removes any recent uncertainty and will help support further investment by the VCT sector in early-stage companies.

Annual General Meeting

The Company's Annual General Meeting will take place at the Company's registered office on 2 June 2025 at 2:30pm and we look forward to meeting as many of you as possible in person. Please refer to the formal notice on pages 109 and 110 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 2.30pm on 29 May 2025 and to forward any questions by email to InvestorRelations@foresightgroup.eu in advance of the meeting.

Outlook

The UK economy has faced challenges throughout the year, with GDP growth slowing significantly in the second half of 2024. The election of a majority Labour government in July brought some political stability, but its first budget in October provoked criticism for increasing the cost of labour for small businesses. The Chancellor of the Exchequer's recent Spring Statement highlighted the difficulties of the limited fiscal headroom for the government that may hamper its plans for growth.

Consumer confidence and business investment remain subdued and recent forecasts for economic growth in the UK have been disappointing, reflecting fears of persistent inflation and weak productivity. These concerns have been exacerbated by heightened uncertainties regarding geopolitical conflicts and trade wars, following the election of President Trump and the introduction of his radical and erratic foreign policies and trade tariffs.

We are conscious that such economic conditions could prove challenging for our investee companies, which are unquoted, small, early-growth businesses and by their nature entail higher levels of risk and lower liquidity than larger-listed companies. Nonetheless, the Company's current portfolio of investments is highly diversified by number, business sector, size and stage of development and overall has already demonstrated its relative resilience in recent difficult economic and geopolitical circumstances. We are confident that this approach will continue to provide some protection in future volatile market conditions.

The current uncertain conditions can provide young creative companies with opportunities to disrupt the status quo and develop new products and services. The UK still remains an attractive place for entrepreneurs to establish and grow new businesses. The Manager is continuing to see a promising pipeline of potential investments, both new and follow-on, which are sourced nationally through its regional network. Cash proceeds both from recent successful exits and fundraising at the end of 2024 will provide the resources to make selective acquisitions from an increasing number of emerging investment opportunities. We believe that the Company's generalist and diversified portfolio is well-placed to address the challenges ahead and to continue to generate long-term value for shareholders.

Margaret Littlejohns

Chair

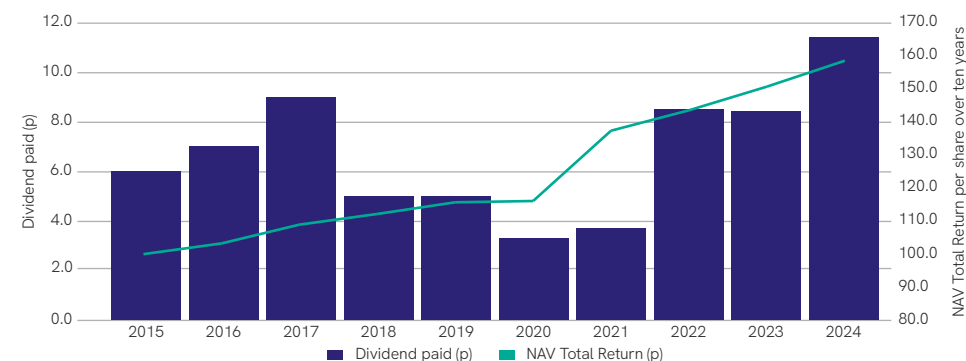
14 April 2025

Chair's Statement continued

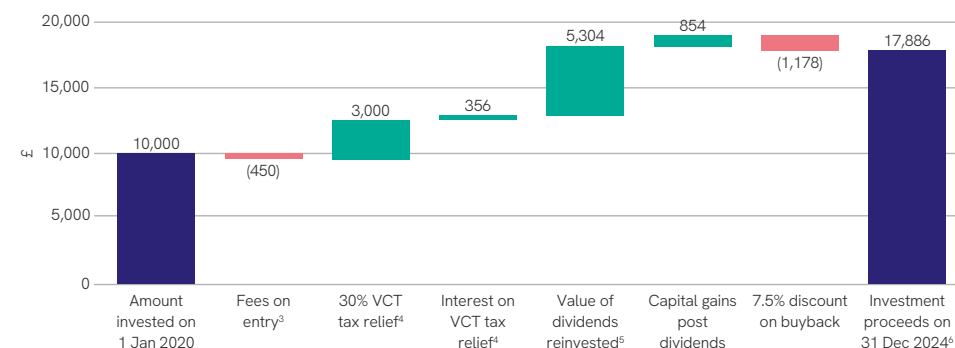
	Dividend per share	Dividend per share (rebased) ¹
28 June 2024	11.4p	4.3p
18 August 2023	4.0p	1.5p
30 June 2023	4.4p	1.7p
21 October 2022	4.0p	1.5p
24 June 2022	4.5p	1.7p
25 June 2021	3.7p	1.4p
19 June 2020	3.3p	1.3p
3 May 2019	5.0p	1.9p
4 May 2018	5.0p	1.9p
29 September 2017	4.0p	1.5p
3 April 2017	5.0p	1.9p
1 April 2016	7.0p	2.7p
13 March 2015	6.0p	2.3p
14 March 2014	10.0p	3.8p
14 June 2013	5.0p	1.9p
23 March 2012	7.5p	2.9p
17 June 2011	5.0p	1.9p
29 May 2009	1.0p	0.7p
7 March 2008	5.0p	3.4p
26 May 2006	0.5p	0.5p
5 July 2004	52.0p	52.0p
22 September 2003	8.0p	8.0p
30 June 2003	0.5p	0.5p
8 May 2000	100.0p	100.0p
6 August 1999	1.0p	1.0p
29 January 1999	3.2p	3.2p
Total dividends paid		205.4p
NAV per share based on 100.0p invested at launch		31.3p
NAV Total Return per share based since inception on 100.0p invested at launch		236.7p

In addition to these details, holders of the original C Share class (which became the current Ordinary Shares in January 2007) have received total dividends as set out on page 113.

Dividends paid and NAV Total Return (pence)² over ten years



Investment returns over a five-year period after accounting for expenses and tax relief



1. To get an accurate NAV Total Return per share in relation to the original Ordinary Share class launched in 1997, we have rebased dividends and NAV to account for the merger of the original Ordinary Share class and the C Share class in January 2007 (conversion ratio of 0.688075647795) and the subsequent reconstruction of the merged share class (this being the current share class) in March 2011 (conversion ratio of 0.554417986).
2. Based on an initial investment on 1 January 2015.
3. Fees on entry are assumed to be 4.5% which is the maximum fee paid by direct investors.
4. 30% VCT tax credit is assumed to be received on 01/01/2021 and invested at the weighted average Bank of England base rate for the period.
5. Dividends are assumed to be reinvested through the Dividend Reinvestment Scheme ("DRIS").
6. Note this does not include a potential additional £1,591 of VCT tax credit due after five years on dividends reinvested.

Strategic Report

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Evolution of Foresight VCT plc

Foresight Group is one of the longest-serving VCT managers in the industry, launching the first Foresight managed VCT in 1997.

1997

Foresight VCT (formerly Foresight Technology VCT plc) was launched in November 1997, initially raising £10.9 million through an issue of Ordinary Shares (original Ordinary Shares) for investment in technology-focused companies.

2007

In January 2007, the original Ordinary Share and C Share classes were merged into one class of Ordinary Shares and the Company was renamed Foresight VCT plc.

2011

In March 2011, Keydata Income VCT 1 plc and Keydata Income VCT 2 plc were merged into the Ordinary Share class of Foresight VCT plc.

2012

Foresight VCT and Foresight 2 VCT raised more than £30 million in the 2011/12 tax year through the launch of a new Infrastructure Share class.

2017

The Company completed the sale of all investments in the Planned Exit Share class and the Infrastructure Share class. These were wound up, with final distributions made to shareholders on 29 December 2017.

2024

On 20 December 2024, the Company closed its latest offer for subscription after raising £24.1 million after expenses.



1999

A separate class of C Shares was launched in 1999, initially raising £32.6 million.

2010

Foresight VCT and Foresight 2 VCT raised £12 million of Planned Exit Shares in the 2009/10 tax year.

2011

In March 2011, a reconstruction of the Ordinary Shares took place to rebase the NAV per share to 100p.

2015

On 18 December 2015, following shareholder approval, Foresight 2 VCT plc was merged into Foresight VCT plc, creating the then third largest VCT in the UK.

2018

Since 24 January 2018, the Company has comprised one single class of share, the Ordinary Shares.

Company Objectives and KPIs

Objective



Developing Net Asset Value Total Return above a 5% annual target

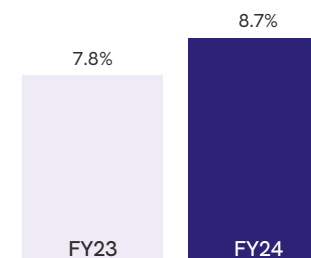
Progress against objective

- The NAV of the Company grew from £219.1 million as at 31 December 2023 to 222.9 million as at 31 December 2024.
- During the year, the NAV per share decreased by 4.5% from 85.9p at 31 December 2023 to 82.0p at 31 December 2024.
- After adding back the payment of a 11.4p dividend made on 28 June 2024, NAV Total Return per share was 93.4p, making the percentage increase in the year 8.7%.
- The increase in total return per share from an investment made five years ago is 53.3%, which is above the minimum target return set by the Board of 5% per annum.

KPIs

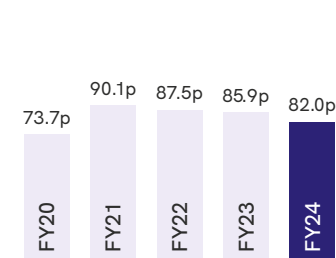
8.7%

Movement in NAV Total Return
(31 December 2023: 7.8%)



82.0p

NAV per share
(31 December 2023: 85.9p)



Objective



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

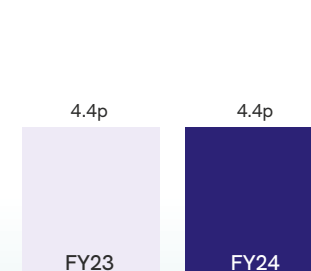
Progress against objective

- The final dividend for the year ended 31 December 2023 of 4.4p per share was paid on 28 June 2024 based on an ex-dividend date of 13 June 2024, with a record date of 14 June 2024.
- A special interim dividend following successful realisations of Specac and Callen-Lenz of 7.0p per share was also paid on 28 June 2024 based on an ex-dividend date of 13 June 2024, with a record date of 14 June 2024.
- This total payout exceeded the minimum target dividend per share of 5% of the NAV per share of 89.4p as at 30 May 2024.
- This target was set in 2019 in light of the change in the portfolio towards earlier-stage, higher-risk companies, as required by the current VCT rules.

KPIs

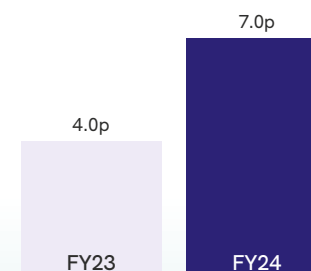
4.4p

Final dividend paid
28 June 2024
(30 June 2023: 4.4p)



7.0p

Special dividend paid
28 June 2024
(18 August 2023: 4.0p)



Company Objectives and KPIs continued

Objective



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

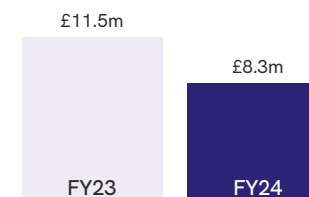
Progress against objective

- During the year, the Manager completed four new investments and six follow-on investments costing £8.3 million and £6.0 million respectively. Details of each of these new portfolio companies can be found in the Manager's Review.
- This level of new investment was in line with the Board's expectations, having successfully supported the existing portfolio through the various stages of the pandemic and the economic shock of the ongoing conflict in Ukraine.
- The Board and the Manager believe that a significant number of new and follow-on investments can be achieved in 2025 as the ongoing economic difficulties are already presenting unique investment opportunities.

KPIs

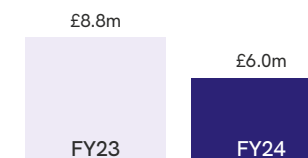
£8.3m

New investment deployment
in the year to 31 December 2024
(31 December 2023: £11.5m)



£6.0m

Follow-on investment deployment
in the year to 31 December 2024
(31 December 2023: £8.8m)



Objective



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

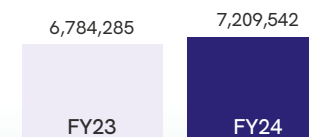
Progress against objective

- During the year, the Company repurchased 7,209,542 shares for cancellation at an average discount of 7.5%.
- The Board has a current objective of maintaining a programme of regular share buybacks at a discount of no more than 7.5% to the prevailing NAV per share.

KPIs

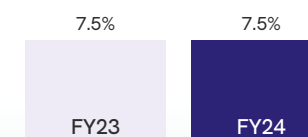
7,209,542

Number of shares bought back
in the year to 31 December 2024
(31 December 2023: 6,784,285)



7.5%

Average discount on buybacks
in the year to 31 December 2024
(31 December 2023: 7.5%)



Company Objectives and KPIs continued

Investment objective

To provide private investors with regular dividends and capital growth from a portfolio of investments in fast-growing unquoted companies in the UK.

Performance and key performance indicators ("KPIs")

The Board expects the 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 payment, which, when combined, give a positive overall NAV Total Return. Additional Alternative Performance Measures ("APMs") reviewed by the Board include the sum of expenditure incurred in the ordinary course of business, after removal of any performance incentive fees paid during the year expressed as a percentage of the average of the quarterly net assets throughout the year in accordance with the AIC's recommended guidance. 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 3 and the Company Objectives and KPIs section on pages 12 to 15.

The ongoing charges ratio for the year was 2.2% of net assets. Further detail of the Company's KPIs and APMs can be found in the Glossary of Terms on page 114.

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 Manager's Review. The Board assesses the performance of the Manager in meeting the Company's objective against the primary KPIs and APMs highlighted above.

Investments in unquoted companies at an early stage of their development will involve some disappointments. However, investing the Company's funds in companies with high-growth characteristics with the potential to become strong performers within their respective fields creates an opportunity to provide investors with regular dividends and capital growth.

Strategies for achieving objectives

Investment policy

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

Investment securities

The Company invests in a range of securities including ordinary and preference shares, loan stock, convertible securities, fixed-interest securities and cash. Unquoted investments are usually structured as a combination of ordinary shares and loan stock.

UK companies

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

Asset mix

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

Risk diversification and maximum exposures

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

Investment style

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

Borrowing powers

The Company is permitted by its Articles to borrow an amount not exceeding a sum equal to the adjusted capital and reserves (being the aggregate of the amount paid up on the issued share capital of the Company and the amount standing to the credit of its reserves). The Company does not currently borrow, and the Board has no plans to do so.

Company Objectives and KPIs continued

Other funds managed by Foresight Group

The Company may invest alongside other funds managed or advised by the Manager. Where more than one fund is able to participate in an investment opportunity, allocations will generally be made based on the Manager's allocation policy, other than scenarios where a fund has a pre-existing investment where the incumbent fund will have priority. Implementation of this policy, which has been submitted to and approved by the Board, 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 Enterprise VCT plc, Foresight Technology VCT plc, Foresight Ventures VCT plc (formerly Thames Ventures VCT 1 plc following its merger with Thames Ventures VCT 2 plc), Foresight Nottingham Fund LP, Foresight Regional Investment LP, Foresight Regional Investment II LP, Foresight Regional Investment III LP, Foresight Regional Investment IV LP, Foresight Regional Investment V LP, Foresight Regional Investment VI LP, Foresight Regional Investment VII LP, IFW-Equity LP, MEIF ESEM Equity LP, Scottish Growth Scheme – Foresight Group Equity Partners LP, NI Opportunities LP, NI Opportunities II LP, Foresight West Yorkshire Business Accelerator LP, Foresight South Yorkshire Business Accelerator LP, Foresight Inheritance Tax Solutions, Foresight Solar Fund Limited, Foresight Environmental Assets Group Limited (formerly JLEN Environmental Assets Group Limited),

Foresight Energy Infrastructure Partners S.C.Sp, Foresight Energy Infrastructure Partners II S.C.S.Sp, Foresight Group S.c.a. Sicav-sif, AIB Foresight SME Impact 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, WHEB Asset Management LLP, Liontrust Diversified Real Assets fund, Cromwell Foresight Global Sustainable Infrastructure Fund, Thames Ventures EIS, Foresight WAE Technology EIS Fund and Foresight Italian Green Bond Fund.

VCT regulation

The investment policy is designed to ensure that the Company continues to qualify and is approved as a VCT by HMRC. Amongst other conditions, the Company may not invest more than 15% of its total investments and cash by VCT value, at the time of making the investment, in a single company and must also have at least 80% by VCT value of its investments and cash throughout the period in shares or securities in qualifying holdings and must invest 30% of funds raised in qualifying holdings within 12 months of the end of the year in which those funds were raised. In addition, in aggregate, 70% of a VCT's qualifying investments (30% for investments made before 6 April 2018 from funds raised before 6 April 2011) by VCT value must be in ordinary shares which carry no preferential rights to assets on a winding up or to dividends (apart from certain non-cumulative fixed preferential rights). For each individual investment, a minimum of 10% of the investment must be in ordinary shares of that company.

Dividend policy

The Board will endeavour to pay annual dividends of at least 5% of the NAV per share based on the latest announced NAV per share. The aim of the Board and the Manager is for future investment performance to support this level of distribution by growing the Total Return per share above an annual 5% target. This level of dividend may be supplemented by the payment of additional "special" dividends as and when particularly successful portfolio disposals are made.

Share buyback policy

It is the Company's policy, subject to adequate cash availability and distributable reserves, to consider repurchasing shares when they become available in order to help provide liquidity to the market in the Company's shares at a discount of no more than 7.5% to the prevailing NAV per share.

Manager's Review

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

Portfolio summary

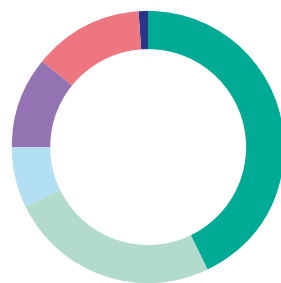
As at 31 December 2024, the Company's portfolio comprised 51 investments with a total cost of £101.1 million and a valuation of £166.6 million. The portfolio is diversified by sector, transaction type and maturity profile. Details of the ten largest investments by valuation, including an update on their performance, are provided on pages 29 to 33.

In the year to 31 December 2024, the value of the investment portfolio fell by £4.7 million as a result of strong exits of several investments realising £36.5 million, offset by an increase of £17.5 million in the valuation of investments plus £14.3 million of new and follow-on investments. Overall, the portfolio has performed well despite uncertainty in the wider market, notably significant geopolitical issues, the UK budget, the US election and continued domestic price inflation, coupled with higher interest rates.

In line with the Board's strategic objectives, the Manager remains focused on growing the Company through further development of Net Asset Value Total Return. In the year, Net Asset Value Total Return increased by 8.7%, meaning that the Company has successfully met this objective in the period under review.

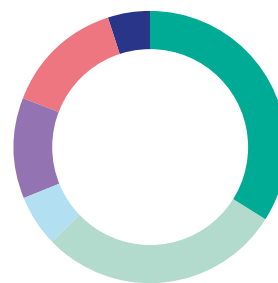
Portfolio diversification

Sector by cost:



- Technology, Media & Telecommunications (cost 43% | valuation 34%)
- Healthcare (cost 25% | valuation 29%)
- Consumer & Leisure (cost 7% | valuation 6%)

Sector by valuation:



- Industrials & Manufacturing (cost 11% | valuation 12%)
- Business Services (cost 13% | valuation 14%)
- Other (cost 1% | valuation 5%)



Manager's Review continued

New investments

2024 was a year of relative calm in financial terms, when compared to recent years. Deal activity across the market has steadily grown throughout the year, suggesting confidence is tentatively returning, although the economic picture in the UK remains finely balanced. Interest rates have remained high, with inflation reducing more slowly than anticipated and the Autumn Budget including tax changes which are not helping UK SMEs. Careful management remains crucial to steering portfolio companies through this environment.

The Manager has continued to invest in its deal origination capabilities and identified a large number of potentially attractive investment opportunities during the year.

Over the course of 2024, four new investments were completed, investing a total of £8.3 million. New investments were across nurseries, manufacturing, cyber security and tech-enabled services. Behind these, there continues to be a strong pipeline of opportunities that the Manager expects to convert during the next 12 months. Follow-on investments totalling £6.0 million were also made in six existing investee companies.



Family Adventures Group Ltd

In January 2024, the Company invested £2.5 million of growth capital into Family Adventures Group, a provider of daycare nurseries and children's leisure sites that combines soft play areas with theatrical role play facilities. All inspected sites have been rated "Good" by Ofsted and have an average score of 9.9/10 on daynurseries.co.uk; whilst the leisure sites have market-leading Net Promoter Scores and high repeat visits. The investment will be used to aid the business with a continued rollout of nursery and leisure sites across the South West and the Midlands.



Lepide Group Holding Company Limited

In March 2024, the Company invested £1.9 million into Lepide, a cyber security software solution that helps organisations to protect their unstructured data. Lepide actively monitors event logs within Windows Active Directory in order to detect suspicious activity and help organisations to manage over-exposure of data. The investment will help scale the business and accelerate growth initiatives.



Evolve Dynamics Limited

In March 2024, the Company completed a £2.0 million investment into Evolve Dynamics. Founded in 2016, the company designs and manufactures smaller Unmanned Aerial Systems ("UAS") with capabilities for intelligence, surveillance and reconnaissance. The company's UAS products are also widely deployed within UK and international police forces, fire services, energy inspection and search and rescue organisations. The investment will help scale the business and aid in new product launches.



Resi Design Limited

In October 2024, the Company invested £1.9 million in Resi Design, a technology-enabled architectural business that manages structural home improvement projects from concept through to planning, design, build and sign-off. The company has delivered c.8,000 projects with a market-leading 98% planning approval rate. The investment will enable Resi Design to continue its impressive growth trajectory, as well as focusing on strategic partnerships to achieve wider reach.

Manager's Review continued

Follow-on investments

Given the size of the portfolio, the number of follow-on investments relative to new deals remains high, a trend that is expected to continue. These follow-on investments are to support further growth initiatives for companies within the portfolio, or to support them through a period of challenging trading. The Manager is pleased to report that despite continuing macroeconomic uncertainty and stubbornly high interest rates, the portfolio remains resilient overall.

The Manager has made follow-on investments in six companies during 2024, totalling £6.0 million. Further details of each of these are provided here.

The additional equity injections in the year were used to support further growth plans, such as launching new products and providing cash headroom for further growth. In view of the economic outlook, which remains challenging, the Manager continued to be vigilant about the health of the rest of the portfolio and the need for follow-on funding over the coming months.



HomeLink Healthcare Limited

In March 2024, the Company completed a £1.0 million follow-on investment into HomeLink Healthcare. The Company first invested into HomeLink in March 2022. Contracting with the NHS, the business provides patients with wound care, physiotherapy and intravenous therapies in their own home. HomeLink is also a leader in remote patient monitoring practices, offers a virtual ward solution and has now saved the NHS over 150,000 hospital bed days. The investment will support the organic expansion of the company.



Hexarad Group Limited

In June 2024, the Company completed a £0.7 million follow-on investment into Hexarad Group. The Company initially invested £0.8 million into Hexarad in June 2021, and a further £0.7 million follow-on in August 2022. Hexarad is a teleradiology company, supporting NHS and private healthcare providers with access to a diversified pool of radiologists in order to provide fast, accurate diagnosis and enable more timely and higher-quality patient care. The latest investment forms part of a larger funding round, including a new third-party investor, to support the ongoing development of the technology, as well as the expansion of the commercial and operational teams.



Strategic Software Applications Ltd

In August 2024, the Company completed a further investment of £1.0 million in Strategic Software Applications, trading as Ruleguard. Ruleguard is a SaaS regulatory compliance platform for financial services institutions. The investment will enable Ruleguard to continue to invest in its team and secure high-quality SaaS revenues from a growing customer base.



Sprintroom Limited

In March 2024, the Company completed a £0.8 million follow-on investment into Sprintroom, which trades as Sprint Electric. The business designs and manufactures drives for controlling electric motors in light and heavy industrial applications, as well as recovering and reusing otherwise lost energy. The investment will be used to drive continued revenue growth and develop further iterations of the new product range.



NorthWest EHealth Limited

In August 2024, the Company completed a £0.7 million investment into NWEH. This was followed by a further £0.8 million in November 2024. NWEH is a provider of technology-enabled clinical trials services to the pharmaceutical and life sciences sectors, leveraging NHS electronic health records. The investments during the year will enable NWEH further cash runway to convert an important commercial opportunity.



Red Flag Alert Technology Group Limited

In September 2024, the Company invested £0.5 million into Red Flag Alert. This was followed by a further £0.5 million in December 2024. Red Flag Alert is a business intelligence platform which provides prospecting, credit risk and compliance products to its customers. The new funding will enable the business to develop new features and convert the customer pipeline to deliver SaaS revenue growth.

Manager's Review continued

Realisations

The M&A climate has proved more challenging than in recent years in light of the macroeconomic conditions of high interest rates and geopolitical uncertainty. Despite this, the Manager was pleased to report some particularly strong realisations, as well as the disposal of some of the more challenged businesses within the portfolio. The Manager continues to engage with a range of potential acquirers of several portfolio companies and to carefully consider the timing of exit for each. Demand remains for high-quality, high-growth businesses from both private equity and trade buyers.

OLLIE QUINN

Ollie Quinn Limited

In January 2024, following a period of challenging trading driven by continued wage inflation and a squeeze on consumer discretionary spend, the Company exited the UK division of Ollie Quinn, a branded retailer of prescription glasses, sunglasses and non-prescription polarised sunglasses based in the UK and Canada. The exit returned £0.2 million on completion. A sale of the remaining Canadian business to its management team was completed in February 2024, with a retained interest negotiated which may deliver future upside for the Company.



So-Sure Limited

In March 2024, the investment in So-Sure was fully written off as it failed to perform in line with the management team's plan proposed at the Manager's Investment Committee. So-Sure Limited is a technology company acting as "Managing General Agent" for insurers. The company's mission is to offer a more trusted proposition, greater pricing transparency and improved customer experience through its customer-centric digital platform. So-Sure was acquired by the Australian insurance firm, Open, in March 2024.

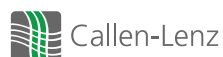


Specac International Limited

In March 2024, the Company announced the sale of Specac International, a leading manufacturer of high-specification sample analysis and preparation equipment used in testing and research laboratories worldwide, primarily supporting infrared spectroscopy. The transaction generated proceeds of £11.2 million at completion. When added to £1.5 million of cash returned pre-exit, this implies a total cash-on-cash return of 9.4x, equivalent to an IRR of 33%, with a further £704,000 of deferred consideration recognised at the year end. Since investment, the business has grown to sell globally through both original equipment manufacturers ("OEMs") and distributors. Throughout the investment, the Manager also engaged with the team to support management team changes, improvements in governance, headcount and numerous product launches, as well as a major site move. The exit will facilitate the continued growth of the business.

Manager's Review continued

Realisations continued



Callen-Lenz Associates Limited

In May 2024, the Company achieved the successful exit of Callen-Lenz Associates, returning £23.0 million to the Company. A further £2.1 million was received in October 2024 and £0.5 million in December 2024. Including a further £1.4 million of earnout recognised in debtors at the year end, the sale implies a 5.4 times cash-on-cash return on the total investment made of £4.8 million, equivalent to an IRR of 123%. Since investment, the Manager has worked with the board to expand both non-executive and executive leadership, which led to successful product launches and a significant increase in headcount and revenue. With the business focus successfully transitioned from R&D to commercial sales, the exit will facilitate continued growth.

CROSSTOWN

Crosstown Dough Ltd

In June 2024, the Company realised its investment in Crosstown Dough, a doughnut vendor operating from 31 sites including a mix of bricks and mortar stores, food trucks and market stalls. Crosstown's core products are made at its central production unit in Battersea. The sale of Crosstown to Karali Group, a large franchise operator of Burger King in the UK and US, allowed distributions to be made to creditors whilst facilitating the continuation of the business. Like Ollie Quinn, the business had been impacted by wage and supply chain inflation.



200 Degrees Holdings Limited

In October 2024, the Company announced the exit of 200 Degrees, a chain of coffee shops and a coffee roastery business headquartered in Nottingham. The transaction generated proceeds of £1.9 million at completion. Adding interest received across the life of the investment, the total returns rise to £2.2 million, equating to a 1.5x money multiple and an IRR of 6%.

During the period of the Company's investment, 200 Degrees increased the number of coffee shops from six on investment to 21, growing revenue eight times and creating a significant number of jobs.



Manager's Review continued

Realisations in the year ended 31 December 2024

Company	Detail	Accounting cost at date of disposal (£)	Proceeds ⁴ (£)	Realised gain/(loss) (£)	Valuation at 31 December 2023 (£)
Callen-Lenz Associates Limited ¹	Full disposal	4,826,733	22,806,317	17,979,584	17,326,479
Specac International Limited ²	Full disposal	800,000	11,161,216	10,361,216	10,851,677
200 Degrees Holdings Limited	Full disposal	1,252,832	1,877,707	624,875	1,879,247
Ollie Quinn Limited	Full disposal	6,684,016	195,000	(6,489,016)	707,974
So-Sure Limited ³	Full disposal	1,584,158	—	(1,584,158)	—
Crosstown Dough Ltd	Full disposal	1,485,149	—	(1,485,149)	474,541
Spektrix Limited	Loan repayment	263,371	263,371	—	263,371
Positive Response Corporation Ltd	Loan repayment	225,000	225,000	—	225,000
Total disposals		17,121,259	36,528,611	19,407,352	31,728,289

1. Excludes £2.5 million of deferred consideration which was received in October and December 2024. A further £1.4 million of deferred consideration has been recognised within debtors as at 31 December 2024.

2. Excludes £704,000 of deferred consideration which has been recognised within debtors as at 31 December 2024.

3. Excludes £11,000 of deferred consideration received in August 2024.

4. Proceeds on exit excluding interest, dividends and exit fees where applicable.



Manager's Review continued

Pipeline

At 31 December 2024, the Company had cash reserves of £56.0 million, which will be used to fund new and follow-on investments, buybacks, dividends and corporate expenditure. The Manager is seeing a strong pipeline of new opportunities, with several opportunities in due diligence or in exclusivity stages, with further deal completions expected to be announced in the months to follow.

Stubbornly high interest rates have created challenging trading conditions for many companies. While interest rates are slowly declining, bank debt remains significantly more expensive than it has been for much of the last 15 years. Nonetheless, the Manager notes that the cautious approach to leveraging portfolio companies provides some protection here. Continuing geopolitical concern surrounding conflicts in Ukraine and the Middle East, as well as the spectre of a global trade war driven by the new US administration, have also caused supply chain disruption. These challenges create opportunities to source attractive investments, however, with many companies seeking to strengthen their balance sheets.

The Manager continues to see an attractive pipeline of opportunities and does not see this changing in the medium term. The Company is able to access these opportunities through its wide and proprietary network across the country, supported to a greater extent by its network of regional offices. The Manager considers the Company's strategy to be well-suited to market volatility, due to its balanced mix of companies across sectors and stages, experienced investment team and network of high-quality non-executives.

Post-year end activity



Hospital Services Group Limited

In February 2025, the Company completed its sale of Hospital Services Group Limited ("HSL"), a provider of high-quality healthcare equipment and consumables. The transaction generated proceeds of £26.2 million at completion with potential for up to £1.0 million over the coming years, implying a return and IRR of up to 8.5 times the original investment and 25.7% respectively. HSL provides equipment to a growing number of customers on both sides of the Irish Sea, with over 500 medical facilities supported in 2024. Since investment, HSL has seen strong organic growth and has made eight strategic bolt-on acquisitions, most notably in Ireland. The exit is reflective of Foresight's commitment to supporting sustainable growth, as well as its continued success in the Healthcare sector.



Nano Interactive Group Limited

In January 2025, the Company made an £0.8 million follow-on investment into Nano Interactive Group Limited. The Company made its initial investment in 2020 to support growth in sales and marketing operations, continued product development and the establishment of an operation in the US. This latest investment is expected to support additional platform features that will enable the company to reach a broader global customer base.



Fourth Wall Creative Limited

Post period end, the Company invested a further £1.0 million into Fourth Wall Creative Limited to support the continued growth of the business. For further details on Fourth Wall Creative Limited, please see page 31.



Biotherapy Services Limited

In March 2025, the Company exited its holding in Biotherapy Services Limited ("BTS") for a nominal value to management. Despite promising early clinical results, BTS struggled to complete its Phase IIB trial of its RAPID gel product within its funding runway. The trial was significantly hampered by COVID-19, with diabetic trial participants needing to shield. BTS has recently published its data and analysis. If the business is sold in the medium term, the Company will receive deferred consideration. BTS was fully written off in December 2022.



Loopr Ltd

In February 2025, the Company made a £1.5 million follow-on investment into Loopr Ltd (trading as "Looper Insights"), a company providing data analytics to content distributors and video-on-demand streaming services. The investment will support the company's next phase of product development and continue the rollout to new and existing customers internationally, including regulators, multinationals and local media outlets.



Evolve Dynamics Limited

In March 2025, the Company completed a £0.6 million follow-on investment into Evolve Dynamics Limited ("Evolve"). The investment will support the company's working capital, research and development initiatives as the business continues to target both private and public sector contracts. Evolve develops and manufactures Unmanned Aircraft Systems ("UAS") and since investment, it has developed and begun to commercialise two new systems.

Manager's Review continued

Post-year end activity continued



Ten Health & Fitness Limited

In March 2025, the Company completed a £0.9 million follow-on investment into Ten Health, alongside a £0.2 million co-investment from senior management. This funding will primarily be used to launch a new franchise model to generate scale at pace and enable Ten Health to open a presence in locations across the UK, specifically beyond London, and internationally.



NorthWest EHealth Limited

In April 2025, the Company completed a £0.2 million investment into NWEH. For further details on NWEH, please see page 25.



Ad Signal Limited

In March 2025, the Company completed a £1.5 million investment into Ad Signal Limited, a provider of content management platforms for the media and entertainment industry. The company's founder has strong technical skills and significant experience in developing content management solutions. He is supported by a strong executive team, with an experienced Non-Executive Chair due to join imminently. The investment will enable the company to develop further tools to support its customers and add further blue chip clients.



Rovco Limited

In March 2025, Rovco's anticipated Series C funding round fell through, leaving the company in a challenging situation and in need of further capital.



Manager's Review continued

Key portfolio developments

Material changes in valuation, defined as increasing or decreasing by £1.0 million or more since 31 December 2023, are detailed below. Updates on these companies are included below, in the Post-year end activity section on pages 22 and 23, or in the Top Ten Investments section on pages 29 to 33.

Key valuation changes in the year

Company	Valuation methodology	Net movement (£)
Hospital Services Group Limited	Sales proceeds	5,291,227
Aquasium Technology Limited	Discounted earnings multiple	2,679,331
Hexarad Group Limited	Price of last funding round	2,474,822
TLS Management Limited	Net assets	2,357,704
Cinelabs International Ltd	Discounted earnings multiple	1,690,500
Spektrix Limited	Price of last funding round	1,664,010
Red Flag Alert Technology Group Limited	Price of last funding round	1,182,528
Aerospace Tooling Corporation Limited	Discounted revenue multiple	(1,409,316)
NorthWest EHealth Limited	Discounted revenue multiple	(1,934,166)

Manager's Review continued

Key portfolio developments continued



Aerospace Tooling Corporation Limited

Aerospace Tooling Corporation Limited ("ATL") provides specialist inspection, maintenance, repair and overhaul ("MRO") services for components in high-specification aerospace and industrial turbine engines. A core focus for ATL is in "legacy" components and engines that are still in widespread use but have ceased production and do not have easily available spare parts. The company also provides services on a wide range of "in production" turbines, providing a cost-effective alternative to expensive replacement parts.

31 December 2024 update

During 2024 ATL incurred a significant increase in both direct overheads and utilities which, due to the timing of existing price frameworks, were not absorbed by existing customers. A cost reduction exercise is underway which will provide a pathway back to profitable growth. The Manager remains supportive of the business as it grows its existing customer base whilst continuing to build new customer relationships through the expansion of its services.



NorthWest EHealth Limited

NorthWest EHealth ("NWEH") provides software and services to the clinical trial market for the design, recruitment, feasibility analysis and delivery of clinical trials. NWEH's solutions are an alternative to traditional clinical trials, utilising real-world data such as electronic patient records to undertake trial activity. NWEH has worked with some of the leading global players in the pharmaceutical and Contract Research Organisation markets such as Novartis, GSK, MSD, IQVIA and PPD.

31 December 2024 update

During 2024 NWEH signed a significant partnership agreement with the Clinical Practice Research Datalink ("CPRD"), a real-world research service supporting retrospective and prospective public health and clinical studies. This has substantially expanded the database of patient records on which its software and services can be used. The announcement of this partnership has driven significant growth in sales pipeline opportunities, albeit the new project opportunities are likely to require a significant timeline to close. The Manager continues to support the business which maintains a large, fixed cost case in order to be able to deliver the projects, with NWEH focused on one particularly large potential client at present.



Cinelabs International Ltd

Cinelabs provides non-creative, post-production services to film and TV and commercial production houses globally for those shooting on both analogue film and digitally. It also offers restoration and archiving services to owners of film archives.

31 December 2024 update

The company saw an increase in revenue due to a strong demand for long-form film services as the market recovered from the actors' and writers' strikes in 2023. The company has also successfully delivered on multiple large projects and has recruited additional project delivery staff to help increase capacity.



Red Flag Alert Technology Group Limited

Red Flag Alert Technology Group has developed a proprietary SaaS business intelligence platform with a proprietary credit scoring tool to provide innovative corporate risk scoring, company monitoring, reporting and compliance solutions as well as a unique business prospecting tool.

31 December 2024 update

The business continues to achieve strong growth with ARR doubling since initial investment. The Manager continues to support the business, providing follow-on funding in 2024 alongside the majority shareholder, to complete the next phase of the technology development and data modernisation, which aims to improve the timeliness and accuracy of insights to its customers.

Manager's Review continued

Outlook

2024 was a year of lower volatility and measured recovery following the turmoil of previous years. Inflation returned to more normalised levels, with the CPI index rising by 2.5% in the year. This led to cuts in the base rate to 4.75%. Overall, UK GDP growth was 1% in 2024, sluggish by global standards.

While the UK performance was broadly in line with Europe, it lags the OECD average of 3.2%. Other advanced economies enjoyed stronger performance, notably the US. Indexes such as the S&P 500 performed strongly, delivering 25% growth in 2024. 2024 saw half of the world's population eligible to vote in general elections, resulting in changes in government for many countries, and a rise in populism in Europe, the US and other territories. This, coupled with the continuing conflicts in Ukraine and the Middle East, gave rise to market volatility throughout the year.

There is room for some optimism, however, as the UK continues to be a global leader in key sectors such as technology, life sciences and financial services. Further, the new Government has put "growth" firmly on the agenda, suggesting further investment in sectors such as technology and renewables, although public finances are notably tight. There is a strong and established network of support for growing young companies, and world-class universities continue to nurture exciting spin-outs. Multinationals continue to see the UK as an attractive place to invest and grow their businesses, and the anticipated increase in the capital gains tax rate did not materialise.

The strength of the US technology and finance sectors in recent years has made UK valuations seem relatively low by comparison, offering attractive opportunities for sale to international buyers. M&A also remains firmly on the agenda for corporates seeking to grow their businesses and the mid-market private equity market remains highly liquid and active. The Manager therefore anticipates further profitable exits in the years to come.

The Company has performed well in the year, achieving an 8.7% increase in NAV Total Return for shareholders. The exits of Crosstown and Ollie Quinn at lower valuations demonstrate the weaker consumer confidence that has characterised recent years. However, the exits of Callen-Lenz, Specac and 200 Degrees, to a mix of trade and PE acquirors, demonstrate that attractive valuations can be achieved for businesses that are performing well. These exits contributed to the Company's total dividends of 11.4p per share for the year, delivering an attractive dividend yield of 15.5% and exceeding the Company's target. The Company retains a portfolio that is well balanced across sectors and stages, with some companies delivering strong profitability whilst other earlier-stage investments continue to display strong growth. The Manager's cautious approach to taking on leverage has protected many portfolio companies from the impact of concerns surrounding rising interest rates, which are expected to remain relatively high.

It was anticipated that 2025 would see the UK economy grow more rapidly however the macroeconomic outlook has since worsened. Interest rates are expected to reduce further in 2025, however in the medium term, the base rate is considered unlikely to return to the low levels of the last 15 years. This means that the cost of debt for businesses and consumers is likely to remain relatively high by recent standards. The Manager continues to monitor an emerging international trade war and ensuing potential supply chain disruptions.

The Manager is pleased with the performance in the year, with the Company navigating the economic and geopolitical uncertainty well. The Company's strong performance has improved its position in the VCT market, which is an increasingly attractive and visible source of capital for the UK's ambitious entrepreneurs. The portfolio remains diversified and resilient to macroeconomic headwinds, supported by a collaborative, hands-on approach from the Manager.

James Livingston

on behalf of Foresight Group LLP
Co-Head of Private Equity

14 April 2025

Case Study

Strategic Software Applications Ltd (trading as Ruleguard)

Founded in 2013, Ruleguard identified an opportunity with the introduction of the FCA's Client Assets Source Book legislation ("CASS") in 2014. CASS legislation was introduced in the aftermath of the Lehman Brothers crisis in to ensure safeguarding of clients' assets. It presented a unique set of challenges for financial services institutions as it required continuous monitoring of complex rules and significant increases in auditing requirements.

Ruleguard developed a software platform which materially reduced the effort required in maintaining and demonstrating compliance with CASS regulation by helping automate processes and record-keeping. Since its introduction, Ruleguard has continuously invested in the platform with new modules being added to help customers comply with a growing range of complex legislation. Today it serves clients globally with an offering that monitors published regulatory legislation and ensures clients stay abreast of ever-evolving regulatory requirements.

Foresight VCT invested in Ruleguard in August 2022 as the first institutional investor in the business, in order to support the continued expansion of sales and marketing activities and continue scaling the business.

Ruleguard key facts

Name	Strategic Software Applications Ltd (t/a Ruleguard)
Location	London
Website	www.ruleguard.com
Industry	Technology
Foresight VCT plc commitment	£2.7 million
Foresight VCT plc ownership %	17.4%
Stage	Growth stage
Investment date	August 2022
Foresight Group managed funds	£5.5 million (includes co-investment of £2.8 million from Foresight Enterprise VCT plc)

Case Study

Red Flag Alert Technology Group Limited

Based in Manchester, Red Flag Alert has developed a business intelligence platform with modular capabilities spanning compliance, prospecting, risk management and financial health assessments which is sold into a growing corporate customer base. At its core, Red Flag Alert is a credit referencing agency ("CRA") and is the most agile and up-to-date credit scoring tool in the market, predicting insolvencies in the next 12 months with 97% accuracy.

The concept behind Red Flag Alert began as a lead generation solution within Begbies Traynor, a listed insolvency practitioner, with the proprietary tool identifying companies at risk of insolvency before traditional CRAs. It was spun out of Begbies Traynor in 2012 and is now the only independently owned UK-based CRA assessing company risk.

Red Flag Alert presented the opportunity to invest in a growing business with a well-developed platform and product suite. Red Flag Alert had already moved from repurposing and presenting third-party data to providing enriched data and value-add analytics, providing a compelling, premium enterprise solution.

The Company initially invested £1.7 million of growth capital in March 2023 to invest in the sales, marketing and account management teams to drive growth. In 2024, a further £1.0 million follow-on investment was completed to support the data modernisation strategy to improve the way it ingests raw data, increasing the timeliness and accuracy of its insights.

Since investment, the senior management team has been strengthened with the appointment of a new Chief Revenue Officer, Head of Marketing and Finance Director. Red Flag Alert has performed well since investment with strong revenue growth and continues to execute its strategic plans. With a strengthened sales team, new contract wins are increasingly in the enterprise value range and the pipeline continues to grow with the customer base diversifying from the legacy financial services sector. The business is focused on delivering the data modernisation strategy which will further enhance its product offering.

Red Flag Alert key facts

Name	Red Flag Alert Technology Group Limited
Location	Manchester
Website	www.redflagalert.com
Industry	Technology
Foresight VCT plc commitment	£2.7 million
Foresight VCT plc ownership %	14.5%
Stage	Growth stage
Investment date	March 2023
Foresight Group managed funds	£5.5 million (includes co-investment of £2.8 million from Foresight Enterprise VCT plc)

Top Ten Investments

By value as at 31 December 2024

Company results are taken from the most recent publicly available financial statements.



1. Hospital Services Group Limited

Belfast

www.hsl.ie

Sector: Healthcare

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

31 December 2024 update

HSL delivered a strong performance in 2024 with robust underlying demand in key healthcare markets across Ireland, Northern Ireland and Great Britain. The business successfully integrated its material 2023 acquisition of Fleetwood Healthcare in Ireland and completed a further acquisition of a specialist supplier of training services and advanced ultrasound scanning equipment. Post period end on 4 February 2025, HSL completed its disposal to Asker Healthcare, a leading European provider of quality medical products and solutions, delivering exceptional returns to the Company.

Initial investment ¹	September 2015
Amount invested (£) ¹	3,320,000
Accounting cost (£) ²	3,320,000
Valuation (£)	26,249,171
Basis of valuation	Sales proceeds
Equity held (%)	43.0%
Income received in the year (£)	232,390
Cash returned up to 31 December 2024 (£)	834,680

£'000	Year ended 30 September 2023	Year ended 30 September 2022
Sales	45,095	37,003
Profit before tax	2,692	2,037
Retained profit	1,926	1,773
Net assets	10,276	6,617

1. Including the initial investment by Foresight 2 VCT plc ("F2").

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



2. Spektrix Limited

London

www.spektrix.com

Sector: Technology, Media & Telecommunications

Spektrix is an enterprise software company, providing ticketing, CRM, marketing and fundraising software to venues in the performing arts sector, primarily across the UK and US.

31 December 2024 update

Spektrix delivered further solid revenue growth during the year with continued revenue growth in the UK and US. The company acquired Canadian-based software company, ArtsMan Theatre Manager, during the year and the integration has been successful. The business continues to innovate and launch additional technical functionality, including in payments, as well as invest in its people. In the coming year the company is seeking to launch its offering in additional geographies as well as to continue to grow market share in existing markets.

Initial investment	December 2018
Amount invested (£)	6,909,811
Accounting cost (£)	5,204,440
Valuation (£)	11,375,305
Basis of valuation	Price of last funding round
Equity held (%)	11.5%
Income received in the year (£)	—
Cash returned up to 31 December 2024 (£)	2,198,888

£'000	Year ended 31 December 2023	Year ended 31 December 2022
Sales	17,655	14,380
Loss before tax	(2,489)	(1,451)
Retained loss	(2,484)	(1,040)
Net assets	9,396	11,683

Top Ten Investments continued

By value as at 31 December 2024



AQUASIUM TECHNOLOGY LTD

3. Aquasium Technology Limited

Cambridgeshire

www.aquasium.com

Sector: Industrials & Manufacturing

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

31 December 2024 update

Aquasium had a strong year in 2024, with revenues and profits growing ahead of 2023. This was driven by strong machine demand from its existing customers, and the company is entering 2025 with a healthy order book for new devices. In addition to Aquasium's core machine sales, and its spares and servicing revenue, the company also generated pre-sample sales from the testing of its local vacuum, electron beam welding system, 'EBFLOW', which it has started to monetise, and has a strong pipeline building for future EBFLOW machine sales.

Initial investment	October 2001
Amount invested (£)	1,930,000
Accounting cost (£)	333,333
Valuation (£)	10,450,669
Basis of valuation	Discounted earnings multiple
Equity held (%)	33.3%
Income received in the year (£)	—
Cash returned up to 31 December 2024 (£)	4,401,092

£'000	Year ended 31 December 2023	Year ended 31 December 2022
Sales	13,830	9,565
Profit before tax	1,431	156
Retained profit	1,091	255
Net assets	8,187	7,112



4. Nano Interactive Group Limited

London

www.nanointeractive.com

Sector: Technology, Media & Telecommunications

Nano Interactive Group is an advertising technology business specialising in search re-targeting campaigns for its global customer base. The business was founded in 2010 and has offices across Europe.

31 December 2024 update

After seeing reduced revenue traction at the beginning of the year, Nano has seen a return to growth in the second half of the year.

Investment is being made into its LIIFT platform features, which are expected to enable it to reach a broader global customer base. Nano's data product has seen a number of key partnership deals signed, which will widen the addressable market reach substantially over the course of 2025. Post-year end, the Company made an £809k follow-on investment into Nano to support additional product features and serve a broader customer base.

Initial investment	October 2017
Amount invested (£)	4,434,191
Accounting cost (£)	4,434,191
Valuation (£)	9,089,663
Basis of valuation	Discounted revenue multiple
Equity held (%)	28.7%
Income received in the year (£)	—
Cash returned up to 31 December 2024 (£)	—

£'000	Year ended 31 December 2022	Year ended 31 December 2021
Sales	11,611	9,545
Profit before tax	858	739
Retained profit/(loss)	589	(739)
Net assets/(liabilities)	439	(242)

Top Ten Investments continued

By value as at 31 December 2024



5. TLS Management Limited

Leicestershire

www.truelens.co.uk

Sector: Other

True Lens Services is a specialist provider of lens manufacturing, refurbishment and servicing to the film and television markets.

31 December 2024 update

TLS continued to grow both revenues and EBITDA in the year, having successfully moved to a new freehold site in 2023, which created significant capacity growth. The performance in 2024 reflects a full year of this additional capacity benefit. The business has also invested in its sales and marketing during 2024 to help drive further growth in the year ahead.

Initial investment	October 2015	
Amount invested (£)	100	
Accounting cost (£)	100	
Valuation (£)	8,458,699	
Basis of valuation	Net assets	
Equity held (%)	42.5%	
Income received in the year (£)	—	
Cash returned up to 31 December 2024 (£)	—	

£'000	Year ended 31 December 2023	Year ended 31 December 2022
Sales	—	—
Profit before tax	1,239	1,341
Retained profit	931	792
Net assets	4,901	3,970



6. Fourth Wall Creative Limited

Wirral

www.fourthwallcreative.com

Sector: Business Services

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

31 December 2024 update

Fourth Wall grew revenues and customers again in the year. It now serves close to one million members of football clubs and sporting organisations, either through its technology platform directly or by providing club-branded products to fans on behalf of the clubs. Profits were consolidated in the year due to good control over margins, whilst still enabling further investment in sales and its technology.

Initial investment	April 2019	
Amount invested (£)	4,292,299	
Accounting cost (£)	4,292,299	
Valuation (£)	7,155,114	
Basis of valuation	Discounted revenue multiple	
Equity held (%)	24.1%	
Income received in the year (£)	—	
Cash returned up to 31 December 2024 (£)	—	

£'000	Year ended 30 September 2023	Year ended 30 September 2022
Sales	n/a	n/a
Profit before tax	n/a	n/a
Retained profit	n/a	n/a
Net assets	5,028	5,866

In accordance with Section 444 of the Companies Act 2006, a statement of income has not been delivered in the financial statements available on Companies House.

Top Ten Investments continued

By value as at 31 December 2024



7. Hexarad Group Limited

London

www.hexarad.com

Sector: Healthcare

Hexarad is a provider of teleradiology services to NHS trusts and private healthcare providers. Hexarad's services enable the fast and effective allocation of medical images to available radiologists, speeding up diagnosis and improving patient outcomes.

31 December 2024 update

Hexarad has grown strongly in the year to 31 December 2024, reflecting increased scan volumes with existing customers and new contract wins, alongside the expansion of its contractor radiologist pool. The business continues to invest in the differentiated technology platform to drive competitive advantage.

Initial investment	June 2021
Amount invested (£)	2,277,250
Accounting cost (£)	2,277,250
Valuation (£)	6,201,424
Basis of valuation	Price of last funding round
Equity held (%)	10.9%
Income received in the year (£)	—
Cash returned up to 31 December 2024 (£)	—

£'000	Year ended 30 June 2023	Year ended 30 June 2022
Sales	n/a	n/a
Profit before tax	n/a	n/a
Retained profit	n/a	n/a
Net assets	2,876	1,069

In accordance with Section 444 of the Companies Act 2006, a statement of income has not been delivered in the financial statements available on Companies House.



8. Professionals At Play Ltd

Manchester

www.roxyleisure.co.uk

Sector: Consumer & Leisure

Trading as Roxy Leisure ("Roxy"), it operates competitive socialising bars throughout the UK. The venues contain a range of games and activities from tenpin bowling, table tennis, shuffleboard and pool to more innovative activities such as ice-free curling and batting cages. As at December 2024, the business operated 22 bars throughout the UK.

31 December 2024 update

Roxy enjoyed another year of strong growth in 2024, expanding its estate further by opening four new venues. The site expansion pipeline is heavily focused on the company's family bowling offering with the success of its King Pins sites in Manchester being the catalyst to expanding the brand nationwide. Further King Pins sites are planned for Bristol and Glasgow whilst building work is underway to launch a Roxy Ballroom site in London in the first half of 2025. Roxy continues to deliver strong site-level profits across its estate, despite challenging trading conditions in the market more widely, underlining the strength of the company's operating model.

Initial investment	December 2019
Amount invested (£)	2,467,933
Accounting cost (£)	2,467,933
Valuation (£)	6,058,604
Basis of valuation	Discounted earnings multiple
Equity held (%)	5.3%
Income received in the year (£)	—
Cash returned up to 31 December 2024 (£)	57,895

£'000	Year ended 31 December 2023	Year ended 31 December 2022
Sales	32,761	23,499
Profit before tax	2,036	3,105
Retained profit	1,185	2,534
Net assets	3,970	2,785

Top Ten Investments continued

By value as at 31 December 2024



9. Clubspark Group Ltd

London

www.clubspark.co.uk

Sector: Technology, Media & Telecommunications

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

31 December 2024 update

Clubspark continued grow its revenues in the year, working closely with key supporting institutions including the LTA, the USTA and Tennis Australia. The company recently signed a new contract with the LTA, including increased hosting fees and reduced delivery costs. The contract has a multi-year term and auto-renews thereafter, further strengthening Clubspark's exclusive relationship with the LTA.

Initial investment	January 2019
Amount invested (£)	3,647,174
Accounting cost (£)	3,647,174
Valuation (£)	5,049,659
Basis of valuation	Discounted revenue multiple
Equity held (%)	20.6%
Income received in the year (£)	—
Cash returned up to 31 December 2024 (£)	—

£'000	Year ended 31 March 2024	Year ended 31 March 2023
Sales	n/a	n/a
Profit before tax	n/a	n/a
Retained profit	n/a	n/a
Net assets	1,001	565

In accordance with Section 444 of the Companies Act 2006, a statement of income has not been delivered in the financial statements available on Companies House.



10. Industrial Efficiency II Limited

London

Sector: Business Services

Industrial Efficiency II originally focused on the provision of large-scale energy efficiency and energy cost reduction improvements for commercial customers. Its trading activities have developed into lending to SMEs and it generated a healthy level of interest income in the year.

31 December 2024 update

Industrial Efficiency II originally focused on the provision of large-scale energy efficiency and energy cost reduction improvements for commercial customers. Its trading activities have developed into lending to SMEs and it generated a healthy level of interest income in the year.

Initial investment	July 2014
Amount invested (£)	2,603,260
Accounting cost (£)	2,603,260
Valuation (£)	4,749,955
Basis of valuation	Discounted cash flow
Equity held (%)	18.8%
Income received in the year (£)	—
Cash returned up to 31 December 2024 (£)	219,275

£'000	Year ended 31 March 2024	Year ended 31 March 2023
Sales	n/a	n/a
Profit before tax	n/a	n/a
Retained profit	n/a	n/a
Net assets/(liabilities)	154	(70)

In accordance with Section 444 of the Companies Act 2006, a statement of income has not been delivered in the financial statements available on Companies House.

Portfolio Overview

				31 December 2024		31 December 2023		Addition £	Disposal proceeds £	Net valuation movement £
Investment by value	Date of investment	Sector	Valuation methodology	Accounting cost £	Valuation £	Accounting cost £	Valuation £			
1 Hospital Services Group Limited	2015	Healthcare	Sales proceeds	3,320,000	26,249,171 ¹	3,320,000	20,957,944	—	—	5,291,227
2 Spektrix Limited	2018	Technology, Media & Telecommunications	Price of last funding round	5,204,440	11,375,305 ¹	5,467,811	9,974,666	—	(263,371) ²	1,664,010
3 Aquasium Technology Limited	2001	Industrials & Manufacturing	Discounted earnings multiple	333,333	10,450,669 ¹	333,333	7,771,338	—	—	2,679,331
4 Nano Interactive Group Limited	2017	Technology, Media & Telecommunications	Discounted revenue multiple	4,434,191	9,089,663 ¹	4,434,191	9,917,288	—	—	(827,625)
5 TLS Management Limited	2015	Other	Net assets	100	8,458,699 ¹	100	6,100,995	—	—	2,357,704
6 Fourth Wall Creative Limited	2019	Business Services	Discounted revenue multiple	4,292,299	7,155,114 ¹	4,292,299	6,848,847	—	—	306,267
7 Hexarad Group Limited	2021	Healthcare	Price of last funding round	2,277,250	6,201,424 ¹	1,534,653	2,984,005	742,597	—	2,474,822
8 Professionals At Play Ltd	2019	Consumer & Leisure	Discounted earnings multiple	2,467,933	6,058,604 ¹	2,467,933	6,044,355	—	—	14,249
9 Clubspark Group Ltd	2019	Technology, Media & Telecommunications	Discounted revenue multiple	3,647,174	5,049,659 ¹	3,647,174	5,705,669	—	—	(656,010)
10 Industrial Efficiency II Limited	2014	Business Services	Discounted cash flow	2,603,260	4,749,955 ¹	2,603,260	4,670,491	—	—	79,464
11 Itad (2015) Limited	2015	Business Services	Discounted earnings multiple	2,750,000	4,673,781	2,750,000	4,034,749	—	—	639,032
12 Ten Health & Fitness Limited	2019	Healthcare	Discounted revenue multiple	3,552,650	4,671,970	3,552,650	4,214,518	—	—	457,452
13 Cinelabs International Ltd	2017	Technology, Media & Telecommunications	Discounted earnings multiple	2,216,250	4,316,329	2,216,250	2,625,829	—	—	1,690,500
14 Red Flag Alert Technology Group Limited	2023	Technology, Media & Telecommunications	Price of last funding round	2,747,544	3,982,472	1,732,693	1,785,093	1,014,851	—	1,182,528
15 NorthWest EHealth Limited	2021	Healthcare	Discounted revenue multiple	5,445,544	3,935,406	3,960,396	4,384,424	1,485,148	—	(1,934,166)
16 Strategic Software Applications Ltd	2022	Technology, Media & Telecommunications	Discounted revenue multiple	2,722,773	3,537,338	1,732,673	2,061,767	990,100	—	485,471
17 PH Realisations 2020 Limited	2013	Technology, Media & Telecommunications	Discounted earnings multiple	1,664,893	3,246,497	1,664,893	3,353,430	—	—	(106,933)
18 HomeLink Healthcare Limited	2022	Healthcare	Price of last funding round	2,054,499	2,894,586	1,064,356	2,280,233	990,142	—	(375,789)
19 Titania Group Limited	2020	Business Services	Discounted revenue multiple	1,237,624	2,805,416	1,237,624	2,551,517	—	—	253,899
20 Family Adventures Group Ltd	2024	Consumer & Leisure	Cost	2,475,274	2,475,274	—	—	2,475,274	—	—

1. Top Ten Investments by value shown on pages 29 to 33.

2. Loan repayment.

Key: Technology, Media & Telecommunications Industrials & Manufacturing Healthcare Business Services Consumer & Leisure Other

Portfolio Overview continued

				31 December 2024		31 December 2023		Addition £	Disposal proceeds £	Net valuation movement £
Investment by value	Date of investment	Sector	Valuation methodology	Accounting cost £	Valuation £	Accounting cost £	Valuation £			
21 Mizaic Ltd	2020	●	Discounted revenue multiple	2,376,238	2,369,634	2,376,238	2,437,048	—	—	(67,414)
22 Steamforged Holdings Limited	2019	●	Discounted revenue multiple	2,364,532	2,211,954	2,364,532	2,662,329	—	—	(450,375)
23 Loopr Limited	2023	●	Discounted revenue multiple	1,732,673	2,110,384	1,732,673	1,732,673	—	—	377,711
24 Firefish Software Limited	2023	●	Discounted revenue multiple	1,485,148	2,099,987	1,485,148	1,889,517	—	—	210,470
25 I-Mist Group Limited	2020	●	Discounted earnings multiple	1,598,515	2,029,155	1,598,515	1,731,809	—	—	297,346
26 Rovco Limited	2019	●	Price of last funding round	1,457,630	2,006,306	1,457,630	1,915,839	—	—	90,467
27 Evolve Dynamics Limited	2024	●	Cost	1,980,202	1,980,202	—	—	1,980,202	—	—
28 Lepide Group Holding Company Limited	2024	●	Cost	1,939,520	1,939,520	—	—	1,939,520	—	—
29 Resi Design Limited	2024	●	Cost	1,930,693	1,930,693	—	—	1,930,693	—	—
30 Positive Response Corporation Ltd	2014	●	Discounted revenue multiple	550,000	1,863,724	775,000	1,794,413	—	(225,000) ¹	294,311
31 ABL Investments Limited	2015	●	Discounted earnings multiple	2,750,000	1,834,465	2,750,000	2,481,297	—	—	(646,832)
32 Navitas Group Limited	2023	●	Discounted revenue multiple	1,485,149	1,699,541	1,485,149	1,485,149	—	—	214,392
33 Copptech UK Limited	2022	●	Discounted revenue multiple	2,430,694	1,582,571	2,430,694	1,417,362	—	—	165,209
34 Sprintroom Limited	2023	●	Discounted earnings multiple	1,742,574	1,337,648	990,099	1,199,882	752,475	—	(614,709)
35 Five Wealth Limited	2023	●	% of AUM	705,445	1,244,738	705,445	705,445	—	—	539,293
36 Weduc Holdings Limited	2018	●	Discounted revenue multiple	699,140	1,219,597	699,140	1,424,977	—	—	(205,380)
37 Newsflare Limited	2021	●	Discounted revenue multiple	1,980,198	1,028,910	1,980,198	1,962,685	—	—	(933,775)
38 Biofortuna Ltd	2012	●	Discounted revenue multiple	1,172,516	979,869	1,172,517	1,076,795	—	—	(96,926)
39 Kognitiv Spark Inc	2023	●	Price of last funding round	990,099	919,558	990,099	982,377	—	—	(62,819)
40 Live Group Holdings Limited	2023	●	Discounted revenue multiple	1,386,135	873,435	1,386,135	1,386,135	—	—	(512,700)

1. Loan repayment.

Key: ● Technology, Media & Telecommunications ● Industrials & Manufacturing ● Healthcare ● Business Services ● Consumer & Leisure ● Other

Portfolio Overview continued

				31 December 2024		31 December 2023		Addition £	Disposal proceeds £	Net valuation movement £
Investment by value	Date of investment	Sector	Valuation methodology	Accounting cost £	Valuation £	Accounting cost £	Valuation £			
41 Additive Manufacturing Technologies Ltd	2021	●	Discounted revenue multiple	1,814,869	522,864	1,814,869	35,853	—	—	487,011
42 Aerospace Tooling Corporation Limited	2013	●	Discounted revenue multiple	150,000	477,345	150,000	1,886,661	—	—	(1,409,316)
43 The KSL Clinic Limited	2023	●	Discounted earnings multiple	990,099	295,608	990,099	990,100	—	—	(694,492)
44 Whitchurch PE 1 Limited	2014	●	Net assets	100,000	270,309	100,000	270,965	—	—	(656)
45 Cole Henry PE 2 Limited	2014	●	Net assets	100,000	203,520	100,000	204,175	—	—	(655)
46 Kingsclere PE 3 Limited	2014	●	Net assets	100,000	167,350	100,000	168,074	—	—	(724)
47 Sindicatum Carbon Capital Limited	2007	●	Nil value	246,075	—	246,075	—	—	—	—
48 viO HealthTech Limited	2018	●	Nil value	1,683,627	—	1,683,627	—	—	—	—
49 Biotherapy Services Limited	2019	●	Nil value	2,220,408	—	2,220,408	—	—	—	—
50 Powerlinks Media Limited	2017	●	Nil value	2,709,360	—	2,709,360	—	—	—	—
51 Oxonica plc	2010	●	Nil value	2,804,473	—	2,804,473	—	—	—	—
52 Callen-Lenz Associates Limited	2021	●	Sold	—	—	4,826,733	17,326,479	—	(22,806,317)	5,479,838
53 Specac International Limited	2015	●	Sold	—	—	800,000	10,851,677	—	(11,161,216)	309,539
54 200 Degrees Holdings Limited	2017	●	Sold	—	—	1,252,832	1,879,247	—	(1,877,707)	(1,540)
55 Ollie Quinn Limited	2017	●	Sold	—	—	6,684,016	707,974	—	(195,000)	(512,974)
56 Crosstown Dough Ltd	2021	●	Sold	—	—	1,485,149	474,541	—	—	(474,541)
57 So-Sure Limited	2022	●	Sold	—	—	1,584,158	—	—	—	—
				101,123,043	166,576,219	103,943,300	171,348,636	14,301,002	(36,528,611)	17,455,192

Key: ● Technology, Media & Telecommunications ● Industrials & Manufacturing ● Healthcare ● Business Services ● Consumer & Leisure ● Other

About the Manager

In 2024, the Manager won “Small Buyout House of the Year” and “ESG Deal of the Year” for its ABL Health exit at the Mergermarket British Private Equity Awards 2024. Additionally, the Manager won “Best BR Manager (Unlisted)” and “ESG Champion of the Year” at the Growth Investor Awards 2024. The Manager won the “EISA Impact Award” at the EISA Awards 2024. Further, the Manager won “Small Buyout House of the Year” at the Unquote British Private Equity Awards 2024. The Manager has also been shortlisted for the “Deal of the Year” and “PE House of the Year” awards at the Real Deals Awards 2025, was Runner Up for the “Most

Innovative ESG Initiative” at the ESG Investing Awards 2024 and was highly commended for Investment Week’s “VCT Generalist” award.

Claire Alvarez, a Partner in the Manager’s Private Equity team, won the “Finance Leader” award at the North West Leadership Awards. The Manager won Private Equity Deal of the Year at the South East Dealmakers Awards for its investment into Sprint Electric. Additionally, the Manager won “Deal of the Year (sub €2.5m)” for its investment in Mazars at the Irish Investor Awards 2024.

In addition, the Manager’s portfolio company Family Adventures Group also won “Medium Business of the Year (turnover up to £6m)”, the “Service Excellence Award” and the “Business Resilience and Growth Award” at the Somerset Business Awards 2024. Further, the Manager won “Deal of the Year (Sub £10m)” at the Central and East of England Insiders Awards 2024 for its investment into Cambrionix.



James Livingston
Partner and Co-Head of Private Equity

James joined Foresight Group in 2007 from Deloitte’s strategy consulting team. James has 20 years of experience and is a member of the Investment Committee and the Executive Committee. Alongside Matt Smith, James manages the private equity team. During his time at Foresight Group, James has led numerous successful transactions including growth and replacement capital transactions. James holds a Master’s degree in Natural Sciences and Management Studies from Cambridge University, as well as the CIMA Advanced Diploma in Management Accounting.



Matt Smith
Partner and Co-Head of Private Equity

Matt joined Foresight Group in 2010 from Rothschild, where he spent six years advising companies in a range of sectors on a variety of transaction types. Matt has 20 years of experience and is a member of the Investment Committee and the Executive Committee. Alongside James Livingston, Matt manages the private equity team. He has a particular focus on ESG considerations and has helped develop Foresight Group’s approach. Matt graduated from Oxford University with a Master’s degree in Biological Sciences and a postgraduate degree in Physiology.



Claire Alvarez
Partner

Claire joined Foresight Group’s Manchester office in 2016 from Deloitte where she focused on transaction and restructuring services across a range of corporate finance assignments. Claire provides ongoing strategic and financial support to existing portfolio companies, as well as wider management across the private equity team including a particular focus on origination of transactions. Claire has led on a number of investments for both the VCTs and Foresight Group’s institutional funds. Claire holds an MBA from Manchester Business School as well as a Corporate Finance Certificate from the Securities and Investment Institute. She also holds a degree in Management from Lancaster University.

About the Manager continued

Management

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

The 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. In considering a prospective investment in a company, particular regard will be paid to:

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

Prior to 2024, the Manager won “UK Small-Cap House of the Year” at the Real Deals ESG Awards 2023 and “Best EIS Investment Manager” at the Enterprise Investment Scheme Association Awards 2023, where it was also highly commended in the “EISA Impact” category. Additionally, the Manager won both “Growth Investor of the Year” and “Best Investor Return” at the Growth Investor Awards 2023 and was shortlisted for several others including “ESG Champion of the Year”, “Exit of the Year” for TFC Europe Limited, “Best VCT Investment Manager” and “Best Business Relief Investor Manager – Unlisted”. The Manager also featured on the shortlist for “UK Small-Cap Deal of the Year” at the 2023 Real Deals Private Equity Awards for its exit from Codeplay Software Limited. Claire Alvarez, a Partner in the Manager’s private equity team, was listed in Real Deals’ Future 40 Investment Leaders 2022 listings and was also shortlisted for “Dealmaker of the Year” at the 2023 Northwest Dealmaker Awards.

The Manager’s sustainability efforts were further recognised over the year, earning it the “Most Sustainable SME Investment Management Company” at the Wealth and Finance International Awards, the “SME Equity Award” for the AIB Foresight SME Impact Limited Partnership at the Finance Dublin Deals of the Year Awards and a listing in Real Deals Future 40 ESG Innovators.



The growing private equity investment team of over 50 is proactive and hands-on, with a focus on investing up to £10 million in UK growth companies across a broad range of sectors.

The team, based out of offices in London, Manchester, Nottingham, Edinburgh, Cambridge, Cardiff, Leeds, Dublin, Belfast and Newcastle, with smaller satellite offices in Leicester and Milton Keynes, searches for investment opportunities across the whole of the UK. Two additional offices in Bristol and Exeter are also due to open in H1 2025.

Since inception, the Manager has worked intensively to invest in, manage and realise a large number of investments. The team completes a considerable number of new deals and exits each year and supports investee companies pursuing various different strategies, including organic growth, buy & build and turnarounds. The team combines executives from varying backgrounds across corporate finance, consulting, accounting and the private equity sector.

This team has c.350 years’ worth of collective investment experience and combines investors’ capital and its own expertise with the intention of creating long-term shareholder value and generating attractive returns for shareholders.

The Manager has an active and direct portfolio management approach, typically taking a non-executive directorship position on each investee company board. The Foresight Investor Director will influence, support and, where necessary, strengthen or change management, in order to protect and build shareholder value. This hands-on role involves regular dialogue with the executive and non-executive team on growth, markets, strategy, products and tactics and a continuous evaluation of the performance of the team as a whole. For investments by Foresight VCT and Foresight Enterprise VCT, the Manager will typically negotiate the right to appoint a senior industry expert as chair.

The Manager works particularly closely with the investee companies in the following areas:

- Definition and review of strategy and its implementation
- Recruitment and incentivisation of key management and board members
- Planning for growth, international expansion and new product/service introduction
- Fundraising from banks and other external sources
- Proactive monitoring
- Merger, acquisition and exit planning
- ESG compliance

Co-Investments

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

Investment	Sector	Foresight VCT Accounting cost £	Foresight Enterprise VCT Accounting cost £	Foresight funds Accounting cost £	Total equity managed by Foresight %
ABL Investments Limited	●	2,750,000	1,494,075	—	57.3
Additive Manufacturing Technologies Ltd	●	1,814,869	1,833,018	5,343,552	16.9
Aerospace Tooling Corporation Limited	●	150,000	415,255	—	83.4
Biofortuna Ltd	●	1,172,517	3,517,537	—	59.8
Clubspark Group Ltd	●	3,647,174	2,460,000	—	35.5
Cole Henry PE 2 Limited	●	100,000	200,000	—	50.0
Copptech UK Limited	●	2,430,694	2,455,000	—	10.1
Evolve Dynamics Limited	●	1,980,202	1,999,999	—	11.7
Family Adventures Group Ltd	●	2,475,274	2,500,000	—	32.1
Firefish Software Limited	●	1,485,148	1,500,000	1,000,000	26.3
Five Wealth Limited	●	705,445	712,500	5,275,000	51.7
Fourth Wall Creative Limited	●	4,292,299	2,900,000	—	41.5
Hexarad Group Limited	●	2,277,250	2,300,034	—	22.3
HomeLink Healthcare Limited	●	2,054,499	2,075,047	—	29.2
Hospital Services Group Limited	●	3,320,000	1,200,000	4,926,995	81.6
I-Mist Group Limited	●	1,598,515	1,614,500	1,271,000	39.7
Industrial Efficiency II Limited	●	2,603,260	—	926,669	100.0
Itad (2015) Limited	●	2,750,000	1,371,726	—	35.0

Key: ● Technology, Media & Telecommunications ● Industrials & Manufacturing ● Healthcare ● Business Services ● Consumer & Leisure ● Other

Co-Investments continued

Investment	Sector	Foresight VCT Accounting cost £	Foresight Enterprise VCT Accounting cost £	Foresight funds Accounting cost £	Total equity managed by Foresight %
Kingsclere PE 3 Limited	●	100,000	100,000	—	50.0
Kognitiv Spark Inc	●	990,099	1,000,000	3,511,158	22.8
Lepide Group Holding Company Limited	●	1,939,520	1,958,916	—	32.1
Live Group Holdings Limited	●	1,386,135	1,400,002	—	35.0
Loopr Limited	●	1,732,673	1,750,000	—	12.3
Mizaic Ltd (formerly IMMJ Systems Limited)	●	2,376,238	2,400,000	—	25.3
Navitas Group Limited	●	1,485,149	1,500,000	4,345,000	65.0
Newsflare Limited	●	1,980,198	2,000,000	—	16.2
NorthWest EHealth Limited	●	5,445,544	5,499,999	—	77.0
PH Realisations 2020 Limited	●	1,664,893	2,162,929	1,000,000	85.0
Positive Response Corporation Ltd	●	550,000	559,195	—	63.9
Professionals At Play Ltd	●	2,467,933	2,500,000	4,500,000	27.9
Red Flag Alert Technology Group Limited	●	2,747,544	2,775,000	—	29.9
Resi Design Limited	●	1,930,693	1,950,000	—	19.2
Rovco Limited	●	1,457,630	1,476,880	3,130,774	16.3
Spektrix Limited	●	5,204,440	2,267,477	—	16.8
Sprintroom Limited	●	1,742,574	1,760,000	880,000	38.4
Steamforged Holdings Limited	●	2,364,532	1,600,000	1,000,000	31.9
Strategic Software Applications Ltd	●	2,722,773	2,749,994	—	35.2

Key: ● Technology, Media & Telecommunications ● Industrials & Manufacturing ● Healthcare ● Business Services ● Consumer & Leisure ● Other

Co-Investments continued

Investment	Sector	Foresight VCT Accounting cost £	Foresight Enterprise VCT Accounting cost £	Foresight funds Accounting cost £	Total equity managed by Foresight %
Ten Health & Fitness Limited	Technology, Media & Telecommunications	3,552,650	2,400,000	—	56.7
The KSL Clinic Limited	Healthcare	990,099	1,000,000	6,750,000	71.3
Titania Group Limited	Business Services	1,237,624	1,250,000	—	16.7
Weduc Holdings Limited	Industrials & Manufacturing	699,140	302,941	157,577	44.3
Whitchurch PE 1 Limited	Industrials & Manufacturing	100,000	378,000	—	50.0

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

Where the 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%.

Stakeholders and s.172

Directors' duty to promote the success of the Company

The Board of Directors consider, both individually and together, they have acted in good faith and in a way they consider is likely to promote the success of the Company for the benefit of its members as a whole in the decisions taken during the year.

This report sets out how the Directors have had regard to promoting the success of the Company for the benefit of its stakeholders as a whole, and in making their decisions to have regard to s.172 of the Company Act 2006, namely:

- The likely consequence of any decision in the long term
- The interests of the Company's employees
- The need to foster the Company's business relationships with suppliers, customers and others
- The impact of the Company's operations on the community and the environment
- The desirability of the Company maintaining a reputation for high standards of business conduct
- The need to act fairly between members of the Company.

The Board

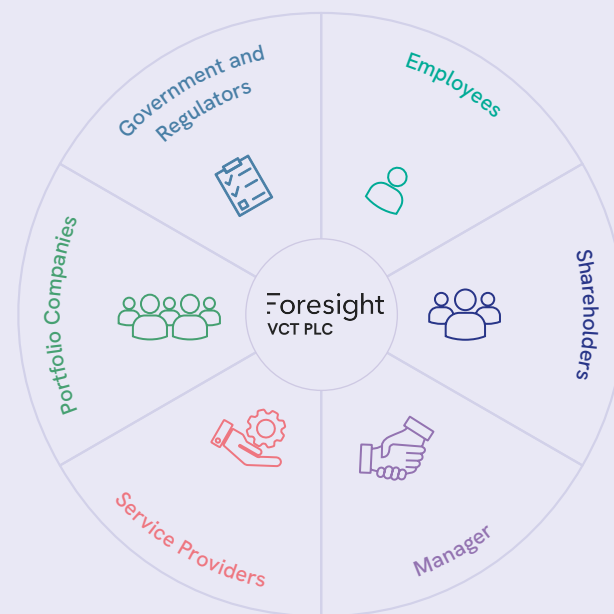
The Board adopts the 2019 AIC Code of Corporate Governance which provides the framework for the governance of the Company.

As a VCT, the Board has delegated the day-to-day management of the Company to the Manager, who is responsible for the administration, accounting and company secretarial services of the Company. The Manager also has delegated responsibility for overseeing the relationships with key services providers such as the registrar, broker and VCT status adviser.

To ensure that the Directors are aware of, and understand, their duties, they are provided with a comprehensive induction, including details of all relevant regulatory and legal duties as a Director of a UK public limited company when they first join the Board. This is reintroduced and is reinforced as part of each subscription offer. They also have access to the advice and services of the Company Secretary, and when deemed necessary, can seek independent professional advice.

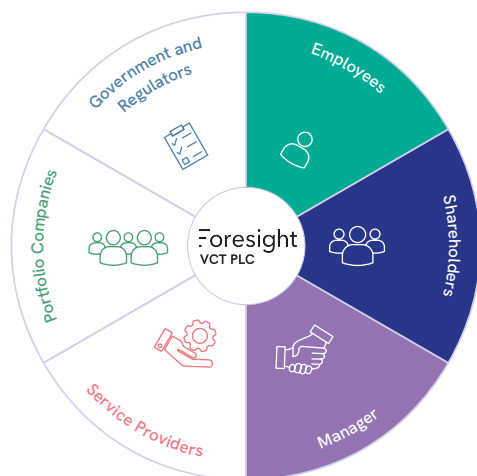
Long-term strategic considerations

The Board carefully considers the long-term consequences of its decisions to ensure the sustainable growth and success of the Company. This involves evaluating potential risks and opportunities, and how they may impact the Company's financial health, market position, VCT status and stakeholder relationships over time. By taking a forward-looking approach, the Board aims to make decisions that not only drive immediate performance but also foster resilience and adaptability in the face of future challenges. This strategic vision helps to secure the Company's long-term viability and aligns with its commitment to delivering its key objectives to shareholders and other stakeholders.



Stakeholders and s.172 continued

Directors' duty to promote the success of the Company



Employees

As an externally managed investment company, the Company does not have employees; however, the Board has a close working relationship with the employees of the Manager as the Board considers this integral to the long-term success of the Company.



Shareholders

Why we engage

The Board and the Manager recognise the critical importance of engaging with shareholders on a regular basis to maintain a high level of transparency and accountability. Their support is essential for raising additional capital, which is contingent upon the Company's performance and transparent reporting on portfolio progress.

How we engage

The Board encourages shareholders to attend and vote at the Annual General Meeting, and any other shareholder meetings that may be required during the year. The Chair of the Board and the Chair of each committee attend general meetings of the Company and are available to engage with and answer any questions posed by shareholders. The Board also ensures that the Manager attends shareholder meetings in order to provide detailed updates on the Company's portfolio.

The Company also engages with its shareholders through the Annual and Half-Yearly reports, investor days, news releases via the London Stock Exchange and the Company's website. The Annual and Half-Yearly reports and other shareholder information are distributed to shareholders and made available on the website (<https://www.foresight.group/products/foresight-vct-plc>), along with other pertinent information, including quarterly factsheets.



Manager

Why we engage

The Company's principal relationship is with the Manager, whose investment management and administration services are fundamental to the long-term success of the Company and the pursuit of its key objectives. The Manager's Review contains further detailed information about this relationship. The Board places significant emphasis on the investment performance of the Company and closely monitors the Manager's ability to deliver satisfactory strong results. This involves regular and rigorous reviews of the Manager's performance against predefined benchmarks and objectives. The Board seeks to maintain a constructive and collaborative working relationship with the Manager, ensuring open communication and alignment of interests.

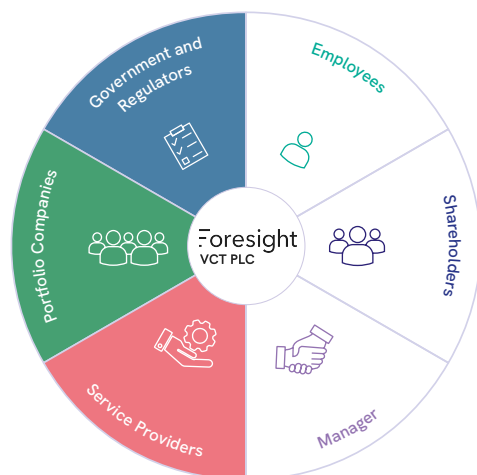
How we engage

At every Board meeting, representatives from the Manager's investment, accounting and company secretarial teams attend the meeting to provide the Board with comprehensive updates on the financial and operational performance of the Company, as well as legal and regulatory compliance updates. The Company also holds an annual strategy day with the Manager to review and assess the Company's investment strategy and objectives, and also to receive a comprehensive update from the Manager on matters such as the VCT market, investment landscape and Foresight Group as a whole.



Stakeholders and s.172 continued

Directors' duty to promote the success of the Company



Service Providers

Including the registrar, the VCT status adviser, the auditor, the lawyers and the broker:

Why we engage

As an investment company, the Company relies on a diverse range of third-party service providers. Either directly or through the Manager, the Company works with these service providers to ensure that they provide the level of service required to ensure that the Company continues to operate in line with applicable laws, regulations and best practice, as well as in the best interest of its shareholders.

How we engage

Through the Manager, annual site visits are undertaken with key service providers to maintain a close working relationship as well as ensuring that service providers' internal systems and controls are sufficient for the Company's needs. The Company also meets with the auditor at least twice per year and invites its lawyers and broker to attend Board meetings when considered necessary. The Management Engagement Committee undertakes an annual review of key service providers, including the Manager, to consider factors such as cost and quality of service and makes recommendations to the Board regarding their continued appointment.



Portfolio Companies

Why we engage

The long-term success of the Company and delivery of its key objectives are directly linked to the performance of its underlying portfolio companies.

How we engage

Each quarter, the Board is provided with sufficient information and support to scrutinise the performance of the portfolio companies. This thorough review process ensures that the Board can make informed decisions based on accurate and up-to-date information.

Each year, the Board also holds one Board meeting at one of the Manager's regional offices. This provides the opportunity to visit a selection of portfolio companies in the surrounding area and meet with the management teams. These meetings offer several benefits, including fostering stronger relationships between the Board and the portfolio companies, gaining deeper insights into the business' operations and challenges, and ensuring that the companies are adhering to the Company's standards and expectations. By engaging directly with the portfolio companies, the Board can better understand their strategic direction, provide valuable feedback and support their long-term growth and success. This proactive approach helps to enhance the overall performance of the portfolio and contributes to the sustainable success of the Company.



Government and Regulators

Why we engage

As a venture capital trust, the impact of government decisions and policy changes may have significant consequences for the Company and its shareholders.

How we engage

The Company is a member of the AIC and both the Board and Manager actively participate in AIC activities such as roundtables, lobbying activities and events. When deemed appropriate, the Board will also engage directly with the government on matters relating to the Company; for example, during the year, the Chair of the Board engaged directly with the Economic Secretary on the decision to exclude VCTs from the new legislation, granting a temporary exemption from PRIIPs and the cost disclosure requirements associated with MiFID.

Stakeholders and s.172 continued

In accordance with Section 172 of the Companies Act 2006, the Board has a duty to promote the success of the Company for the benefit of its members as a whole, while having regard to various factors including the interests of employees, fostering business relationships with suppliers, customers, and others, and considering the impact of the Company's operations on the community and the environment.

Throughout the year, engagement with stakeholders took place to gather feedback and understand their concerns. To illustrate how the Board has considered the matters set out in s.172, the table below highlights some of the key decisions and actions taken by the Board over the course of the year.

The actions include alignment with the Company's strategy and the interests of the Company's stakeholders. By transparently reporting on these matters, the Board demonstrates its commitment to addressing stakeholder concerns and promoting the long-term success of the Company.

Examples:

The likely consequences of any decision in the long term	The need to foster the Company's business relationships with suppliers, customers and others	The desirability of the Company maintaining a reputation for high standards of business conduct	The interests of employees	The impact of the Company's operations on the community and the environment	The need to act fairly between members of the Company
Following a period of successful realisations, the Board agreed to declare a special interim dividend of 7.0p per share in June 2024. The Board considered the Company's cash balances and the VCT rules regarding the 80% test, as well as the Company's objective of distributing funds to shareholders following exceptional realisations. The Board agreed that the special interim dividend declaration would support the Company in the long term, whilst adhering to its key objectives.	Through the Manager, the Company fosters strong business relationships with key service providers. On behalf of the Company, the Manager undertakes due diligence exercises either on site or through comprehensive questionnaires. The Manager provides the Board with reports on its findings which enables the Board to assess whether there were any areas of concern. Through this approach, the Board can make more informed decisions on the continued appointment of key service providers.	Through the Manager, the Board will have representation at portfolio company level, either through a board seat, or observer status. This enables the Company and the Manager to ensure that the portfolio companies maintain or achieve the expected standards of governance and best practice in their operations. As part of the Manager's 100 day plan post investment, a key area of focus is often governance best practice which can involve the introduction of new board members with specific industry experience to support the business.	The Company continues to support the co-investment scheme with the Manager as the Directors believe that this aligns with the interests of the Company's shareholders, as well as the Managers', in pursuit of achieving the Company's key objectives. The Board also believes that this allows the Manager's employees to celebrate in the success of the Company alongside its shareholders.	As the Company focuses on providing growth capital to SMEs across the UK, the Board is committed to supporting the local communities in the areas in which it invests. Through the Company's investments, portfolio companies have additional capital to enable job creation and the Manager encourages all portfolio companies to pay the national living wage.	The Company ensures that all shareholders are treated equally, regardless of their investment size. This commitment involves providing transparent and timely information to every member. Furthermore, the Company maintains a fair voting system, where each shareholder's vote is counted equally, reflecting the collective interests of all members.

Responsible Investment

Often referred to as responsible investment, environmental, social and governance principles (“ESG”) provide not only a key basis for generating attractive returns for investors, but also to help build better quality businesses in the UK, creating jobs and making a positive contribution to society.

ESG criteria 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 c.65% of the current portfolio, with the view to reaching 100% as legacy investments are sold over time. Central to its investment approach are five ESG principles which are used to evaluate investee companies.

Overall, 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 life cycle of an investment:



Responsible Investment continued

UN SDGs

While contribution to the UN's Sustainable Development Goals ("SDGs") is not a determining factor for investment decisions, many investee companies have important linkages, and sometimes contributions, to the SDGs.

In May 2021, the Manager formalised its Investment 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 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 are measured and an evaluation matrix is updated to allow progress to be tracked and continuous improvement encouraged.

The diagram below shows the specific SDGs that the Manager has identified linkages to.



Responsible Investment^{continued}

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.

Climate change statement

The Manager has a long-term investing vision. 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 2024, the Manager was once again awarded five 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.

Task Force on Climate-related Financial Disclosures ("TCFD")

Foresight Group reports in line with the TCFD recommendations. As a small authorised UK AIFM and by virtue of its legal entity status, the Company is exempt from TCFD product-level reporting requirements. However, the Manager provides carbon emissions data, which is one of the TCFD's reporting requirements, through its pioneering Sustainability Data Platform. The Board and Manager will review the Company's ability to provide additional TCFD-related data in the future. Further details can be found at www.foresightgroup.eu.



Responsible Investment continued

Environmental, human rights, employee, social and community issues

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 the 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 purchases being services as opposed to tangible products. The Manager's policies in respect of all the above issues can be found on its website: www.foresightgroup.eu.

The Board currently comprises two female and two male Directors. There is no formal diversity policy in place, however the Board is conscious of the need for diversity and will consider 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 (2023: 232) and 167 women (2023: 158).

As of December 31, Foresight had a total of 38 Directors, comprising 29 males and 9 females. Additionally, Foresight had a total of 41 individuals within the Senior Management team, 8 of which were female and 33 of which were male.

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.



Risks

Principal risks, risk management and regulatory environment

Internal controls and risk management

In accordance with the AIC Code of Corporate Governance, the Manager has established a framework of internal controls to effectively manage and mitigate risks. The system includes comprehensive policies, regular risk assessments, and continuous monitoring to ensure operational integrity and regulatory compliance. This proactive approach helps safeguard the Company’s assets and achieve its strategic objectives.

The Manager reports regularly to the Board on the status and effectiveness of these controls and processes. These reports include detailed assessments of risk management, compliance, and performance metrics, ensuring that the Board is fully informed and able to provide appropriate oversight.

To further strengthen the Manager’s governance practices, the Manager engages independent auditors to conduct thorough reviews of their controls and processes. These independent assurance reports provide an objective evaluation of the systems, highlighting areas of strength and opportunities for improvement. The findings from these reports are presented to the Board, ensuring transparency and accountability in the Manager’s operations.

Risk	Description	Key controls and mitigation
Emerging risks		
Artificial intelligence (“AI”)	The rapid adoption of AI across various sectors poses significant implications for cyber security. This swift integration may expose potential vulnerabilities in the Company’s or Manager’s organisational preparedness and control measures.	The Manager has implemented data governance practices, strict access control policies, and continuous monitoring to ensure the security of its use of AI. The Manager also assesses the security practices of third-party suppliers. Ongoing training and awareness campaigns keep employees informed about AI-related security risks and best practices. These measures ensure the use of AI remains resilient against potential cyber security threats.
Cyber security	The increasing volume and sophistication of cyber attacks pose significant risks to the Company and the Manager.	The Manager carries out annual audits on key service providers to the Company either through a due diligence questionnaire or on-site visits, where matters such as cyber security, internal controls and processes are assessed, and feedback and recommendations shared with the service provider. Furthermore, the Manager has implemented key controls such as strong access control and conducts continuous monitoring, to ensure disaster recovery and business continuity measures are in place. The Manager also emphasises security awareness and training for employees, assesses third-party cyber security practices, and performs regular security assessments to identify and address potential vulnerabilities.
Changing adviser and investor structures	As the investor demographic evolves, there may be a decline in Independent Financial Adviser (“IFA”) represented investors, potentially impacting the Company’s ability to raise capital. Investors are increasingly considering direct investing or alternative platforms.	To address this, the Manager is enhancing its investor relations strategy, diversifying capital sources, strengthening its digital presence, and ensuring compliance with regulatory requirements. Additionally, the Manager works on forming strategic partnerships, integrating technology, and seeking regular feedback to adapt to changing investor preferences. Furthermore, the Company has a diversified shareholder base. The Manager works with strategic partners and VCT review houses to ensure diversification on the shareholder register.

Riskscontinued

Principal risks, risk management and regulatory environment

The Board conducted a robust assessment of the Company’s emerging and principal risks for FY24. The Board employs a systematic approach to identify emerging risks, ensuring proactive management and mitigation. Quarterly Board reviews focus on emerging risks and their implications, ensuring timely actions to address new challenges. Dynamic risk registers are maintained and updated regularly to reflect new risks, including detailed descriptions and mitigation strategies. These approaches ensure a comprehensive and proactive identification of emerging risks, aligning with best practices in risk management.

The principal risks and uncertainties identified by the Board which might affect the Company’s business and future performance, and the steps taken with a view to their mitigation, are set out below. Continuous environmental scanning of external factors such as market trends, regulatory changes, technological advancements, and geopolitical developments helps in identifying potential risks.

Emerging risks that have also been considered include those of artificial intelligence, cyber risks and the growing level of sophistication of cyber attacks.

Further details of the Board’s climate change risks and considerations are provided in the Climate change statement in the Responsible Investment section on page 48.

In addition, the Board and the Manager continue to monitor emerging geopolitical risks and their impact both domestically and internationally.

While emerging risks are by nature difficult to predict, the Board and Manager’s response to issues that may directly or indirectly effect the portfolio is immediate and evolves constantly.

The Board questions which parts of the Company’s business may be vulnerable to disruption, including the business models of its investee companies and third-party suppliers.

Analysis performed, including the portfolio’s exposure to geopolitical risk and the effect of interest rates on individual investee companies in the year, is circulated to the Board and a best course of action decided. The impact of such risks on the Company’s portfolio is under continuous assessment by the Manager. The Board and Manager therefore believe that emerging risks are mitigated and monitored so far as possible.

Risk	Description	Key controls and mitigation
Principal risks		
Market risk ⬆️	Macroeconomic changes, geopolitical developments, including the risk of war, 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. Over the past fiscal year, we have observed a notable increase in market risks due to several factors. Economic fluctuations, political events, rapid technological advancements, interest rate changes, and exchange rate variability have collectively contributed to heightened market volatility and uncertainty. These developments necessitate vigilant risk management and strategic planning to navigate the evolving landscape effectively.	The 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.

Risks continued

Principal risks, risk management and regulatory environment

Risk	Description	Key controls and mitigation
Principal risks		
Internal control risk 	The control environments of the Company's service providers, including the Manager, have inadequate procedures for the identification, evaluation and management of cyber security and data protection, putting the Company's assets and data at risk Over the past fiscal year, internal control risk has trended upward due to the increasing complexity of operations, evolving regulatory requirements, rapid technological advancements, and resource constraints. In line with the new AIC guidance on internal control reporting, the Company is committed to enhancing its internal control systems to ensure compliance and mitigate these risks effectively. This includes continuous monitoring and improvement of control processes to address any identified deficiencies and maintain robust financial reporting standards.	The Board carries out semi annual reviews of the system of internal and cyber controls, both financial and non-financial, operated by the Manager and other service providers. These reviews include controls designed to ensure that the Company's assets are safeguarded and that proper accounting records are maintained.
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 lead to a lack of investor demand for the Company's shares, making it difficult to raise new capital, a lack of cash available to fund buybacks and an inability to control a widening share price discount to NAV.	The Board and the Manager meet for an annual strategy day. Also, the investment strategy and underlying performance are further monitored quarterly at Board meetings. The Manager aims to implement robust performance management strategies to identify and address under-performance early. This includes setting clear goals, providing regular feedback, and offering training and development opportunities. The Manager aims to maintain transparent and frequent communication with investors about the Company's performance, strategies, and future plans. This can help build trust and confidence in the Company's potential. Furthermore, the Manager aims to reduce reliance on a single source of revenue by diversifying the portfolio. This can help stabilise income and make the Company more resilient to market fluctuations. There is a major focus on improving the Company's financial health by managing costs effectively, optimising cash flow, and maintaining a healthy balance sheet.

Risks continued

Principal risks, risk management and regulatory environment

Risk	Description	Key controls and mitigation
Principal risks		
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, data protection rules, 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, leading to a reduction in the sale of 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 share price discount to NAV. The "Sunset Clause" for EIS and VCT reliefs has been extended by ten years to April 2035, following the European Commission's confirmation that they would not oppose the continuation of the scheme. This now removes any recent uncertainty and will help support further investment by the VCT sector in early stage companies.	The 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 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 Manager review corporate governance and regulatory changes on a continual basis and seek additional advice as and when required. The Manager aims to maintain adequate cash reserves to manage potential cash flow issues arising from regulatory changes. This ensures the Company can continue dividend payments and share buybacks even during periods of uncertainty. The Manager engages in transparent and frequent communication with investors to keep them informed about regulatory changes, their potential impact, and the Company's mitigation strategies. This helps build investor confidence and maintain demand for the Company's shares. The Manager develops flexible investment strategies that can be quickly adapted to changing regulatory environments. This includes identifying alternative investment opportunities that comply with new regulations while still offering satisfactory returns.

Riskscontinued

Principal risks, risk management and regulatory environment

Risk	Description	Key controls and mitigation
Principal risks		
VCT qualifying status risk →	The Company fails 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.	The Manager takes legal advice for each transaction to ensure all investments are qualifying. Advance assurance, where appropriate, is sought from HMRC ahead of completion. The Manager keeps the Company’s VCT qualifying status under continual review, seeking to take appropriate action to maintain it where required, and its reports are reviewed by the Board on a quarterly basis. The Board has also retained Shakespeare Martineau LLP to undertake an independent VCT status monitoring role.
Investment valuation and liquidity risk →	The Company’s investments are in small and medium-sized unquoted companies which are VCT 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 have 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 information provided by investee companies. As the Manager’s remuneration is based on the Company’s Net Asset Value, there is an inherent conflict of interest in valuations of the portfolio by the Manager. 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 objectives and restrict dividends and buybacks.	The Manager aims to limit the risk of 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 and anticipated realisations with the 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 14. The Board reviews portfolio valuations quarterly and the external auditor performs an annual review, as noted in the Independent Auditor’s Report.

Viability Statement

In accordance with principle 21 of the AIC Code (2019), the Directors have assessed the prospects of the Company over the three-year period to 31 December 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. While the Company's investment strategy is long term, a three-year assessment period allows for a more precise and actionable evaluation of short to medium-term risks and opportunities. This time frame aligns with our strategic planning cycles and provides a balanced approach to managing and adapting to market conditions, ensuring the Company remains on track to achieve its long-term objectives.

Principal risks and uncertainties

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.

Business model and strategy

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 Manager adapting its investment process to take account of the more restrictive VCT investment rules that currently apply.

Financial position and performance

The Directors have also considered the Company's income and expenditure projections and underlying assumptions for the next three years and believe these to be soundly based.

Stress testing and scenario analysis

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, 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 December 2027.

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 to help them 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.

Future strategy

The Board and the Manager believe that the strategy of continuing to qualify as a VCT and focusing on growth private equity investments is currently in the best interests of shareholders and the historical information reproduced in this report is evidence of positive recent performance in this area.

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

Based on this comprehensive assessment, the Board has a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the next three years. The Board is confident in the Company's ability to navigate potential challenges and capitalise on opportunities to achieve its strategic objectives.

The Board acknowledges that the assessment is subject to inherent uncertainties and assumptions. Any significant changes in the external environment or unforeseen events could impact the Company's viability. The Board will continue to monitor these factors closely and take appropriate actions to ensure the Company's long-term success.

This Strategic Report has been approved for issue by the Board.

Margaret Littlejohns

Chair

14 April 2025

Governance

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Board of Directors

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



Margaret Littlejohns

Chair of the Board and Chair of the Nomination Committee

Appointed
1 October 2017

Experience

Margaret has 19 years of experience in both commercial and investment banking, developing particular expertise in derivatives and in credit and market risk management. Between 2004 and 2006 she co-founded two start-up ventures, providing self-storage facilities to domestic and business customers in the Midlands and acted as finance director until the businesses were successfully sold in 2016.

Other positions

Margaret previously served as senior independent non-executive director of UK Commercial Property REIT Limited, non-executive chair of Henderson High Income Trust plc and as non-executive director of JPMorgan Mid Cap Investment Trust plc.

Beneficial shareholding
86,255 shares



Patricia Dimond

Non-Executive Director and Chair of the Audit and Remuneration Committee

Appointed
1 February 2021

Experience

Patty has had an international career with over 30 years in the consumer, retail and financial sectors. As an executive or strategic adviser, she has worked with FTSE 100, private equity and owner-managed companies. She is an alumna of McKinsey & Company and a CFA Charter holder. Patty qualified as a Chartered Accountant working with Deloitte Haskins & Sells, and holds an MBA from IMD Switzerland.

Other positions

Patty currently serves as the senior independent non-executive director and audit committee chair on both Hilton Food Group plc and Aberforth Smaller Companies Trust plc. She is the senior independent director of English National Opera and trustee of the Booker Prize Foundation.

Beneficial shareholding
89,437 shares



David Ford

Non-Executive Director and Chair of the Management Engagement Committee

Appointed
1 January 2023

Experience

David has city-based experience as a former managing director in equities for Prudential Capital Group and in fixed income for Intermediate Capital Group. Since 2017 he has been investing on his own behalf as an angel investor and as an adviser to funds.

Other positions

David sits as a non-executive director on the boards of a number of small early stage companies. He is also a non-executive director of Alcentra Ltd, a Franklin Templeton-owned alternative asset manager.

Beneficial shareholding
58,513 shares



Dan Sandhu

Non-Executive Director

Appointed
1 January 2023

Experience

Dan has commercial experience in the UK, China and India, successfully growing start-up companies funded by private equity. Dan, a qualified Chartered Accountant, is currently the chief executive officer at Education Development Trust and was previously chief executive officer of Sparx Learning. He has been an active angel investor in the UK as well as being one of the founding members of Indian Angel Network, New Delhi.

Other positions

Dan is a member of the Institute of Chartered Accountants in England and Wales and sits on the Leadership Council of the Centre for Universal Education at the Brookings Institution in Washington.

Beneficial shareholding
23,337 shares

Directors' Report

The Directors present their report and the financial statements of the Company for the year ended 31 December 2024.

Activities and status

The principal activity of the Company during the year was the making of investments in unquoted companies in the UK. 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 Sections 274-280A of the Income Tax Act 2007. Confirmation of the Company's qualification as a VCT has been received up to 31 December 2023 and the Board has managed and intends to continue to manage the Company's affairs in such a manner as to continue to comply with these regulations.

Results and dividends

The total return attributable to shareholders for the year amounted to £20,126,000 (2023: £16,476,000).

The Board recommended a final dividend in respect of the year ended 31 December 2023 of 4.4p per share which was paid on 28 June 2024. The Board also declared a special interim dividend of 7.0p per share following the successful realisations of Callen-Lenz and Specac, which was also paid on 28 June 2024.

The Board has declared a special dividend of 6.4p per share following the successful realisation of Hospital Services Group Limited, to be paid on 9 May 2025 based on an ex-dividend date of 17 April 2025, with a record date of 22 April 2025. The Board is recommending a final dividend for the year ended 31 December 2024 of 4.1p per share, to be paid on 27 June 2025 based on an ex-dividend date of 12 June 2025, with a record date of 13 June 2025.

Political Contributions

During the fiscal year, the Company did not make any political contributions. The Board remains committed to maintaining transparency and adhering to all relevant regulations regarding political donations and contributions.

Engagement with Suppliers, Customers, and Others

In accordance with the Companies Act 2006, the Directors have actively engaged with suppliers, customers, and other stakeholders throughout the year. This engagement is crucial for fostering strong business relationships, ensuring the quality of our supply chain, and understanding the needs and expectations of our customers. Regular feedback mechanisms, meetings, and collaborative initiatives have been implemented to enhance these interactions and support the Company's long-term success.

Net Asset Value Total Return

During the year ended 31 December 2024, the Company's principal indicator of performance, NAV Total Return, increased by 8.7% (2023: 7.8%) from 85.9p per share to 93.4p per share.

Share issues

During the year, 16,683,714 shares and 7,086,604 shares were issued pursuant to an offer for subscription and the dividend reinvestment scheme respectively. Shares were issued at issue prices ranging from 78.0p to 86.8p per share.

At 31 December 2024 the Company had 271,779,253 shares in issue.

Share buybacks

During the year, the Company repurchased 7,209,542 shares for cancellation at a cost of £5,480,000. No shares bought back by the Company are held in treasury. Share buybacks have been completed at an average discount of 7.5%.

Principal risks, risk management and regulatory environment

A summary of the principal risks faced by the Company is set out in the Strategic Report on pages 50 to 54.

Financial instruments

Details of all financial instruments used by the Company during the year are given in note 14 to the accounts.

Directors' Reportcontinued

Policy of paying creditors

The Company does not subscribe to a particular code but follows a policy whereby suppliers are paid by the due date and investment purchases are settled in accordance with the stated terms. At the year end, trade creditors represented an average credit period of 22 days (2023: zero days).

Management

The Company has appointed Foresight Group LLP (the “Manager”) to provide investment management, accounting and administration services.

Annually, the Management Engagement Committee reviews the appropriateness of the Manager’s appointment. In carrying out its review, the Management Engagement Committee considers the investment performance of the Company and the ability of the Manager to produce satisfactory investment performance. It also considers the length of the notice period of the investment management contract and fees payable to the Manager, together with the standard of other services provided, which include company secretarial services. It is the Board’s opinion that the continuing appointment of the Manager on the terms agreed is in the interests of shareholders as a whole. The last review was undertaken in November 2024. The principal terms of the management agreement are set out in note 3 to the accounts.

The annual expenses cap is 2.4% of net assets, which is one of the lower expenses caps of any VCT with total assets over £50 million.

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

Foresight Group LLP was appointed as Manager on 27 January 2020 and earned fees of £4,174,000 in the year to 31 December 2024 (2023: £4,018,000). A further £2,030,000 performance incentive fee has been accrued in the accounts at 31 December 2024. Further details of this can be found in note 13. Foresight Group LLP received £130,000 (2023: £130,000) during the year in respect of secretarial, administrative, accounting and custodian services to the Company.

Foresight Group LLP also received from investee companies arrangement fees of £384,000 (2023: £551,000) and Directors’ fees of £1,187,000 (2023: £1,084,000).

	£'000
Management fee	4,174
Performance incentive fee	2,030
Secretarial fee	130
Arrangement fees	384
Directors’ fees	1,187
	7,905

All amounts are stated, where applicable, net of VAT. The Manager is also a party to the co-investment and performance incentive arrangements described in note 13 to the accounts.

At the time of writing, officers and staff of the Manager held a total of 2,235,508 shares in the Company.

Performance-related incentives

Shareholders approved a co-investment scheme and performance incentive arrangements at a general meeting held on 15 June 2023, effective from 1 January 2023. Co-investment and performance incentive arrangements were novated from Foresight Group CI Limited to the Manager on 27 January 2020. Details can be found in note 13 to the accounts.

Venture Capital Trust status

Foresight VCT plc has been granted approval as a Venture Capital Trust (“VCT”) under Sections 274-280A of the Income Tax Act 2007 for the year ended 31 December 2024. The next complete review will be carried out for the year ending 31 December 2025. It is intended that the business of the Company be carried on so as to maintain its VCT status.

The Board and the Manager have managed, and continue to manage, the business in order to comply with the legislation applicable to VCTs. The Board has appointed Shakespeare Martineau LLP to monitor and provide continuing advice in respect of the Company’s compliance with applicable VCT legislation and regulation. Reviews of prospective investments are carried out by advisers assisting on the relevant investment transaction.

The Board monitors the Company’s VCT status at quarterly meetings of the Board based on advice from Shakespeare Martineau LLP and the Manager monitors the status on a continuing basis. As at 31 December 2024, the Company had 100.0% (by VCT value) of its applicable funds in such VCT qualifying holdings.

Directors' Report continued

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 up to 30% on subscription by qualifying investors for new shares
- VCT dividends (including capital distributions of realised gains on investments) are not subject to income tax in the hands of qualifying investors
- Capital gains on disposal of VCT shares by qualifying investors 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.

Substantial shareholdings

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

Likely future developments

Please refer to the Manager's Review on page 26 for more details on likely future developments.

Alternative Investment Fund Managers Directive ("AIFMD")

The AIFMD came into force on 22 July 2013 and sets out the rules for the authorisation and ongoing regulation of Alternative Investment Fund Managers ("AIFMs") that manage authorised Alternative Investment Funds ("AIFs") in the EU. The Company qualifies as a small authorised AIF and so is required to comply, although additional costs and administration requirements are not material. The Company's approval was confirmed in August 2014. This has not affected the current arrangements with the Manager, who continues to report to the Board and manage the Company's investments on a discretionary basis.

Valuation policy

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

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 14 April 2025 was 301,577,886 Ordinary Shares of 1 penny each. Further information on the share capital of the Company is detailed in note 11 to the accounts.

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 111.

Notifiable interests in the Company's voting rights

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

Auditor

Pursuant to Section 487(2) of the Companies Act 2006, the Board has decided to propose the re-appointment of Deloitte LLP as auditor and a resolution concerning this will be proposed at the Annual General Meeting.

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.

Directors' Report continued

Companies Act 2006 disclosures

In accordance with Schedule 7 of the Large and Medium-sized 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 an employee share scheme
- There exist no agreements to which the Company is party that may affect its control following a takeover bid
- There exist no agreements between the Company and its Directors providing for compensation for loss of office that may occur following a takeover bid or for any other reason

Conflicts of interest

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

Whistleblowing

The Board has been informed that the Manager has arrangements in place in accordance with the UK Corporate Governance Code's recommendations by which staff 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.

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 Chair's Statement, Strategic Report and Notes to the Accounts. In addition, the Annual Report and 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 adequate financial resources together with investments and income generated therefrom across a variety of industries and sectors. The Board believes that the Company is able to manage its business risks.

Three-year cash flow projections to 31 December 2027 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 buybacks 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 thoroughly assessed the impact of global geopolitical conflicts, particularly those involving Russia and the Middle East, which have contributed to heightened market volatility and uncertainty. Additionally, the challenging economic outlook, characterised by slow growth has been carefully considered. Despite these external challenges, the Directors have a reasonable expectation that the Company possesses adequate resources to maintain operational continuity for the foreseeable future, extending at least 12 months from the date of approval of these financial statements. This confidence is underpinned by the Company's strong financial position, robust risk management framework, and strategic planning processes. Consequently, the Directors continue to adopt the going concern basis of accounting in preparing the Annual Report and Accounts, ensuring that the financial statements provide a true and fair view of the Company's financial health and prospects.

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 that complies with a new set of disclosure requirements. See pages 71 to 75.

Directors' Report continued

Directors' indemnification and insurance

To the extent permitted by law, the Directors have the benefit of indemnities under the Articles of Association of the Company against 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 and the Company against certain liabilities that may arise in the conduct of their duties.

There is no cover in respect of fraudulent or dishonest actions. These indemnities were made during the year and remain in force at the date of this report.

Annual General Meeting

A formal notice convening the Annual General Meeting on 2 June 2025 can be found on pages 109 and 110.

Resolutions 1 to 10 will be proposed as ordinary resolutions, meaning that for each resolution to be passed more than 50% of the votes cast at the meeting must be in favour of the resolution. Resolutions 11 and 12 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 10 to 12 renew share issue and buyback authorities granted at previous general meetings of the Company and, together with Resolution 9, are explained in further detail below. The Directors believe that the proposed resolutions are in the interests of shareholders and accordingly recommend shareholders to vote in favour of each resolution.

Resolution 9

The Directors recommend to shareholders the payment of a final dividend in respect of the financial year ended 31 December 2024 of 4.1p per ordinary share of 1p each in the capital of the Company, for payment on 27 June 2025 to shareholders on the register on 13 June 2025.

Resolution 10

Resolution 10 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 £1,000,000 (representing 33.2% of the issued share capital of the Company as at the date of this Annual Report). This authority will be used for the purposes listed under the authority requested under Resolution 11. This includes authority to issue shares pursuant to the dividend reinvestment scheme operated by the Company, performance incentive fee arrangements with Foresight Group LLP and relevant individuals of the Foresight Group LLP investment team and further 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. All new offers are intended to be at an offer price linked to NAV. The authority conferred by Resolution 10 is in substitution for all existing authorities and will expire (unless renewed, varied or revoked by the Company in a general meeting) on the conclusion of the Annual General Meeting of the Company to be held in the year 2026, or, if earlier, on the date falling 15 months after the passing of the resolution, save that the Company may allot equity shares after such date in pursuance of a contract or contracts made prior to the expiration of this authority.

Resolution 11

Resolution 11 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 amount of up to £400,000 pursuant to offer(s) for subscription; (ii) with an aggregate nominal amount of up to 10% of the issued share capital pursuant to the dividend reinvestment scheme operated by the Company at a subscription price per share which may be less than the Net Asset Value per share, as may be prescribed by the scheme terms; (iii) with an aggregate nominal amount of up to £100,000 pursuant to performance incentive arrangements with Foresight Group LLP and relevant individuals of the Foresight Group LLP investment team at a subscription price which may be less than the Net Asset Value per share; and (iv) with an aggregate nominal amount of up to 10% of the issued share capital from time to time for general purposes, in each case where the proceeds of such issue may be used in whole or part to purchase the Company's shares.

The authority conferred by Resolution 11 is in substitution for all existing authorities and will expire (unless renewed, varied or revoked by the Company in a general meeting) at the conclusion of the Annual General Meeting to be held in 2026 or, if earlier, on the date falling 15 months after the passing of the resolution, save that the Company shall be entitled to make offers or agreements before the expiry of such authority which would or might require equity securities to be allotted after such expiry and Directors shall be entitled to allot equity securities pursuant to any such offers or agreements as if the authority conferred hereby had not expired.

Directors' Report continued

Annual General Meeting continued

Resolution 12

It is proposed by Resolution 12 that the Company be authorised to make market purchases of the Company's own shares. Under this authority, the Directors may purchase up to 45,206,525 shares (representing approximately 14.99% of the Company's shares in issue at the date of this Annual Report) or, if lower, such number of shares (rounded down to the nearest whole share) as shall equal 14.99% of the issued share capital at the date the resolution is passed. When buying shares, the Company cannot pay a price per share which is more than 105% of the average of the middle market quotation for a share taken from the London Stock Exchange daily official list on the five business days immediately before the day on which shares are purchased or, if greater, the amount stipulated by Article 5(6) of the Market Abuse Regulation (EU) 596/2014 (as such Regulation forms part of UK law and as amended). The authority conferred by Resolution 12 is in substitution for all existing authorities and will expire (unless renewed, varied or revoked by the Company in a general meeting) at the conclusion of the Annual General Meeting to be held in 2026 or, if earlier, on the date falling 15 months after the passing of the resolution, save that the Company may purchase its shares after such date in pursuance of a contract or contracts made prior to the expiration of this authority.

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

This report has been approved for issue by the Board.

Foresight Group LLP

Company Secretary

14 April 2025

Corporate Governance



The introduction of the new AIC Code in 2024, with effect from 1 January 2025, will be a focus for the Board in the coming year to ensure that it continues to comply with provisions of the Code.

Margaret Littlejohns
Chair

The AIC Code addresses the Principles and Provisions set out in the UK Corporate Governance Code (the “AIC Code”) issued by the Financial Reporting Council, as well as setting out additional Provisions on issues that are of specific relevance to the Company.

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 introduction of the new AIC Code in 2024, with effect from 1 January 2025, will be a focus for the Board in the coming year to ensure that it continues to comply with provisions of the Code.

The Company has complied with the Principles and Provisions of the AIC Code for the year ended 31 December 2024.

The Board

The Board comprises four Directors, all of whom are non-executive and deemed independent. The Board actively encourages Directors to hold shares in the Company, ensuring that their personal interests are aligned with the interests of shareholders. The Board does not feel that such holdings call into question Directors’ independence. The Nomination Committee meets annually to discuss the appropriateness of the Board appointments and Directors are required to stand for annual re-election.

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

Disclosure of Conflicts of Interest

In accordance with Principle 5 of the AIC Code of Corporate Governance, the Board has established procedures to manage conflicts of interest. Directors are required to disclose any potential conflicts at the outset of each Board meeting and as they arise. The Board maintains a register of interests and ensures that any conflicts are managed in a manner that upholds the integrity and independence of the Board’s decision-making processes. This approach ensures that the influence of third parties does not compromise or override independent judgement.

Relationship with the Manager

The Board maintains a close and constructive relationship with the Manager, which is essential for the effective operation of the Company. Regular meetings are held to discuss the Company’s performance, strategic direction, and any issues that may arise. The Manager provides comprehensive reports on portfolio performance, market conditions, and investment opportunities, enabling the Board to make informed decisions. This collaborative relationship ensures that the Company’s long-term objectives are aligned with the interests of shareholders.

Diversity and Inclusion Statement

In compliance with DTR 7.2.8A, the Board of Directors remains committed to fostering diversity and inclusion. The Board consists of four Directors: two female and two male members, one of whom is from a non-white background. The positions of Chair of the Board and Chair of the Audit Committee are held by the two female directors. This composition demonstrates the Board’s belief that a diverse board brings a range of perspectives and experiences, which are vital for effective governance and informed decision-making.

Corporate Governance continued

Board effectiveness and evaluation

The Board is pleased to announce the engagement of Round Governance Services Limited ("RGS") to conduct an external evaluation of the Board's performance and that of its committees for FY25. Due to the timings of the external evaluation with RGS, the Nomination Committee agreed that an internal evaluation during FY24 was not required. Nevertheless, the Board is dedicated to maintaining high standards of effectiveness, regularly evaluating its performance and implementing best practices to ensure robust governance and strategic oversight. The external evaluation will comprise tailored questionnaires as well as interviews with each of the Board members, and key representatives from Manager's investment, company secretarial and finance teams. RGS will present their findings and appropriate actions to the Board in FY25. This initiative underscores our commitment to maintaining the highest standards of corporate governance and continuous improvement.

The Chair leads the Board in formulating its strategic direction and achieving its objectives. The Chair is responsible for organising the Board's activities, ensuring its effectiveness, and setting its agenda. Additionally, the Chair facilitates the effective contribution of the Directors, ensures they receive accurate, timely and clear information, and promotes effective communication with shareholders.

Board leadership

The leadership of the Board is instrumental in guiding the Company towards achieving its strategic objectives. The Chair, along with the Directors, provides strong and effective leadership, fostering a culture of accountability, transparency and ethical conduct. The Board's leadership ensures that the Company adheres to its core objectives and principles, while also driving innovation and sustainable growth.

Through proactive engagement with the Manager, the Board demonstrates its commitment to delivering long-term value for shareholders and other stakeholders.

Culture

To ensure that the culture of the Manager aligns with the Company's purpose, values and strategy, the Board have implemented several oversight mechanisms:

- i. **Regular communication and reporting:** Frequent and structured communication channels between the Board and the Manager. This includes regular reports and updates on how the Manager's activities and culture align with the Company's strategic objectives and values
- ii. **Performance reviews and evaluations:** Periodic performance reviews and evaluations of the Manager are conducted. These reviews assess not only financial performance, but also cultural alignment and adherence to the Company's values and strategic goals
- iii. **Site visits:** Board members visit the Manager's offices on a regular basis, along with the sites of portfolio investment companies annually. These visits can provide firsthand insights into the working environment, cultural practices and overall alignment with the Company's ethos
- iv. **Training and development programmes:** The Manager engages in training and development initiatives to foster the desired culture and ensure consistency across both organisations
- v. **Stakeholder feedback:** Feedback is obtained from key stakeholders, to gauge the cultural alignment of the Manager. This feedback can provide valuable insights into areas of strength and opportunities for improvement

Director tenure

In alignment with Principle 7 of the AIC Code of Corporate Governance 2019, the Board has established guidelines regarding the tenure of its directors. It is generally expected that directors will not serve on the Board for more than nine years. This policy is designed to ensure the Board remains dynamic and refreshed with new perspectives, while maintaining a balance of experience and continuity.

However, the Board recognises that there may be exceptional circumstances where it is in the best interests of the Company for a director to serve beyond this period. Such circumstances will be considered on a case-by-case basis, taking into account the director's contribution, performance, and the needs of the Company at that time.

Corporate Governance continued

Division of responsibilities

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

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 Manager's company secretarial team who act on behalf of the Manager as Company Secretary to the Company and also attend Board meetings. The Company Secretary plays a crucial role in ensuring effective governance by providing comprehensive support to the Board and its committees, facilitating clear communication, and ensuring compliance with statutory and regulatory requirements.

Representatives of the Manager attend all formal Board meetings although the Directors may on occasion meet without representatives of the Manager being present. Informal meetings with the Manager are also held between Board meetings as required. Attendance by Directors at Board and Committee meetings is detailed in the table on the following page.

In addition to the meetings below, 13 further meetings were held in relation to the publication of corporate documents, fundraising, share issues, investments and Company strategy.

	Board	Audit	Nomination	Management Engagement	Remuneration
Patricia Dimond	4/4	2/2	2/2	1/1	1/1
David Ford	4/4	2/2	2/2	1/1	1/1
Jocelin Harris ¹	2/4	1/2	1/2	—	—
Margaret Littlejohns	4/4	2/2	2/2	1/1	1/1
Dan Sandhu	4/4	2/2	2/2	1/1	1/1

1. Jocelin Harris retired as a Director of the Company on 4 June 2024.

In light of the responsibilities retained by the Board and its committees and of the responsibilities delegated to the Manager, Shakespeare Martineau LLP and other service providers, the Company has not appointed a chief executive officer or a deputy chair as recommended by the AIC Code. The provisions of the AIC Code which relate to the division of responsibilities between a chair and a chief executive officer are, accordingly, not applicable to the Company. The Board has not appointed a Senior Independent Director but will be reviewing this requirement in 2025 as part of its succession planning.

Board committees

The Board has adopted formal terms of reference, which are available to view on the website (<https://www.foresight.group/products/foresight-vct-plc>), for four standing committees which make recommendations to the Board in specific areas.

The Audit Committee comprises Patricia Dimond (Chair), Margaret Littlejohns, David Ford and Dan Sandhu, all of whom are considered to have sufficient recent and relevant financial experience to discharge the role, and meets no less than twice a year to consider, amongst other things, the following:

- Review the valuation of unquoted investments
- Monitor the integrity of the Annual and Half-Yearly Reports of the Company and recommend the accounts to the Board for approval
- Review the service providers, including the Manager, internal control and risk management systems
- Make recommendations to the Board in relation to the appointment of the external auditor
- Review and monitor the external auditor's independence
- Implement and review the Company's policy on the engagement of the external auditor to supply non-audit services

In the prior year, the shareholders reappointed Deloitte LLP as the Company's auditor as proposed by the Board.

The Audit Committee has performed an assessment of the audit process and the Independent Auditor's Report in the Audit Committee Report. The Directors have decided to recommend the reappointment 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.

Corporate Governance continued

Board committees continued

The Management Engagement Committee comprises David Ford (Chair), Patricia Dimond, Margaret Littlejohns and Dan Sandhu and meets at least annually to review the appointment and terms of engagement of the Manager and other service providers. The Board has decided that the entire Board of Directors should fulfil the role of the Management Engagement Committee due to its size.

The Remuneration Committee comprises Patricia Dimond (Chair), David Ford, Margaret Littlejohns and Dan Sandhu and meets at least annually to consider the levels of remuneration of the Directors. More details can be found in the Directors' Remuneration Report. The Board has decided that the entire Board of Directors should fulfil the role of the Remuneration Committee due to its size.

The Nomination Committee comprises Margaret Littlejohns (Chair), Patricia Dimond, David Ford and Dan Sandhu and meets at least annually to consider the composition and balance of skills, knowledge and experience of the Board and to make nominations to the Board in the event of a vacancy. The Board has decided that the entire Board of Directors should fulfil the role of the Nomination Committee due to its size.

With Margaret Littlejohns set to retire in 2026, Dan Sandhu has been appointed as the Chair of the Nominations Committee, effective from 1 April 2025, to assist with the Board's succession planning.

The Board believes that, as a whole, it has an appropriate balance of skills, experience and knowledge. The Board also believes that diversity of experience and approach, including gender diversity, amongst Board members is important and it is the Company's policy to give careful consideration to issues of Board balance and diversity, and culture when making new appointments. The Board currently comprises two female and two male Directors. There is no formal diversity policy in place, however the Board is conscious of the need for diversity and will consider both male and female candidates from all ethnic backgrounds when making new appointments. The Board also recognises the importance of fostering a positive and inclusive culture that aligns with the Company's values and strategic objectives. The Nomination Committee makes recommendations to the Board on the Company's succession plans and also considers the resolutions for the annual re-election of Directors.

Internal controls

The Directors have overall responsibility for the Company's system of internal control, which includes service providers, 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 Manager has established a robust system of financial control, including internal financial controls, to ensure the maintenance of proper accounting records, the accuracy and reliability of financial information for internal use and shareholder reporting, and the safeguarding of the Company's assets.

The Manager was appointed as Company Secretary in 2017 with responsibilities relating to the administration of the non-financial systems of internal control. All Directors have access to the advice and services of the officers of the Company Secretary, who is responsible to the Board for ensuring that Board procedures and applicable rules and regulations are complied with.

Pursuant to the terms of its appointment, the Manager invests the Company's assets and has physical custody of documents of title relating to investments.

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

Corporate Governance continued

Internal controls continued

The Board receives reports highlighting changes to risk ratings and actions taken or planned. This process covers key business, operational, compliance and financial risks, including those related to the Company's arrangements with the Manager, Shakespeare Martineau LLP and other service providers.

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 against its objectives at each Board meeting.

The Board also reviews the Company's activities since the last Board meeting to ensure that the Manager adheres to the agreed investment policy and approved investment guidelines and, if necessary, approves changes to such policy and guidelines.

The Board has reviewed the need for an internal audit function and concluded that the systems and procedures employed by the Manager, the Audit Committee and other third-party advisers provide sufficient assurance of a sound internal control system safeguarding shareholders' investments and the Company's assets.

The Company's financial statements are also audited by external auditors. Therefore, the Board has decided that an internal audit function is not necessary at present but will keep this policy under review.

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.

Relations with shareholders

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

In accordance with AIC Code Provision 4, the Board is committed to transparency and accountability. We highly value the feedback received from our shareholders and consider it integral to our decision-making process.

We believe that this ongoing dialogue with our shareholders helps us to better align our strategies with their expectations and enhances the overall governance of the Company. This collaborative approach ensures that we remain responsive to shareholder needs and continue to drive sustainable growth.

Individual shareholders are welcomed to the Annual General Meeting, where they have the opportunity to ask questions of the Directors, including the Chair, as well as the Chairs of the Audit, Nomination, Management Engagement and Remuneration Committees. There is also an open invitation for shareholders to meet the Manager. For more information on the Directors' relations with shareholders please refer to the Section 172(1) statement in the Strategic Report on pages 42 to 45.

Margaret Littlejohns

Chair

14 April 2025

Audit Committee Report



Patricia Dimond
Chair of the Audit Committee

The Audit Committee members are all Independent Non-Executive Directors. Due to the relatively small size of the Board, which is comprised of four Non-Executive Directors, the Committee also includes the Chair of the Board. Each member has recent and relevant financial experience and the Committee as a whole has competence relevant to the sector in which the Company operates.

Principal objective

The principal objective of the Committee is to provide assurance as to the effectiveness of the Company's internal controls and the integrity of the financial records and externally published results.

Principal responsibilities

The principal responsibilities of the Committee are set out in the terms of reference of the Committee and are reviewed annually.

In compliance with DTR 7.2.7R, the Audit Committee, composed of Independent Non-Executive Directors with relevant expertise, is responsible for ensuring the integrity of financial statements, overseeing internal control and risk management systems, and addressing key and emerging risks. The Committee also monitors the statutory audit, ensuring the performance and independence of external auditors.

The Committee oversees the appointment and terms of engagement of the external auditor, ensuring ethical compliance for non-audit services, and reviews the need for an internal audit function. It reviews financial statements to ensure accuracy and compliance with standards, and discusses audit-related issues with the external auditor. The Committee also monitors internal controls and risk management, reviews major internal findings, and addresses other key topics as defined by the Board. Regular meetings are held to report findings and recommendations to the Board.

Key areas of focus

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 of unquoted investments
- Venture Capital Trust status
- External Audit

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

Audit Committee Report continued

Key areas of focus continued

Valuation of unquoted investments

The Directors have met quarterly to assess the appropriateness of the estimates and judgements made by the Manager in the investment valuations. As a VCT, the Company's investments are predominantly in unquoted securities, which are difficult to value and require the application of skill, knowledge and judgement by the Board and Audit Committee and the Manager. During the valuation process, the Manager follows the valuation methodologies for unlisted investments as set out in the IPEV Valuation Guidelines and appropriate industry valuation benchmarks. These valuation policies are set out in note 1 of the accounts. These were then further audited by the auditor and reviewed and challenged by the Audit Committee. The Manager confirmed to the Audit Committee that the investment valuations had been calculated consistently with prior periods and in accordance with published industry guidelines, taking account of the latest available information about investee companies and current market data.

Venture Capital Trust status

Maintaining VCT status and adhering to the tax rules of Section 274 of ITA 2007 is critical to both the Company and its shareholders in order to retain its VCT tax benefits.

The Manager confirmed to the Audit Committee that the conditions for maintaining the Company's status as an approved VCT had been met throughout the year. The Manager seeks legal advice in advance for all qualifying investments and reviews the Company's qualifying status in advance of realisations being made and throughout the year. The Audit Committee is in regular contact with the Manager and any potential issues with VCT status would be discussed at or between formal meetings.

In addition, an external third-party review of VCT status is conducted by Shakespeare Martineau LLP on a quarterly basis and this is reported to the Board, Audit Committee and the Manager.

Auditor's assessment

The Manager and auditor confirmed to the Audit Committee that they were not aware of any material misstatements. Having reviewed the reports received from the Manager and auditor, the Audit Committee is satisfied that the key areas of risk and judgement have been addressed appropriately in the financial statements and that the significant assumptions used in determining the value of assets and liabilities have been properly appraised and are sufficiently robust.

During the year, the Audit Committee assessed the effectiveness and quality 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 Committee considers that Deloitte LLP has carried out its duties as auditor in a diligent and professional manner.

In accordance with the AIC Code's recommended tenure guidelines, the audit partner is rotated every five years ensuring that objectivity and independence is not impaired. Consequently, John Clacy has taken over from Chris Hunter and appointed as the audit partner for the 2024 financial year. No tender of the audit was considered necessary at this time and the Audit Committee does not intend to put the audit out to tender during the current financial year.

As part of its review of the continuing appointment of the auditor, the Audit Committee considers the need to put the audit out to tender, its fees and independence from the Manager, along with any matters raised during each audit. 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 continued to provide a good level of service and maintained a good knowledge of the VCT market, making sure audit effectiveness and quality continued to be maintained.

The Audit Committee met in March 2024 to review the Annual Report and Accounts for the year ended 31 December 2023 and the Company's risk register. In September 2024 it reviewed the Half-Yearly Report, the audit plan for the year ended 31 December 2024 and the Company's risk register, and in March 2025 the Committee reviewed the Annual Report and Accounts for the year ended 31 December 2024.

Patricia Dimond

Chair of the Audit Committee

14 April 2025

Directors' Remuneration Report



Patricia Dimond
Chair of the Remuneration Committee

Introduction

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

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

Annual statement from the Chair of the Remuneration Committee

The Board, which is profiled on page 57, consists solely of Non-Executive Directors and considers at least annually the level of the Directors' fees.

During the year, remuneration for the Directors was increased following shareholder approval of the remuneration policy and Remuneration Report at the Annual General Meeting.

In November 2024, the Committee concluded, following a review of the level of Directors' fees, there would be an increase of the base fee to £28,000 to bring it in line with industry standards, and an increase of 2% of the new base for the impact of inflation, effective 1 January 2025. This followed a 3.6% increase in the base fee of Directors, effective 1 January 2024, agreed by the Committee in November 2023. The Committee also agreed to increase the multiple applied to the Chair's fee from 1.35 to 1.40, effective 1 January 2025.

Consideration by the Directors of matters relating to Directors' remuneration

The Remuneration Committee comprises four Directors: Patricia Dimond (Chair), Margaret Littlejohns, David Ford and Dan Sandhu.

The Remuneration Committee meets at least annually to consider the levels of remuneration of the Directors, specifically reflecting the time commitment and responsibilities of the role.

The 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 Remuneration Committee has been provided with external advice or services by any person, but has received industry comparison information from the Manager and industry research carried out by third parties in respect of Directors' remuneration.

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

The Remuneration Committee recommends to the Board a base fee for Non-Executive Directors which is increased by agreed percentages for chairing the Board and each committee.

Directors' Remuneration Report continued

Remuneration policy

The Board's policy is that the remuneration of Non-Executive Directors should reflect time spent and the responsibilities borne by the Directors for the Company's affairs and should be sufficient to enable candidates of high calibre to be recruited. The levels of Directors' fees paid by the Company for the year ended 31 December 2024 were agreed on 30 November 2023.

In light of the Directors' non-executive status, it is considered appropriate that no aspect of Directors' remuneration should be performance related and Directors are not eligible for bonuses or other benefits.

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

None of the Directors have a service contract but, under letters of appointment dated 24 November 2022, they may resign at any time. There are no set minimum notice periods and no compensation is payable to Directors on leaving office.

As the Directors are not appointed for a fixed length of time, there is no unexpired term to their appointment but all Directors retire every year and may seek re-election.

The above remuneration policy was last approved by shareholders at the Annual General Meeting on 4 June 2024 and it is the intention of the Board that the above remuneration policy will continue in effect immediately for a period of three years from that date unless renewed, varied or revoked in a general meeting.

Shareholders' views in respect of Directors' remuneration may be 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, 96% of shareholders voted in favour of the resolution approving the Directors' Remuneration Report, showing significant shareholder support.

Please refer to page 74 for the Directors' remuneration tables.

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 of each person who served as a Director during the year are shown on page 74. No Director has waived or agreed to waive any emoluments from the Company in either the current or previous year.

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

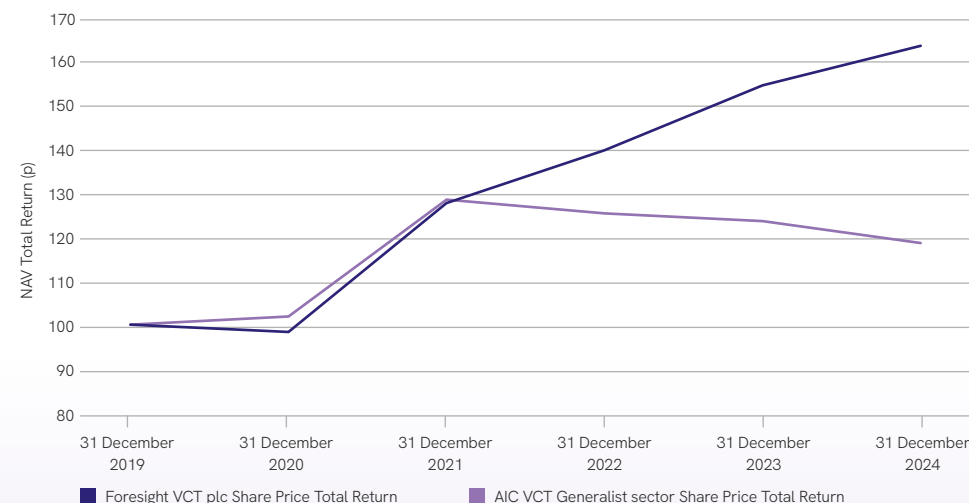
The Company's Articles of Association do not set an annual limit on the level of Directors' fees but fees must be considered within the wider remuneration policy noted above.

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

Share Price Total Return

The graph below charts the total shareholder return to 31 December 2024, on the hypothetical value of £100 invested on 1 January 2019. The return is compared to the total shareholder return on a notional investment of £100 in the AIC VCT Generalist sector.

Share Price Total Return (pence)



Directors' Remuneration Report continued

Directors

The Directors who held office during the year or up to the date of signing the Annual Report and their interests in the issued shares of 1p each of the Company were as follows:

	31 December 2024 Shares (audited)	31 December 2023 Shares (audited)
Margaret Littlejohns (Chair)	86,255	86,255
Patricia Dimond ¹	89,437	78,033
David Ford	58,513	58,513
Jocelin Harris ²	n/a	85,400
Dan Sandhu	23,337	23,337

1. Includes 25,784 shares which were held by Jon Gudelis, husband of Patricia Dimond.

2. Jocelin Harris resigned on 4 June 2024.

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

In accordance with the UK Corporate Governance Code and the Board's policy, Ms Dimond, Mr Ford, Ms Littlejohns and Mr Sandhu retire annually and, being eligible, offer themselves for re-election. Biographical notes on the Directors are given on page 57.

The Board believes that Ms Dimond's, Mr Ford's, Ms Littlejohns' and Mr Sandhu's skills, experience and knowledge continue to complement each other and benefit the Company and recommends their re-election to the Board. None of the Directors has a contract of service with the Company.

Directors' Remuneration Report continued

Audited information

The information below has been audited. See the Independent Auditor's Report on page 78.

	Total remuneration Year ended 31 December 2024 (£)	Total remuneration Year ended 31 December 2023 (£)
Margaret Littlejohns (Chair)	36,500	35,300
Patricia Dimond	33,000	29,264
David Ford	27,000	26,100
Jocelin Harris ¹	11,458	26,100
Dan Sandhu	27,000	26,100
Gordon Humphries ²	—	18,100
Total	134,958	160,964

1. Jocelin Harris resigned on 4 June 2024.

2. Gordon Humphries retired from the Board on 15 June 2023.

The Directors are not eligible for pension benefits, share options or long-term incentive schemes. Directors' fees are reviewed annually and fees were last increased on 1 January 2025 after consideration of fees paid to other VCT directors and available independent research.

Votes cast For and Against the Directors' Remuneration Report for the year ended 31 December 2023:

Shares and percentage of votes cast For	Shares and percentage of votes cast Against	Number of votes withheld
96.0%	4.0%	
11,438,738 votes	477,650 votes	231,091 votes

Directors' Remuneration Report continued

Audited information continued

In accordance with 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 December 2024	Year ended 31 December 2023
Dividends	£30,714,000	£20,531,000
Share buybacks	£5,480,000	£5,369,000
Total shareholder distributions	£36,194,000	£25,900,000
Directors' fees excluding employer's National Insurance contributions	£134,958	£157,505
Directors' fees % of shareholder distributions	0.4%	0.6%

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.

This Directors' Remuneration Report was approved by the Board on 14 April 2025 and is signed on its behalf by Patricia Dimond (Director).

On behalf of the Board

Patricia Dimond

Chair of the Remuneration Committee

14 April 2025

Statement of Directors' Responsibilities

Statement of Directors' responsibilities in respect of the Annual Report and Accounts

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards 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 period. In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable
- 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
- 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 complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of the Directors in respect of the Annual Report

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
- The Directors' Report and the Strategic Report include 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, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

On behalf of the Board

Margaret Littlejohns

Chair

14 April 2025

Financial Statements

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Independent Auditor's Report

To the members of Foresight VCT plc

Report on the audit of the financial statements

1. Opinion

In our opinion the financial statements of Foresight VCT PLC (the 'Company'):

- Give a true and fair view of the state of the Company's affairs as at 31 December 2024 and of its return 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"
- 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 Movements in Shareholders' Funds
- The Cash Flow Statement
- 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. Within this report, key audit matters are identified as follows: ⓘ Newly identified ⬆ Increased level of risk ↔ Similar level of risk ⬇ Decreased level of risk
Materiality	The materiality that we used in the current year was £4.45 million, 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
- Assessing the relevant disclosures about whether the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements

Independent Auditor's Report continued

To the members of Foresight VCT plc

4. Conclusions relating to going concern continued

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 12 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 £166.12 million representing 74.7% of the entity's net assets (2023: £171.35 million, 78.2%).

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 in line with the International Private Equity and Venture Capital Valuation ("IPEV") Guidelines and carry a higher degree of judgement. We have identified current economic conditions as being a factor potentially impacting the valuation of certain investments. Current economic conditions, particularly high interest rates and geopolitical conflicts, pose a potential risk to the valuation of certain investments. Therefore, we have pinpointed the key audit matter to the valuation of unquoted investments which have been particularly impacted by one or more of these factors with the valuation of the remaining portfolio being classified as normal risk. Other factors considered in our scoping of investments was the size and change in value of investment compared to prior year, the trends in Company performance over past years and the complexity of the valuation 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 is disclosed in note 1k. The valuation of investment risk is included within the Audit Committee Report on page 69 and 70.

Independent Auditor's Report continued

To the members of Foresight VCT plc

5. Key audit matters continued

5.1. Valuation of unquoted Investments continued

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

- We have performed the following audit testing procedures to address the key audit matter:
- Obtained an understanding of the relevant controls in place over the valuation of unquoted investments
 - Assessed the valuation methodology applied for compliance with the IPEV Guidelines and assessed the assumptions adopted, enquired and challenged the assumptions where appropriate
 - On a sample of investments, we tested the judgemental inputs around maintainable Revenue/EBITDA against management accounts
 - On a sample of investments, we performed back testing of management estimates against latest financial information and historical performance where available, to assess and evaluate the appropriateness of the assumption on those inputs
 - On a sample basis, we evaluated any adjustments made in relation to the impact of inflation and other market risks on the performance of the investee companies, scrutinising cash position and forecasts as relevant
 - For a sample of investments, we assessed the suitability and accuracy of the multiple from a basket of comparable transactions/quoted companies
 - For a sample of investments, we tested unquoted investee Company data (e.g. financial information and capital structures) to supporting documentation
 - Assessed whether any critical judgement or sources of estimation uncertainty are applied and appropriately disclosed

Key observations

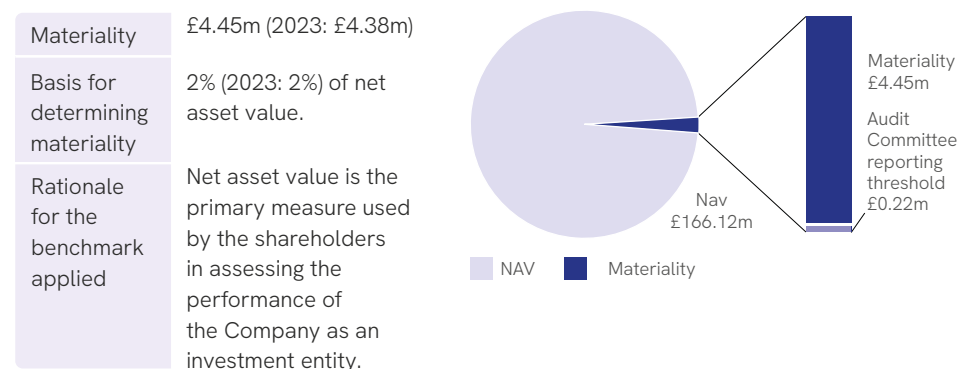
Based on our testing, we concluded that the valuation of the unquoted investments is reasonable.

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:



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 £222k (2023: £219k), 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.

Independent Auditor's Report continued

To the members of Foresight VCT plc

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. 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, accounting and reporting operations were undertaken by the Manager. We have obtained an understanding of the Manager's systems of internal controls and considered in our risk assessment the overall control environment. As a result we have not relied on controls in our audit approach.

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 process 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 46, 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 48. 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 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. This description forms part of our auditor's report.

Independent Auditor's Report continued

To the members of Foresight VCT plc

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, including those that are specific to the Company's sector
- 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 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 valuation of 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") and Listing Rules.

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 unquoted investments is 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 and 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, reviewing internal audit reports and reviewing correspondence with HMRC and the FCA
- 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 and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Independent Auditor's Report continued

To the members of Foresight VCT plc

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
- 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 61
- 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 55
- The Directors' statement on fair, balanced and understandable set out on page 76
- The Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 50 to 54
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on pages 67 and 68
- The section describing the work of the Audit Committee set out on pages 69 and 70

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
- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us
- The financial statements are not in agreement with the accounting records and returns

We have nothing to report in respect of these matters.

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 respect of these matters.

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 30 August 2019 to audit the financial statements for the year ended 31 December 2024 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is six years, covering the years ending 31 March 2019 to 31 December 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).

Independent Auditor's Report continued

To the members of Foresight VCT plc

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.

John Clacy (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

St Peter Port/Guernsey

15 April 2025

Statement of Comprehensive Income

For the year ended 31 December 2024

	Notes	Year ended 31 December 2024			Year ended 31 December 2023		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Realised gains on investments	8	—	24,451	24,451	—	14,573	14,573
Investment holding (losses)/gains	8	—	(1,723)	(1,723)	—	2,833	2,833
Income	2	4,307	—	4,307	5,372	—	5,372
Investment management fees	3	(1,043)	(5,161)	(6,204)	(1,004)	(4,481)	(5,485)
Other expenses	4	(705)	—	(705)	(817)	—	(817)
Return on ordinary activities before taxation		2,559	17,567	20,126	3,551	12,925	16,476
Taxation	5	(579)	579	—	(476)	476	—
Profit and comprehensive income for the year		1,980	18,146	20,126	3,075	13,401	16,476
Return per share	7	0.7p	6.7p	7.4p	1.3p	5.6p	6.9p

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

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

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

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

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

The notes on pages 90 to 108 form part of these financial statements.

Reconciliation of Movements in Shareholders' Funds

Year ended 31 December 2024	Notes	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Distributable reserve ¹ £'000	Capital reserve ¹ £'000	Revaluation reserve £'000	Total £'000
As at 1 January 2024		2,552	92,766	1,263	24,876	27,170	70,492	219,119
Share issues in the year ²	11	238	20,216	—	—	—	—	20,454
Expenses in relation to share issues ³		—	(642)	—	—	—	—	(642)
Repurchase of shares	11	(72)	—	72	(5,480)	—	—	(5,480)
Realised gains on disposal of investments	8	—	—	—	—	24,451	—	24,451
Investment holding losses	8	—	—	—	—	—	(1,723)	(1,723)
Dividends paid	6	—	—	—	(30,714)	—	—	(30,714)
Cancellation of share premium		—	(92,765)	(1,262)	94,027	—	—	—
Management fees charged to capital	3	—	—	—	—	(5,161)	—	(5,161)
Revenue return before taxation for the year		—	—	—	2,559	—	—	2,559
Taxation for the year	5	—	—	—	(579)	579	—	—
As at 31 December 2024		2,718	19,575	73	84,689	47,039	68,769	222,863

1. Distributable reserve accounts at 31 December 2024 total £131,728,000 (2023: £52,046,000). Share premium cancelled during the year included amounts arising on share allotments less than three years old, which are not legally distributable. Amounts available for distribution at 31 December 2024 are therefore £73,735,000 (2023: £52,046,000). The remaining cancelled share premium will become distributable on the third anniversary of the share allotment on which it arose.

2. Includes the dividend reinvestment scheme.

3. Expenses in relation to share issues includes trail commission for prior years' fundraising.

The notes on pages 90 to 108 form part of these financial statements.

Reconciliation of Movements in Shareholders' Funds continued

Year ended 31 December 2023	Notes	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Distributable reserve ¹ £'000	Capital reserve ¹ £'000	Revaluation reserve £'000	Total £'000
As at 1 January 2023		2,192	56,380	1,195	47,701	16,602	67,659	191,729
Share issues in the year ²	11	428	37,827	—	—	—	—	38,255
Expenses in relation to share issues ³		—	(1,441)	—	—	—	—	(1,441)
Repurchase of shares	11	(68)	—	68	(5,369)	—	—	(5,369)
Realised gains on disposal of investments		—	—	—	—	14,573	—	14,573
Investment holding gains		—	—	—	—	—	2,833	2,833
Dividends paid	6	—	—	—	(20,531)	—	—	(20,531)
Management fees charged to capital	3	—	—	—	—	(4,481)	—	(4,481)
Revenue return before taxation for the year		—	—	—	3,551	—	—	3,551
Taxation for the year	5	—	—	—	(476)	476	—	—
As at 31 December 2023		2,552	92,766	1,263	24,876	27,170	70,492	219,119

1. Reserve is available for distribution; total distributable reserves at 31 December 2023 total £52,046,000 (2022: £64,303,000).

2. Includes the dividend reinvestment scheme.

3. Expenses in relation to share issues includes trail commission for prior years' fundraising.

Balance Sheet

At 31 December 2024

	Notes	As at 31 December 2024 £'000	As at 31 December 2023 £'000
Fixed assets			
Investments held at fair value through profit or loss	8	166,576	171,348
Current assets			
Debtors	9	3,678	3,510
Cash and cash equivalents		55,922	46,200
		59,600	49,710
Creditors			
Amounts falling due within one year	10	(3,313)	(1,939)
Net current assets		56,287	47,771
Net assets		222,863	219,119

	Notes	As at 31 December 2024 £'000	As at 31 December 2023 £'000
Capital and reserves			
Called-up share capital	11	2,718	2,552
Share premium account		19,575	92,766
Capital redemption reserve		73	1,263
Distributable reserve		84,689	24,876
Capital reserve		47,039	27,170
Revaluation reserve		68,769	70,492
Equity shareholders' funds		222,863	219,119
Net Asset Value per share	12	82.0p	85.9p

The financial statements were approved by the Board of Directors and authorised for issue on 14 April 2025 and were signed on its behalf by:

Margaret Littlejohns

Chair

14 April 2025

Registered number: 03421340

Cash Flow Statement

For the year ended 31 December 2024

	Notes	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Cash flow from operating activities			
Loan interest received from investments		1,472	2,212
Dividends received from investments	2	241	1,525
Other income received from investments	2	—	284
Deposit and similar interest received	2	2,658	1,326
Investment management fees paid		(4,628)	(4,014)
Secretarial fees paid	4	(130)	(130)
Other cash payments		(569)	(631)
Net cash (outflow)/inflow from operating activities		(956)	572
Cash flow from investing activities			
Purchase of investments	8	(14,295)	(19,352)
Proceeds on sale of investments	8	36,529	33,566
Proceeds on deferred consideration	8	5,043	1,171
Net cash inflow from investing activities		27,277	15,385
Cash flow from financing activities			
Proceeds of fundraising		14,604	33,547
Expenses of fundraising		(526)	(599)
Repurchase of own shares		(5,491)	(5,755)
Equity dividends paid	6	(25,186)	(16,475)
Net cash (outflow)/inflow from financing activities		(16,599)	10,718
Net inflow of cash in the year		9,722	26,675
Reconciliation of net cash flow to movement in net funds			
Increase in cash and cash equivalents for the year		9,722	26,675
Net cash and cash equivalents at start of year		46,200	19,525
Net cash and cash equivalents at end of year		55,922	46,200

The notes on pages 90 to 108 form part of these financial statements.

Notes to the Accounts

For the year ended 31 December 2024

1 Accounting policies

Foresight 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 Tax Act 2007. The shares of the Company were first admitted to the Official List of the UK Listing Authority and trading on the London Stock Exchange on 19 August 1997.

The Company's principal activity is to provide private investors with regular dividends and 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 Statement of Comprehensive Income 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 considered to be associated undertakings.

Where the Company's interest in an investment is greater than 50% of the investee company's total equity, specific clauses are included in the investee company's articles of association to prevent the Company from exercising control. Therefore, these investments are not considered to be subsidiary undertakings. As all investee companies are held exclusively with a view to subsequent resale, they are excluded from consolidation.

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 Chair's Statement, Strategic Report and Notes to the Accounts. In addition, the Annual Report and 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 there from across a variety of industries and sectors.

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 buybacks and dividends. The Company has no 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 considered the global geopolitical conflicts, the difficult economic outlook and inflationary pressures in their assessment of going concern 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 approval of these financial statements. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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" and the Company has adopted sections 11 and 12 of FRS 102. The Board values investments in accordance with the International Private Equity and Venture Capital ("IPEV") Valuation Guidelines, as updated in December 2022, including COVID-19 guidance in March 2020. This classification is followed as the Company's business is to invest in financial assets with a view to profiting from the total return in the form of capital growth and income.

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

Notes to the Accounts continued

For the year ended 31 December 2024

1 Accounting policies continued

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

Unquoted investments are stated at fair value by the Board in accordance with the following rules, which are consistent with the IPEV Valuation Guidelines. When valuing an unquoted investment at fair value the following factors will be considered:

- i. Where a value is indicated by a recent material arms-length transaction by an independent third party in the shares of a company, this value will be used
- ii. In the absence of (i), and depending upon both the subsequent trading performance and investment structure of an investee company, the valuation basis will usually move to either:
 - a) An earnings multiple basis. The shares may be valued by applying a suitable price-earnings ratio to that company's historic, current or forecast earnings before interest, tax, depreciation and amortisation (the ratio used being based on a comparable sector but the resulting value being adjusted to reflect points of difference identified by the Manager compared to the sector including, inter alia, illiquidity); or
 - b) Where a company's under-performance against plan indicates a diminution in the value of the investment, a write down against cost is made, as appropriate. Where the value of an investment has fallen permanently below cost, the loss is treated as a permanent write down and as a realised loss, even though the investment is still held. The Board assesses the portfolio for such investments and, after agreement with the Manager, will agree the values that represent the extent to which a realised loss should be recognised. This is based upon an assessment of observable evidence of that investment's prospects, to determine whether there is potential for the investment to recover in value
- iii. Premiums on loan stock investments are accrued at fair value when the Company receives the right to the premium and when considered recoverable
- iv. Where an earnings multiple or cost less impairment basis is not appropriate and overriding factors apply, discounted cash flow, a net asset valuation, a price of a recent or the last funding round, venture capital method or industry-specific valuation benchmarks may be applied. An example of an industry-specific valuation benchmark would be the application of a multiple to that company's historic, current or forecast revenue (the multiple being based on a comparable sector but with the resulting value being adjusted to reflect points of difference including, inter alia, illiquidity). The venture capital method ("VC method") of valuation calculates and discounts the present value of the expected exit proceeds from an investment, taking account of both time and risk

- v. In estimating the fair value of the investments held, the Manager has considered the conflict in the Middle East, the Russian invasion of Ukraine, tariffs and the difficult economic outlook which may impact the fair value of the investments and the sectors in which they operate. The conflict in the Middle East and the Russian invasion of Ukraine have had a significant impact in many sectors across the globe. The Manager has applied assumptions based on a best estimate of likely outcome for each individual investment and applied discounts where it is considered necessary

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

d) Expenses

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

Performance incentive payments predominantly relate to the capital performance of the portfolio and are therefore charged 100% to capital. The performance incentive arrangements are described in note 13. A performance hurdle (as noted in note 13) must be met before any performance incentive fee is triggered.

A provision for a performance incentive fee is made when it is probable the fee will be payable and the amount of the obligation can be estimated reliably.

Where there is a possible but uncertain future obligation, the Board may disclose a contingent liability instead.

Note 15 gives detail on the nature of any contingent liability and the estimate of its financial effect.

Notes to the Accounts continued

For the year ended 31 December 2024

1 Accounting policies continued

e) Basic financial instruments

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 less any impairment losses. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Trade and other creditors

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Investments in preference and Ordinary Shares

Investments in preference and Ordinary Shares are measured initially at transaction price less attributable transaction costs. Subsequent to initial recognition, investments that can be measured reliably are measured at fair value with changes recognised through profit or loss. Other investments are measured at cost less impairment through profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits, money market funds and fixed-term funds.

f) Other financial instruments

Other financial instruments not meeting the definition of basic financial instruments include non-current investments and are recognised initially at fair value. Subsequent to initial recognition, other financial instruments are measured at fair value with changes recognised through profit or loss except investments in equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably shall be measured at cost less impairment.

g) Taxation

Any tax relief obtained in respect of management fees allocated to capital is reflected in the capital column of the Statement of Comprehensive Income 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.

h) Deferred taxation

Provision is made for corporation tax at the current rates 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.

i) Reserves

Reserves are comprised of the following elements:

i. Capital reserve

The following are accounted for in this reserve:

- Gains and losses on realisation of investments, including the reversal of prior year revaluation reserves
- Permanent diminution in value of investments
- 75% of management fee expense, together with the related tax effect to this reserve in accordance with the policies
- Income and costs for the period (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 any diminution is deemed permanent.

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

Notes to the Accounts continued

For the year ended 31 December 2024

1 Accounting policies continued

i) Reserves continued

iii. Distributable reserve

The following are accounted for in this reserve:

- Repurchase of shares
- Cancellation of share premium and capital redemption reserve
- Dividends paid
- Income and costs for the year (revenue items)

iv. Capital redemption reserve

This reserve accounts for the nominal value of shares repurchased and cancelled by the Company, less any amounts transferred to the distributable reserve.

v. Share premium account

The share premium account represents the amount received by the Company for share issued above their nominal value, less issue costs and amounts transferred to the distributable reserve.

vi. Called-up share capital

This accounts for the nominal value of the Company's shares.

j) Investment recognition and derecognition

Investments are recognised at the trade date, being the date that the risks and rewards of ownership are transferred to the Company. Upon initial recognition, investments are held at the fair value of the consideration payable. Transaction costs in respect of acquisitions made are recognised directly in the Statement of Comprehensive Income. 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 Statement of Comprehensive Income.

k) Critical accounting judgement 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. The Board considers that the only area where the Board and the Manager make 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 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 Manager, using valuation methods and techniques generally recognised as standard within the industry. 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 affect the reported fair value of unquoted investments. The determination of what constitutes "observable" requires significant judgement by the Manager. The 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 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 14.

Notes to the Accounts continued

For the year ended 31 December 2024

2 Income

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Deposit and similar interest received	2,658	1,326
Loan stock interest	1,408	2,237
Dividends receivable	241	1,525
Other income	—	284
	4,307	5,372

3 Investment management fees

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Investment management fees charged to the revenue account	1,043	1,004
Investment management fees charged to the capital account ¹	5,161	4,481
	6,204	5,485

1. Included within investment management fees charged to the capital account is a performance incentive fees accrual of £2,030,000 (2023: £1,467,000).

The Manager advises the Company on investments under an agreement dated 27 January 2020. The agreement may be terminated by not less than one year's notice in writing.

The Manager receives an annual investment management fee of an amount equal to 2% of the net assets of the Company. The Manager receives an annual management fee equal to 1% in respect of any cash within the net assets of the Company in excess of £20 million.

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

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

Notes to the Accounts continued

For the year ended 31 December 2024

4 Other expenses

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Accounting and secretarial services (excluding VAT)	130	130
Directors' remuneration including employer's National Insurance contributions	143	167
Auditor's remuneration (excluding VAT) ¹	62	58
Other	370	462
	705	817

1. The auditor's remuneration relates to the audit of the financial statements. There were no non-audit fees paid to the Company's auditor during the year (2023: £nil).

The Manager is responsible for external costs such as legal and accounting fees incurred on transactions that do not proceed to completion ("abort expenses"). In line with common practice, the Manager retains the right to charge arrangement and syndication fees and directors' or monitoring fees to companies in which the Company invests.

The Manager is the Company Secretary and received annual fees, paid quarterly in arrears, for administration services provided of £130,000 (2023: £130,000). The annual administration fee will be adjusted annually in line with the UK Retail Prices Index and is subject to a cap of £130,000.

The normal annual running costs of the Company are capped at an amount equal to 2.4% of the net assets of the Company during the relevant financial year, with any excess being borne by the Manager. A side letter dated 9 December 2024 amended the calculation of the cap to be based on the aggregate of the quarterly Net Asset Values in the relevant financial year and dividing the product of such sum by four. In previous years the cap was calculated using the net assets of the Company at the year end.

The Company did not have employees in the current or prior year.

5 Tax on ordinary activities

	Year ended 31 December 2024			Year ended 31 December 2023		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Current tax						
Corporation tax	579	(579)	—	476	(476)	—
Total current tax	579	(579)	—	476	(476)	—
Deferred tax	—	—	—	—	—	—
Total tax	579	(579)	—	476	(476)	—

Notes to the Accounts continued

For the year ended 31 December 2024

5 Tax on ordinary activities continued

Factors affecting the total tax charge for the year:

The tax assessed for the year is the standard rate of corporation tax in the UK of 25.0% (2023: 23.5%).

The differences are explained below:

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Return on ordinary activities before taxation	20,126	16,476
Corporation tax at 25.0% (2023: 23.5%)	5,032	3,872
Effect of:		
Realised capital gains not taxable	(6,112)	(3,425)
Unrealised capital gains not taxable	431	(666)
Unutilised management expenses	709	577
Dividend income not taxable	(60)	(358)
Total tax charge for the year	—	—

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.

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 for surplus management expenses. There is an unrecognised deferred tax asset of approximately £6,529,000 (2023: £5,819,000).

6 Dividends

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Dividends – paid in the year	30,714	20,531

The dividends paid in the year were split between a cash dividend of £25,186,000 (2023: £16,475,000) and the value of shares issued under the dividend reinvestment scheme of £5,528,000 (2023: £4,056,000).

Post year end, the Board declared a special dividend of 6.4p per share, to be paid on 9 May 2025.

The Board is recommending a final dividend for the year ended 31 December 2024 of 4.1p (2023: 4.4p).

As at 31 December 2024, reserves available for dividend distribution totalled £73,735,000.

In accordance with Section 259 of the Income Tax Act 2007, a VCT may not retain more than 15% of its qualifying income in any one accounting period. The payment of the dividends noted above satisfies this requirement.

Notes to the Accounts continued

For the year ended 31 December 2024

7 Return per share

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Total return after taxation	20,126	16,476
Total return per share (note a)	7.4p	6.9p
Revenue return from ordinary activities after taxation	1,980	3,075
Revenue return per share (note b)	0.7p	1.3p
Capital return from ordinary activities after taxation	18,146	13,401
Capital return per share (note c)	6.7p	5.6p
Weighted average number of shares in issue in the year (note d)	271,271,444	240,044,732

Notes:

- Total return per share is total return after taxation divided by the weighted average number of shares in issue during the year.
- Revenue return per share is revenue loss after taxation divided by the weighted average number of shares in issue during the year.
- Capital return per share is capital return after taxation divided by the weighted average number of shares in issue during the year.
- The weighted average number of shares is calculated by taking the number of shares issued and bought back during the year, multiplying each by the percentage of the year for which that share number applies and then totalling with the number of shares in issue at the beginning of the year.

8 Investments held at fair value through profit or loss

	31 December 2024 £'000	31 December 2023 £'000
Unquoted investments	166,576	171,348
		£'000
Book cost as at 1 January 2024		103,944
Investment holding gains		67,404
Valuation at 1 January 2024		171,348
Movements in the year:		
Purchases at cost		14,301
Disposal proceeds ¹		(36,529)
Realised gains ²		19,408
Investment holding losses ³		(1,952)
Valuation at 31 December 2024	166,576	
Book cost at 31 December 2024	101,124	
Investment holding gains		65,452
Valuation at 31 December 2024	166,576	

- The Company received £36,529,000 (2023: £33,566,000) from the disposal of investments during the year. The book cost of these investments when they were purchased was £17,121,000 (2023: £20,164,000). These investments have been revalued over time and until they were sold, any unrealised gains or losses were included in the fair value of the investments.
- Realised gains in the Statement of Comprehensive Income include deferred consideration receipts from Callen-Lenz Associates Limited (£2,532,000), Codeplay Software Limited (£1,060,000), Mowgli Street Food Group Limited (£824,000), Datapath Group Holdings Limited (£583,000), Mologic Ltd (£22,000), So-Sure Limited (£11,000), and Ixaris Systems Limited (£11,000).
- Investment holding gains in the Income Statement include the deferred consideration debtor increase of £229,000. The debtor movement reflects the recognition of amounts receivable from Callen-Lenz Associates Limited (£1,397,000), Specac International Limited (£704,000), Hospital Services Group Limited (£507,000) and Ollie Quinn Limited (£285,000) offset by receipts from Codeplay Software Limited (£1,030,000), Mowgli Street Food Group Limited (£824,000), Datapath Group Limited (£583,000), Mologic Ltd (£22,000) and Ixaris Systems Limited (£11,000), and provisions made against the balances due from Mologic Ltd (£121,000), FFX Group Limited (£70,000) and Ixaris Systems Limited (£3,000).

Notes to the Accounts continued

For the year ended 31 December 2024

9 Debtors

	31 December 2024 £'000	31 December 2023 £'000
Deferred consideration	3,643	3,414
Accrued interest	11	74
Prepayments	24	19
Other debtors	—	3
	3,678	3,510

10 Creditors: amounts falling due within one year

	31 December 2024 £'000	31 December 2023 £'000
Trade creditors	1,015	—
Accruals and other creditors	2,298	1,939
	3,313	1,939

11 Called-up share capital

	31 December 2024 £'000	31 December 2023 £'000
Allotted, called-up and fully paid:		
271,779,253 shares of 1p each (2023: 255,218,477)	2,718	2,552

Share issues and share buybacks

During the year 16,683,714 shares and 7,086,604 shares were issued pursuant to an offer for subscription and the dividend reinvestment scheme respectively. Shares were issued at issue prices ranging from 78.0p to 86.8p per share.

These share issues were under the VCT provisions that 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 buyback programme, during the year, 7,209,542 shares were purchased for cancellation at a cost of £5,480,000.

	Shares No.
Share capital at 1 January 2024	255,218,477
Shares allotted	16,683,714
Dividend reinvestment	7,086,604
Share buybacks	(7,209,542)
Share capital at 31 December 2024	271,779,253

12 Net Asset Value per share

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

	31 December 2024 £'000	31 December 2023 £'000
Net assets	£222,863,000	£219,119,000
No. of shares at year end	271,779,253	255,218,477
Net Asset Value per share	82.0p	85.9p

Notes to the Accounts continued

For the year ended 31 December 2024

13 Co-investment and performance incentive arrangements

A co-investment scheme and performance incentive fee arrangement was approved by shareholders and entered into by the Company and Foresight Group CI Limited in March 2017.

The rights and obligations of Foresight Group CI Limited in respect of the co-investment scheme and performance incentive arrangements were novated to the Manager on 27 January 2020.

As a result, in respect of investments made before that date, the co-investments to which Foresight Group CI Limited was entitled were transferred to the Manager on 31 March 2020.

Co-investment

In order to align the interests of the Manager and the individual members of the Manager's private equity team ("Management Team") with those of shareholders, the Manager and the Management Team will co-invest, alongside the Company, for shares and loans in each new investee company at the same time and at the same price paid by the Company.

In respect of investments made by the Company in new investee companies (including follow-ons) on or after 31 March 2017, the Manager and the Management Team subscribe, in aggregate, for shares and loans equal to 1.0% (1.5% for the period from 31 March 2017 to 27 January 2020) of the total value being invested by the Company. This allocation is split as to 75% to the members of the Management Team and 25% to the Manager. The co-investment will be in the lowest priority of securities that the Company is investing in, subject to not representing more than 3.33% (5% for the period from 31 March 2017 to 27 January 2020) of the amount the Company is investing in each security class.

The Board believes that these arrangements align the interests of the Manager and the Management Team with the Company through their investment in each new investee company in which the Company invests.

Performance incentive

In order to incentivise the Manager and the Management Team to generate enhanced returns for shareholders, they will be entitled to performance incentive payments in respect of each financial year commencing on or after 1 January 2023 where the Company achieves an average annual NAV Total Return per share, over a rolling five-year period, in excess of an average annual hurdle of 5% (simple not compounded). Any payment is allocated 75% to the Management Team and 25% to the Manager.

If the hurdle is met, they would be entitled to an amount equal to 20% of the excess over the hurdle, subject to a cap of 1% of the closing Net Asset Value for the relevant financial year (and no fee will be due in excess of this cap).

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

Financial effect

As at 31 December 2024, the NAV Total Return since 31 December 2019 was 41.5p (being the aggregation of NAV per share as at 31 December 2024, before any performance incentive provision, of 82.7p and dividends paid per share in the period totalling 35.3p less the NAV per share as at 31 December 2019 of 76.5p), giving an average annual NAV Total Return per share of 8.3p. This compares to the average annual hurdle of 3.8p based on the opening NAV per share of 76.5p as at 31 December 2019 and therefore an excess of 4.5p over the hurdle. The Manager is therefore entitled to a performance fee of £2.0 million, which has been accrued at 31 December 2024 and will be paid 30 business days following the publication of the 2024 Annual Report and Accounts.

Notes to the Accounts continued

For the year ended 31 December 2024

14 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, liquid resources, short-term debtors and creditors that arise directly from the Company’s operations

Classification of financial instruments

The Company held the following categories of financial instruments as at 31 December 2024:

	31 December 2024 £’000	31 December 2023 £’000
Investment portfolio	166,576	171,348
Cash and cash equivalents	55,922	46,200
Total	222,498	217,548

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

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

Market price risk

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

The investments in shares and loan stocks of unquoted companies are rarely traded and as such the prices are more difficult to determine than those of more widely traded securities. In addition, the ability of the Company to realise the investments at their carrying value will at times not be possible if there are no willing purchasers. The ability of the Company to purchase or sell investments is also constrained by the requirements set down for VCTs. The potential maximum exposure to market price risk, being the value of the investment portfolio as at 31 December of 2024, was £166,576,000 (2023: £171,348,000). Market price risk sensitivity analysis can be found on pages 102 and 103.

Interest rate risk

The fair value of the Company’s fixed-rate securities and the net revenue generated from the Company’s floating rate securities may be affected by interest rate movements. Investments are often in early stage businesses, which are relatively high-risk investments sensitive to interest rate fluctuations. Due to the short time to maturity of some of the Company’s fixed-rate investments, it may not be possible to reinvest in assets which provide the same rates as those currently held. When making investments of an equity and debt nature, consideration is given during the structuring process to the potential implications of interest rate risk and the resulting investment is structured accordingly. The maximum exposure to interest rate risk was £76,838,000, being the total value of the loan stock investments and cash as at 31 December 2024 (2023: £67,617,000). Floating rate investments relate to the interest-bearing deposit accounts and money market funds, which earn interest related to the prevailing Bank of England base rate. As at 31 December 2024, if the interest rate increased or decreased by 10 basis points the interest earned would increase or decrease by £55,922.

Notes to the Accounts continued

For the year ended 31 December 2024

14 Financial instrument risk management continued

Interest rate risk continued

	Total portfolio		Weighted average interest rate		Weighted average time for which rate is fixed	
	31 December 2024 £'000	31 December 2023 £'000	31 December 2024 %	31 December 2023 %	31 December 2024 Days	31 December 2023 Days
Company portfolio						
Loan stock – exposed to fixed interest rate risk	20,636	21,137	8.3	8.4	395	337
Loan stock – exposed to variable interest rate risk	280	280	11.8	12.0	—	—
Cash	55,922	46,200	4.3	5.0	—	—
Total exposed to interest rate risk	76,838	67,617				

Credit risk

Credit risk is the risk of failure by counterparties to deliver securities or cash to which the Company is entitled. The Company has exposure to credit risk in respect of the debtors, bank deposits, money market funds, fixed-term funds and loan stock investments it has made in investee companies, most of which have no security attached to them, and where they do, such security ranks beneath any bank debt that an investee company may owe. The Board manages credit risk in respect of cash and cash equivalents by ensuring there is a spread of cash balances such that none exceed 15% of the Company's total investment assets by VCT value. These cash and cash equivalents are held in investment grade funds, and so credit risk is considered to be low. The Manager receives management accounts from portfolio companies, and members of the investment management team often sit on the boards of unquoted portfolio companies; this enables the close identification, monitoring and management of investment-specific credit risk. The maximum exposure to credit risk at 31 December 2024 was £80,492,000 (2023: £71,108,000) based on cash and cash equivalents and other receivables (amounts due on investments, dividends and interest). As at 31 December 2024, 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:

	31 December 2024 £'000	31 December 2023 £'000
Loan stock investments	20,916	21,417
Cash and cash equivalents	55,922	46,200
Other debtors	3,654	3,491
Total	80,492	71,108

Notes to the Accounts continued

For the year ended 31 December 2024

14 Financial instrument risk management continued

Liquidity risk

The investments in shares and fixed interest stocks of unquoted companies that the Company holds are not traded and they are not readily realisable. The Company may not be able to realise the investments at their carrying value if there are no willing purchasers. The Company’s ability to sell investments may also be constrained by the qualification requirements set down for VCTs. The maturity profile of the Company’s loan stock investments disclosed below indicates the time frame in which they become realisable.

To counter these risks to the Company’s liquidity, the Company maintains sufficient cash and money market funds to meet running costs and other commitments. The Company typically deposits its surplus funds in money market funds which are all accessible on an immediate basis and fixed-term funds which are all accessible within seven days, in line with VCT rules.

	31 December 2024 £’000	31 December 2023 £’000
Maturity analysis:		
– in one year or less	71,230	61,537
– in more than one year but no more than two years	150	1,884
– in more than two years but no more than three years	—	850
– in more than three years but no more than four years	2,746	600
– in more than four years but no more than five years	2,712	2,746
Total	76,838	67,617

Sensitivity analysis

Equity price sensitivity

The Board believes the Company’s investments are mainly exposed to equity price risk, as the Company holds all but one of its investments in the form of sterling-denominated investments in small companies.

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

The Board considers that even the loan stocks are “quasi-equity” in nature, as the value of the loan stocks is determined by reference to the enterprise value of the investee company. Such value is considered to be sensitive to changes in quoted share prices, in so far as such changes affect the enterprise value of unquoted companies. The table on the following page 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 on the following page assumes that each of these sub-categories of investments (shares and loan stocks) held by the Company produces an overall movement of 15%, and that the 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 tariffs, the difficult economic outlook and geopolitical concerns. 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.

Notes to the Accounts continued

For the year ended 31 December 2024

14 Financial instrument risk management continued

Sensitivity analysis continued

Equity price sensitivity continued

	31 December 2024 £'000 Return and net assets	31 December 2023 £'000 Return and net asset
If overall share prices fell by 15% (2023: 15%), with all other variables held constant – decrease (£'000)	(24,986)	(25,702)
Decrease in Net Asset Value per share (in pence)	(9.19)p	(10.07)p
	31 December 2024 £'000 Return and net assets	31 December 2023 £'000 Return and net asset
If overall share prices increased by 15% (2023: 15%), with all other variables held constant – increase (£'000)	24,986	25,702
Increase in Net Asset Value per share (in pence)	9.19p	10.07p

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.

Interest rate sensitivity

Although the Company holds investments in loan stocks that pay interest, the Board does not believe that the value of these instruments is interest rate sensitive. This is because most of the interest is fixed, so not at risk of interest rate movements (2023: no interest rate risk).

Fair value hierarchy

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)
- Inputs for the instrument that are not based on observable market data (unobservable inputs) (Level 3)

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
As at 31 December 2024				
Unquoted investments	—	—	166,576	166,576
Financial assets	—	—	166,576	166,576
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
As at 31 December 2023				
Unquoted investments	—	—	171,348	171,348
Financial assets	—	—	171,348	171,348

Transfers

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

15 Contingent assets and liabilities

The Company had no contingent assets or liabilities at 31 December 2024 (2023: none).

Notes to the Accounts continued

For the year ended 31 December 2024

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 provide a return to shareholders.

In accordance with VCT requirements, the Company must have at least 80% of its total assets (as measured under VCT rules) in qualifying holdings (these being investments in a relatively high-risk asset class of small UK companies meeting VCT requirements). Effective 6 April 2018, where new funds are raised, the Company must invest 30% of such funds in qualifying holdings within 12 months following the end of the accounting period in which that capital was subscribed, with the balance being invested within approximately three years of that capital being subscribed. The Company accordingly has limited scope to manage its capital structure in 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, issue new shares, or sell assets if so required to maintain a level of liquidity to remain a going concern.

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

17 Related party transactions

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

18 Transactions with the Manager

Foresight Group LLP was appointed as Manager on 27 January 2020 and earned fees of £4,174,000 during the year (2023: £4,018,000). A performance incentive fee of £2,030,000 was also accrued at 31 December 2024 (2023: £1,467,000). Further details are included in note 13.

Foresight Group LLP is the Company Secretary (appointed in November 2017) and received accounting and company secretarial services fees of £130,000 (2023: £130,000) during the year.

At 31 December 2024, the amount due to Foresight Group LLP was £1,018,000 (2023: £4,000).

No amounts have been written off in the year in respect of debts due to or from the Manager.

Notes to the Accounts continued

For the year ended 31 December 2024

19 Related undertakings

Under Section 409 of the Companies Act 2006, the Company is required to disclose details of all its related undertakings, which are defined as undertakings where the Company owns 20% or more of the nominal value of any class of shares as at 31 December 2024. These are listed below. The percentage holdings do not necessarily reflect the percentage voting rights in the undertakings as a whole, as they may have two or more classes of shares with differing rights. All holdings are direct.

Please note that where holdings stated are above 50%, this is as a result of (i) holding 50% or more of a particular share class as opposed to the entire share capital, (ii) holding 50% or more of the share capital but with restricted rights, or (iii) is a legacy, historic, permitted non-qualifying holding and, therefore, not in breach of VCT rules.

Investee company name	Latest accounts year end	Profit/(loss) after tax for year £'000	Aggregate capital and reserves £'000	Class and percentage of shares held
ABL Investments Limited	31/12/2023	N/A ¹	(1,859)	A Ordinary 65.1%
Aerospace Tooling Corporation Limited	30/06/2023	155	2,792	A Ordinary 42.9%
Aquasium Technology Limited	31/12/2023	1,091	8,187	Ordinary 33.3%
Biotherapy Services Limited	30/03/2023	N/A ¹	(1,034)	A Ordinary 47.9%
Cinelabs International Ltd	31/12/2023	N/A ¹	690	A Ordinary 97.0%
Clubspark Group Ltd	31/03/2024	N/A ¹	1,001	A1 Ordinary 57.7% A2 Ordinary 60.0% AA Ordinary 59.4%
Cole Henry PE 2 Limited	31/03/2024	(1)	460	Ordinary 50.0%
Copptech UK Limited	31/12/2022	(2,959)	18,532	B Ordinary 29.6%
Evolve Dynamics Limited	31/12/2023	N/A ¹	(283)	B Ordinary 24.4%
Family Adventures Group Ltd	31/12/2023	N/A ¹	(65)	PP Ordinary 50.0% A Ordinary 49.0%
Firefish Software Limited	31/12/2023	N/A ¹	2,895	A Ordinary 36.3%
Fourth Wall Creative Limited	30/09/2023	N/A ¹	5,028	A Ordinary 59.7%
Hexarad Group Limited	30/06/2023	N/A ¹	2,876	AD Ordinary 43.7%
HomeLink Healthcare Limited	31/12/2023	N/A ¹	76	A Ordinary 41.3%

Notes to the Accounts continued

For the year ended 31 December 2024

19 Related undertakings continued

Investee company name	Latest accounts year end	Profit/(loss) after tax for year £'000	Aggregate capital and reserves £'000	Class and percentage of shares held
Hospital Services Group Limited	30/09/2023	2,056	10,276	A Ordinary 73.5%
I-Mist Group Limited	31/12/2023	N/A ¹	2,495	A Ordinary 34.9%
Industrial Efficiency II Limited	31/03/2024	N/A ¹	154	B Ordinary 75.2%
Itad (2015) Limited	31/01/2024	59	679	A Ordinary 68.8%
Kingsclere PE 3 Limited	31/03/2024	(1)	371	Ordinary 50.0%
Lepide Group Holding Company Limited	N/A ²	N/A ²	N/A ²	A Ordinary 48.4%
Live Group Holdings Limited	31/03/2023	N/A ¹	522	A Ordinary 49.3%
Loopr Limited	31/12/2023	N/A ¹	4,344	D Ordinary 38.1% P Ordinary 38.8%
Mizaic Ltd	31/03/2024	N/A ¹	(5,954)	A Ordinary 49.2% A2 Ordinary 36.1%
Nano Interactive Group Limited	31/12/2022	589	439	A Ordinary 95.2% A1 Ordinary 28.1%
Newsflare Limited	31/07/2023	N/A ¹	1,064	B Ordinary 37.7%
NorthWest EHealth Limited	31/12/2023	(2,969)	1,604	AB Ordinary 48.4%
PH Realisations 2020 Limited (in administration)	31/12/2018	(1,522)	(3,361)	A Ordinary 50.0%
Positive Response Corporation Ltd	31/03/2024	N/A ¹	271	A Ordinary 50.0%
Red Flag Alert Technology Group Limited	31/03/2024	N/A ¹	(2,772)	A Ordinary 36.4%
Resi Design Limited	30/11/2023	N/A ¹	(3,768)	A Ordinary 49.5%
Rovco Limited	31/12/2023	N/A ¹	(8,131)	A Ordinary 24.0%

Notes to the Accounts continued

For the year ended 31 December 2024

19 Related undertakings continued

Investee company name	Latest accounts year end	Profit/(loss) after tax for year £'000	Aggregate capital and reserves £'000	Class and percentage of shares held
Sprintroom Limited	31/10/2023	N/A ¹	(70)	A Ordinary 39.2%
Spektrix Limited	31/12/2023	(2,484)	9,396	A Ordinary 23.9% B Ordinary 68.5%
Steamforged Holdings Limited	31/03/2023	N/A ¹	1,498	A Ordinary 46.2%
Strategic Software Applications Ltd	31/03/2024	N/A ¹	998	A Ordinary 49.5%
Ten Health & Fitness Limited	31/12/2023	N/A ¹	(3,496)	A Ordinary 57.2% AA Ordinary 58.3%
Titania Group Limited	30/04/2024	N/A ¹	2,551	A Ordinary 48.4%
TLS Management Limited	31/12/2023	931	4,901	A Ordinary 100.0%
viO HealthTech Limited	31/12/2023	N/A ¹	(1,282)	C Ordinary 49.8% D Ordinary 27.6%
Weduc Holdings Limited	31/03/2024	N/A ¹	2,282	A Ordinary 66.7% AA Ordinary 55.7% AB Ordinary 69.2%
Whitchurch PE 1 Limited	31/03/2024	(1)	625	Ordinary 50.0%

1. In accordance with Section 444 of the Companies Act 2006, a statement of income has not been delivered in the financial statements available on Companies House.

2. The company is yet to deliver financial statements to Companies House.

Notes to the Accounts continued

For the year ended 31 December 2024

20 Post-balance sheet events

The Company announced a £20 million Prospectus offer on 10 December 2024 with an over-allotment facility to raise up to a further £5 million. The Company made the following issues of Ordinary Shares of 1p each post year end:

	Ordinary Shares	NAV to calculate issue price
16 January 2025	4,065,452	80.1p
27 January 2025	9,379,802	80.1p
7 February 2025	15,140,285	81.8p
14 February 2025	798,074	81.8p
13 March 2025	101,337	81.8p
10 April 2025	313,683	81.8p
	29,798,633	

The offer was closed to new applications on 20 December 2024 and the final allotment was made on 10 April 2025 having raised gross proceeds of £25.0 million, £24.1 million after expenses.

In advance of the allotment of Ordinary Shares on 13 March 2025, the Board announced that the unaudited NAV as at 13 March 2025 was 81.8p per share.

Post year end, the Company completed investments into Loopr Limited (£1.5 million), Nano Interactive Group Limited (£0.8 million), Fourth Wall Creative Limited (1.0 million), Evolve Dynamics Limited (£0.6 million), Ten Health & Fitness Limited (£0.9 million), NorthWest EHealth Limited (£0.2 million) and Ad Signal Limited (£1.5 million). The Company exited its investment in Hospital Services Group Limited, returning £26.2 million. The Board has considered the effect of trade tariffs, introduced by the Trump administration in April 2025, on the portfolio and does not expect there to be a significant direct effect due to the unquoted nature of the portfolio companies and their minimal exposure to US exports.

Notice of Annual General Meeting

2 June 2025

Order of events

2.30pm	Manager presentation
Immediately following the Manager presentation	Formal business of the Annual General Meeting

Notice is hereby given that the Annual General Meeting of Foresight VCT plc (the “Company”) will be held on 2 June 2025 at 2.30pm at the offices of Foresight Group LLP, 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 10 will be proposed as ordinary resolutions and Resolutions 11 and 12 will be proposed as special resolutions.

Resolution 1

To receive the Report and Accounts for the year ended 31 December 2024.

Resolution 2

To approve the Directors’ Remuneration Report.

Resolution 3

To approve the Directors’ Remuneration Policy.

Resolution 4

To re-elect Patricia Dimond as a Director.

Resolution 5

To re-elect David Ford as a Director.

Resolution 6

To re-elect Margaret Littlejohns as a Director.

Resolution 7

To re-elect Dan Sandhu as a Director.

Resolution 8

To reappoint Deloitte LLP as auditor and to authorise the Directors to fix the auditor’s remuneration.

Resolution 9

To approve the payment of a final dividend in respect of the financial year ended 31 December 2024 of 4.1p per ordinary share of 1p each in the capital of the Company, payable on 27 June 2025 to shareholders on the register on 13 June 2025.

Resolution 10

That, in substitution for all existing authorities, the Directors be and they are generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares of 1p each in the capital of the Company (“Shares”) and to grant rights to subscribe for, or to convert any security into, Shares (“Rights”), up to an aggregate nominal amount of £1,000,000, provided that this authority shall expire (unless renewed, varied or revoked by the Company in a general meeting) on the conclusion of the Annual General Meeting of the Company to be held in the year 2026, or, if earlier, on the date falling 15 months after the passing of this resolution, save that the Company shall be entitled to make offers or agreements before the expiry of such authority which would or might require Shares to be allotted or Rights to be granted after such expiry and the Directors shall be entitled to allot Shares and grant Rights pursuant to any such offers or agreements as if this authority had not expired.

Notice of Annual General Meeting continued

2 June 2025

Resolution 11

That, in substitution for all existing authorities, the Directors be and they are empowered pursuant to Section 570 and Section 573 of the Companies Act 2006 to allot equity securities (within the meaning of Section 560 of that Act) for cash either pursuant to the authority conferred by Resolution 10 above or by way of a sale of treasury shares as if Section 561(1) of that Act did not apply to any such allotment, provided that this power shall be limited to:

- a) the allotment of equity securities with an aggregate nominal amount of up to but not exceeding £400,000 pursuant to offer(s) for subscription;
- b) the allotment of equity securities with an aggregate nominal amount of up to but not exceeding an amount equal to 10% of the issued share capital from time to time pursuant to the dividend reinvestment scheme operated by the Company at a subscription price per Share which may be less than the Net Asset Value per share, as may be prescribed by the scheme terms;
- c) the allotment of equity securities with an aggregate nominal amount of up to but not exceeding £100,000 by way of an issue of Shares (which may be at a subscription price per Share which is less than the Net Asset Value per share) pursuant to performance incentive arrangements with Foresight Group LLP and relevant individuals of the Foresight Group LLP investment team; and
- d) the allotment (otherwise than pursuant to sub-paragraphs (a) to (c) of this resolution) to any person or persons of equity securities with an aggregate nominal amount of up to but not exceeding an amount equal to 10% of the issued share capital from time to time,

in each case where the proceeds may be used in whole or part to purchase shares in the capital of the Company, and shall expire (unless renewed, varied or revoked by the Company in a general meeting) on the conclusion of the Annual General Meeting of the Company to be held in the year 2026, or, if earlier, on the date falling 15 months after the passing of this resolution, save that the Company shall be entitled to make offers or agreements before the expiry of such authority which would or might require equity securities to be allotted after such expiry and the Directors shall be entitled to allot equity securities pursuant to any such offers or agreements as if the authority conferred hereby had not expired.

Resolution 12

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

- a) the aggregate number of Shares to be purchased shall not exceed 45,206,525 or, if lower, such number of Shares (rounded down to the nearest whole Share) as shall equal 14.99% of the Company's Shares in issue at the date of passing of this resolution;
- b) the minimum price which may be paid for a Share is 1p (the nominal value thereof);
- c) the maximum price which may be paid for a Share is the higher of (1) an amount equal to 105% of the average of the middle market quotation for a Share taken from the London Stock Exchange daily official list for the five business days immediately preceding the day on which the Shares are purchased, and (2) the amount stipulated by Article 5(6) of the Market Abuse Regulation (EU) 596/2014 (as such Regulation forms part of UK law and as amended);
- d) the authority conferred by this resolution shall expire (unless renewed, varied or revoked by the Company in a general meeting) on the conclusion of the Annual General Meeting of the Company to be held in the year 2026 or, if earlier, on the date falling 15 months after the passing of this resolution; and
- e) the Company may make a contract to purchase Shares under the authority conferred by this resolution prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Shares pursuant to such contract.

By order of the Board

Foresight Group LLP

Company Secretary

14 April 2025

The Shard
32 London Bridge Street
London
SE1 9SG

Notes

1. No Director has a service contract with the Company. Directors' appointment letters with the Company will be available for inspection at the registered office of the Company until the time of the meeting and from 15 minutes before the meeting at the location of the meeting, as well as at the meeting.
2. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, entitlement to attend and vote at the meeting and the number of votes which may be cast thereat will be determined by reference to the Register of Members of the Company at the close of business on the day which is two days (excluding non-working days) before the day of the meeting or adjourned meeting. Changes to the Register of Members after that time 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 their behalf. A proxy need not also be a member but must attend the meeting to represent you. Details of how to appoint the Chair 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 Chair) 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 703 6388. 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 14 April 2025 (being the last business day prior to the publication of this notice), the Company's issued share capital was 301,577,886 Ordinary Shares of 1p each in the capital of the Company, carrying one vote each. Therefore, the total voting rights in the Company as at 14 April 2025 was 301,577,886.
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 them and the member by whom they were 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, they 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 and 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 they 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. Where the Company holds a virtual meeting, the Register of Directors' Interests will be available for inspection on the Company's website www.foresightvct.com.
10. Information regarding the meeting, including the information required by Section 311A of the Companies Act 2006, is available from www.foresightvct.com.
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 their discretion. Your proxy will vote (or abstain from voting) as they think fit in relation to any other matter which is put before the meeting.

Notes continued

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 6ZZ or the proxy must be registered electronically at www.investorcentre.co.uk/eproxy, in each case so as to be received no later than 48 hours (excluding non-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). 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 & International 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 above in this note 12. 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 them 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 their 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 auditor 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.

C Shares Dividend History and NAV Total Return

The C Share class was launched in 1999. To provide an accurate NAV Total Return per share in relation to the original C Share class, we have rebased dividends and NAV to account for the merger of the original Ordinary Share class and the C Share class in January 2007 (conversion ratio of 1) and the subsequent reconstruction of the merged share class (this being the current share class) to rebase the NAV per share to 100p in March 2011 (conversion ratio of 0.554417986).

C Shares (converted into Ordinary Shares in January 2007):	Dividend per share (rebased)
28 June 2024	6.3p
18 August 2023	2.2p
30 June 2023	2.4p
21 October 2022	2.2p
24 June 2022	2.5p
25 June 2021	2.1p
19 June 2020	1.8p
4 May 2019	2.8p
4 May 2018	2.8p
29 September 2017	2.2p
3 April 2017	2.8p
1 April 2016	3.9p
13 March 2015	3.3p
14 March 2014	5.5p
14 June 2013	2.8p
23 March 2012	4.15p
17 June 2011	2.8p
29 May 2009	1.0p

C Shares (converted into Ordinary Shares in January 2007):	Dividend per share (rebased)
7 March 2008	5.0p
26 January 2007	2.0p
27 May 2005	0.5p
1 August 2004	0.5p
22 September 2003	0.75p
30 June 2003	0.75p
24 March 2003	0.75p
7 June 2002	1.0p
11 March 2002	2.5p
26 July 2001	2.0p
Total	69.3p
NAV per C Share rebased ¹	45.5p
NAV Total Return per C Share ¹	114.8p

1. Based on an original 100.0p invested in the original C Share class launched in 1999.

For information on the dividend history and NAV Total Return in relation to the original Ordinary Share class (which merged with the current class of share in January 2007) please refer to page 9.

Glossary of Terms

AIC	The Association of Investment Companies is the United Kingdom trade association for the closed-ended investment company industry.
VCT	A Venture Capital Trust as defined in the Income Tax Act 2007.
Net Asset Value or NAV	The Net Asset Value (“NAV”) is the amount by which total assets exceed total liabilities, i.e. the difference between what the Company owns and what it owes. It is equal to shareholders’ equity, sometimes referred to as shareholders’ funds.
Net Asset Value per share or NAV per share	Net Asset Value expressed as an amount per share.
NAV Total Return per share since inception	The sum of the published NAV per share rebased by the conversion ratios as set out on page 9 of 31.3p (2023: 32.8p) plus all dividends paid per share since inception rebased, being 205.4p (2023: 201.1p). This gives a NAV Total Return per share of 236.7p (2023: 233.9p).
NAV Total Return per share	The NAV per share at the end of the year being 82.0p (2023: 85.9p) plus all dividends paid per share in the year being 11.4p (2023: 8.4p). As such, NAV Total Return per share was 93.4p (2023: 94.3p).
Movement in NAV Total Return per share	This is the percentage change in the NAV per share at the start of the year being 85.9p (2023: 87.5p), to the NAV Total Return per share being 93.4p (2023: 94.3p). Therefore, the movement in Net Asset Value Total Return in the year is 8.7% (2023: 7.8%).
Share Price Total Return	The sum of the current share price rebased by the conversion ratios as set out on page 9 of 28.0p (2023: 29.9p) plus all dividends paid per share since inception rebased, being 205.4p (2023: 201.1p). This gives a Share Price Total Return of 233.4p (2023: 231.0p).
Discount to NAV	A discount to NAV is the percentage by which the mid-market share price of the Company of 73.5p (2023: 78.5p) is lower than the Net Asset Value per share of 82.0p (2023: 85.9p). This gives a discount to NAV of 10.4% (2023: 8.6%).
Dividends paid in the year	The total dividends paid in the year per share of 11.4p (2023: 8.4p).
Dividend yield	The sum of dividends paid during the year of 11.4p (2023: 8.4p) expressed as a percentage of the mid-market share price at the year-end date of 73.5p (2023: 78.5p). This gives a dividend yield of 15.5% (2023: 10.7%).

Shares bought back in the year	The total number of shares which were bought back in the year, being 7,209,542 (2023: 6,784,285).
Average discount on buybacks	The average of the percentage by which the buyback price is lower than the Net Asset Value per share at the point of the buyback.
Ongoing charges ratio	The sum of expenditure incurred in the ordinary course of business, being £4.9 million (2023: £4.7 million), expressed as a percentage of the average of the quarterly net assets throughout the year in accordance with the AIC’s recommended guidance, being £226.6 million (2023: £211.9 million).
IRR	The internal rate of return on an investment, calculated as the discount rate that makes the net present value of all cash flows equal to zero for a specific investment.
Qualifying Company	A company satisfying certain conditions under the VCT legislation. The conditions are detailed but include that the company must be unquoted (companies listed on AIM or AQUIS can qualify), have a permanent establishment in the UK, apply the money raised for the purposes of growth and development for a qualifying trade within a certain time period and not be controlled by another company. There are additional restrictions relating to the size and stage of the company to focus investment into earlier-stage businesses, as well as maximum investment limits (certain of such restrictions and limits being more flexible for “knowledge intensive” companies). VCT funds cannot be used by a Qualifying Company to acquire shares in another company or a trade.
Qualifying investment	An investment which consists of shares or securities first issued to the VCT (and held by it ever since) by a Qualifying Company and satisfying certain conditions under the VCT legislation.
Manager	Foresight Group LLP.
Foresight	Foresight Group Holdings Limited and its subsidiary companies and undertakings (which includes the Manager).

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 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 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.
- 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, 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



Shareholder Information

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

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

www.foresightvct.com

Enquiries

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

020 3667 8181

InvestorRelations@foresightgroup.eu

www.foresightgroup.eu

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

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

Dividends

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

- Receive your dividends in sterling via direct credit to a UK domiciled bank account
- Reinvest your dividends for additional shares in the Company through our dividend reinvestment scheme
- Overseas holders can have their dividend payments paid in local currency into their local bank.

www.investorcentre.co.uk

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

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

Holding enquiry Balances | Values history | Payments | Reinvestments

Payments enquiry Dividends | Other payment

Address change Change registered address to which all communications are sent

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

Outstanding payments Reissue payments using our online replacement service

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

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

Key dates

Annual General Meeting	2 June 2025
Half-yearly results to 30 June 2025	September 2025
Annual results to 31 December 2025	April 2026

Additional Information

Privacy policy

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



Trading shares

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

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

You can contact Panmure Liberum Limited by phone on 0207 886 2716 or 0207 886 2717.

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

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

Important information

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

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

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

Corporate Information

Company number

03421340

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Margaret Littlejohns (Chair)

Patricia Dimond

David Ford

Dan Sandhu

Jocelin Harris (resigned 4 June 2024)

Company Secretary

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Notes

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Foresight VCT PLC

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