FORESIGHT SOLAR VCT PLC

ANNUAL REPORT AND ACCOUNTS

30 JUNE 2015

Foresight Solar VCT plc
Company number: 07289280

Contents

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

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

Summary Financial Highlights

- Net asset value per Ordinary Share at 30 June 2015 was 109.9p after payment of 6.0p in dividends (30 June 2014: 101.9p).
- Net asset value per C Share at 30 June 2015 was 91.7p after payment of 5.0p in dividends (30 June 2014: 98.0p).
- Total net asset value return (including dividends paid since launch) at 30 June 2015 is 126.9p for the Ordinary Shares fund and 96.7p for the C Shares fund.

Ordinary Shares Fund

- Two interim dividends of 3.0p per Ordinary Share were paid on 14 November 2014 and 10 April 2015.
- An interim dividend of 3.0p per Ordinary Share will be paid on 13 November 2015 based on an ex-dividend date of 29 October 2015 and a record date of 30 October 2015.
- Six investee companies acquired assets during the year totalling £19.3 million.

C Shares Fund

- Two interim dividends of 2.5p per C Share were paid on 14 November 2014 and 10 April 2015.
- An interim dividend of 2.5p per C Share will be paid on 13 November 2015 based on an ex-dividend date of 29 October 2015 and a record date of 30 October 2015.
- Two new investments were made during the year totalling £6.0 million.

Dividend History

Ordinary Shares	Dividend per share
10 April 2015	3.0p
14 November 2014	3.0p
4 April 2014	3.0p
25 October 2013	3.0p
12 April 2013	2.5p
31 October 2012	2.5p

C Shares	Dividend per share
10 April 2015	2.5p
14 November 2014	2.5p

Chairman's Statement

Summary Financial Highlights

- Net asset value per Ordinary Share at 30 June 2015 was 109.9p after payments of 6.0p in dividends during the year (30 June 2014: 101.9p).
- Net asset value per C Share at 30 June 2015 was 91.7p after payments of 5.0p in dividends during the year (30 June 2014: 98.0p).
- Total net asset value return (including dividends paid since launch) at 30 June 2015 is 126.9p for the Ordinary Shares fund and 96.7p for the C Shares fund.

Ordinary Shares Fund

- A further dividend of 3.0p per Ordinary Share will be paid on 13 November 2015 based on an ex-dividend date of 29 October 2015 and a record date of 30 October 2015.

C Shares Fund

- A further dividend of 2.5p per C Share will be paid on 13 November 2015 based on an ex-dividend date of 29 October 2015 and a record date of 30 October 2015.

Dividend History

Ordinary Shares	Dividend per share
10 April 2015	3.0p
14 November 2014	3.0p
4 April 2014	3.0p
25 October 2013	3.0p
12 April 2013	2.5p
31 October 2012	2.5p

C Shares	Dividend per share
10 April 2015	2.5p
14 November 2014	2.5p

Introduction

During the last 12 months there has been a significant strategic shift in the UK Government's policies with respect to renewable energy investment. This is the result of the rapid growth in renewables over recent years and a concern about the long term financial cost to consumers in terms of higher electricity bills. Fortunately, as an established owner of solar assets these changes are not expected to have a material detrimental effect on our portfolio of businesses. Indeed it could be argued it has created some rarity value, especially if in the longer term, inflation and power prices begin to rise again.

Performance – Ordinary Shares Fund

The underlying net asset value increased by 14.0p per Ordinary Share before deducting the 6.0p per Ordinary share dividend paid during the year.

The valuation of the UK portfolio increased by approximately £5.9 million (15.2p per Ordinary Share). This increase in valuation was driven by a variety of factors including further tightening of discount rates reflecting recent market conditions. The Turweston purchase finalises the reinvestment of our cash balances arising from the bond refinancing executed in 2013 and will usefully improve cash flows in the portfolio.

Following a period of relative inactivity in the Spanish and Italian solar markets, largely caused by retrospective legislation on feed-in-tariffs and/or taxation, Foresight has started to see both secondary market interest in our underlying assets in these geographies and opportunities for restructuring the debt component of the transactions. At the same time we continue to pursue international arbitration proceedings against the government of Spain for breaching the protections available under the Energy Charter Treaty and international law in order to remedy our losses. The Spanish and Italian assets account for circa 10% of the Ordinary Share portfolio.

The overall performance of the Ordinary Shares fund remains robust and the total return since inception as at 30 June 2015 was 126.9p per Ordinary Share. Following the acquisition of the Turweston investment noted above, the Board and the Manager expects returns to be enhanced restoring progress (after providing against the Spanish and Italian assets) towards the fund's original target of a total 5 year return of 130.0p per Ordinary Share.

Ordinary Shareholder Individual Roll-Over Option

As noted in the original prospectus, the Board undertook to write to Shareholders with respect to their individual roll-over option choices which was envisaged to be in June 2015, four years after the original offer closed in June 2011. As the offer was eventually extended until November 2011, shareholders were notified in an RNS that this period has been extended by a few months. In line with their original intention the Board is now preparing a separate declaration for Shareholders to complete and return in respect of their anticipated preference to either sell or hold their shares once their minimum five year holding period has expired. The Board intend to circulate this declaration during the first half of 2016.

i. Movement in Net Asset Value of the Ordinary Shares Fund

During the period, the net asset value of the Ordinary Shares fund increased to 109.9p per share (£42.1 million) at 30 June 2015 from 101.9p per share (£39.1 million) at 30 June 2014. The main reason behind the rise in net assets was the aggregate performance of the investment portfolio increasing by 14.4p, offset by a dividend payment of 6.0p per Ordinary Share and income less expenses of 0.4p. This is summarised further in the table below:

	£'000	Pence per Ordinary Share
NAV at 30 June 2014	39,055	101.9
Dividends paid	(2,300)	(6.0)
UK investments valuation increase	5,863	15.1
Italian investments valuation decrease	(172)	(0.4)
Spanish investments valuation decrease	(174)	(0.3)
Other	(161)	(0.4)
NAV at 30 June 2015	42,111	109.9

ii. Cash & Deal Flow

During the year the Ordinary Shares fund invested £19.3 million in the Turweston asset.

The Ordinary Shares fund had cash and liquid resources of £0.1 million at 30 June 2015. The Company receives regular interest and loan stock payments and dividends from its underlying investments enabling it to continue to fund its dividend policy as well as meeting expenses in the ordinary course of business as they fall due.

iii. Investment Gains & Losses

There were no realised gains or losses during the period for the Ordinary Shares fund.

During the period the Ordinary Shares fund recognised unrealised gains of £5.5 million. Further information regarding the breakdown of this amount is contained in the Manager's Report.

iv. Running Costs

The annual management fee of the Ordinary Shares fund is 1.5%. During the period the management fees totalled £608,000, of which £152,000 was charged to the revenue account and £456,000 was charged to the capital account. At 2.1% the total expense ratio of the Ordinary Shares fund for the year to 30 June 2015 compares very favourably with its VCT peer group.

v. Ordinary Share Dividends

The Board originally planned to pay dividends of 5.0p per Ordinary Share each year throughout the life of Foresight Solar VCT plc after the first year, payable bi-annually via dividends of 2.5p per Ordinary Share in April and October each year. The level of dividends is not, however, guaranteed.

The Board is pleased to announce that the next interim dividend, of 3.0p per Ordinary Share, will be paid on 13 November 2015. The dividend has an ex-dividend date of 29 October 2015 and a record date of 30 October 2015. This exceeds the first part of the annual target dividend for 2015/16 which was set at 2.5p.

vi. Ordinary Share Issues & Buybacks

During the period under review, 15,000 Ordinary Shares were repurchased for cancellation. No new shares were issued.

Performance – C Shares Fund

i. Movement in Net Asset Value of the C Shares Fund

During the period, the net assets of the C Shares fund decreased to 91.7p per share (£11.5 million), largely due to the payment of dividends. This is summarised further in the table below:

	£'000	Pence per C Share
NAV at 30 June 2014	12,257	98.0
Dividends paid	(625)	(5.0)
UK investments valuation increase	8	(0.0)
Other	(163)	(1.3)
NAV at 30 June 2015	11,477	91.7

ii. Cash & Deal Flow

During the period, the C share class invested £4.0 million in the Saron project and £2.0m in the New Kaine project. In addition a loan of £1.8m was made in a solar investment in Colorado in the USA. This was repaid on 13 February 2015 and earned interest of £79k at the rate of 8.5% during the period of the loan. More information on this investment is given in the Investment Manager`s report.

At 30 June 2015 the C Share fund had cash or near cash resources of £1.1 million. In addition £94,000 cash was held in portfolio companies awaiting investment.

iii. Investment Gains & Losses

There were no realised gains or losses during the period.

During the period the C Shares fund recognised unrealised gains of £8,000. Further information regarding the breakdown of this amount is contained in the Manager's Report.

iv. Running Costs

The annual management fee of the C Shares fund is 1.75%. During the period the management fees totalled £213,000, of which £53,000 was charged to the revenue account and £160,000 was charged to the capital account. The total expense ratio of the C Shares fund, for the year ended 30 June 2015 was 3.2%.

v. C Share Dividends

The Board is pleased to announce that the next interim dividend, of 2.5p per C Share, will be paid on 13 November 2015. The dividend has an ex-dividend date of 29 October 2015 and a record date of 30 October 2015. This forms the first part of the annual target dividend for 2015/16.

vi. C Share Issue & Buybacks

During the period under review there were no C Shares issued or repurchased for cancellation.

Chairman's Statement continued

Outlook – C Shares Fund

The proceeds of the C Share offer have been fully allocated to new projects currently being completed. Further details on these investments and their underlying performance will be provided when they have completed over the next few months.

Annual General Meeting

The Company's Annual General Meeting will take place on 15 December 2015 at 1pm. I look forward to welcoming you to the Meeting, which will be held at the offices of Foresight Group in London. Details can be found on page 54.

VCT Legislation

The Budget in March this year announced that some further amendments would be introduced to the VCT legislation, most of which were specifically aimed at enabling the scheme to maintain approval under the European Commission's State Aid guidelines.

The key aspects of the proposed new rules are as follows:

- Introducing an 'age of company' restriction of a maximum of seven years at the time of first investment;
- Introducing a lifetime investment limit of £12 million; and
- Prohibiting VCT investment to finance share acquisitions as well as the acquisition of trades.

These proposals are expected to apply to investments made by VCTs from November 2015 and therefore are not expected to affect the present portfolio.

Government Solar Subsidies

On 8 July 2015, the Chancellor announced the removal of the climate change levy exemption for electricity from renewable sources from 1 August 2015. The effect of this will be to reduce the holding value of our existing investments by circa 3% which, in accordance with accounting principles, is not reflected in the valuations in this report but will be in future reports.

Overall Company Outlook

During the past two years there have been significant changes in both the UK Government's attitude to the development of photovoltaic solar and also in the VCT regulatory environment within which we operate. The consequence of these developments is that we expect our future investment in new solar plants to be limited to concluding projects for the 'C' share class. Our principal operational activity in solar will therefore be concentrated on improving the efficiency of our existing asset base. In addition, we have also been investigating new opportunities for investments in businesses in the energy industry more broadly, particularly where there are synergies with our present operations.

Being early adopters in the field of solar investment we have benefited during the past four years from an increase in NAV driven in part by a reduction in the discount rate applied in the valuation of our assets.

We are confident we have built a valuable portfolio and therefore are hopeful that in spite of the problems we have encountered with our European operations, we will achieve something close to the returns targeted in our original prospectus for both share classes.

David Hurst-Brown
Chairman
22 October 2015

Strategic Report

Introduction

This Strategic Report, on pages 5 to 9, has been prepared in accordance with the requirements of Section 414 of the Companies Act 2006 and best practice. Its purpose is to inform the members of the Company and help them to assess how the Directors have performed their duty to promote the success of the Company, in accordance with Section 172 of the Companies Act 2006.

Foresight Solar VCT plc Ordinary Shares Fund

Foresight Solar VCT plc originally raised £37.8 million through an Ordinary Share issue in 2010/2011 and 2011/2012. This fund currently has investments and assets totalling £42.2 million. The number of Ordinary Shares in issue at 30 June 2015 was 38,316,956.

Foresight Solar VCT plc C Shares Fund

In 2013/2014 and 2014/2015, £13.1 million was raised for the C Shares fund. This fund currently has investments and assets totalling £11.5 million. The number of C shares in issue at 30 June 2015 was 12,511,089.

Summary of the Investment Policy

Foresight Solar VCT plc will invest mainly in unquoted companies that generate electricity from solar power systems and benefit from long-term government-related price guarantees.

Investment Objectives

Ordinary Shares Fund

The key objective of the Ordinary Shares fund is to distribute 130.0p per share, through a combination of tax-free income, buy-backs and tender offers before the sixth anniversary of the closing date of the offer.

C Shares Fund

The key objective of the C Shares fund is to distribute 120.0p per share, through a combination of tax-free income, buy-backs and tender offers before the sixth anniversary of the closing date of the offer.

Performance and Key Performance Indicators (KPIs)

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

A record of some of these indicators is contained below and on the following page. The total expense ratio in the period was 2.3% and the average discount at which shares were repurchased in the market was 0.7%. The level of these KPIs compare favourably with the wider VCT marketplace based on independently published information.

A review of the Company's performance during the financial year, is contained within the Manager's Report. The Board assesses the performance of the Manager in meeting the Company's objective against the primary KPIs highlighted above.

	30 June 2015		30 June 2014	
	Ordinary Shares	**C Shares**	Ordinary Shares	C Shares
Net asset value per share	**109.9p**	**91.7p**	101.9p	98.0p
Net asset value total return	**126.9p**	**96.7p**	112.9p	98.0p

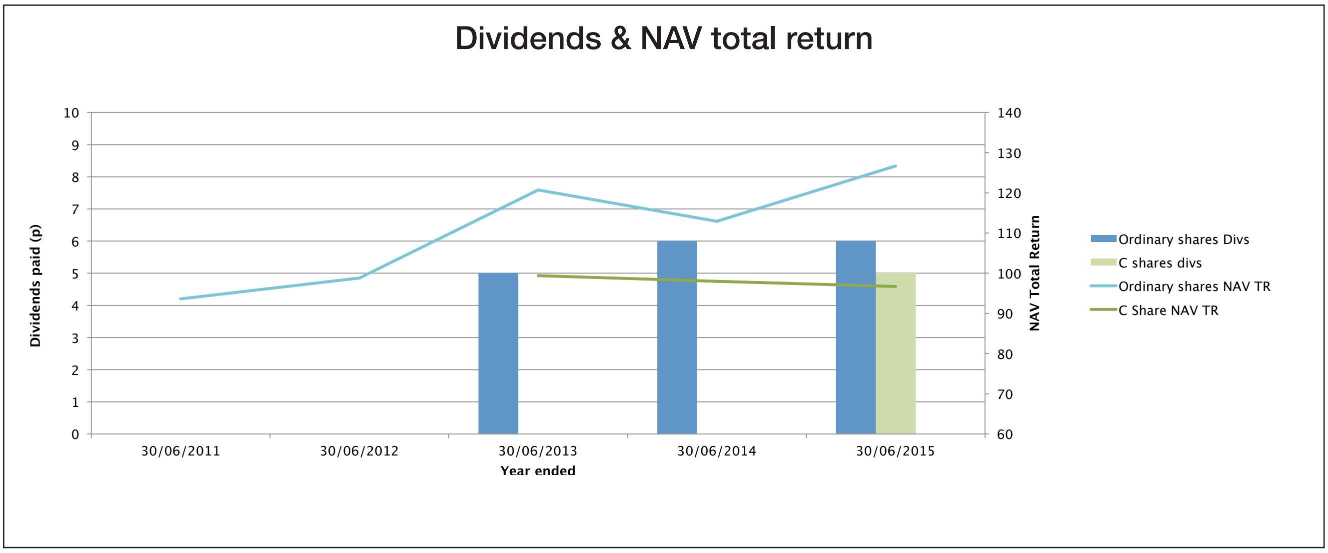
	Ordinary Shares	**C Shares**	Ordinary Shares	C Shares
Share price	**102.5p**	**93.5p**	107.5p	100.0p
Share price total return	**119.5p**	**98.5p**	118.5p	100.0p

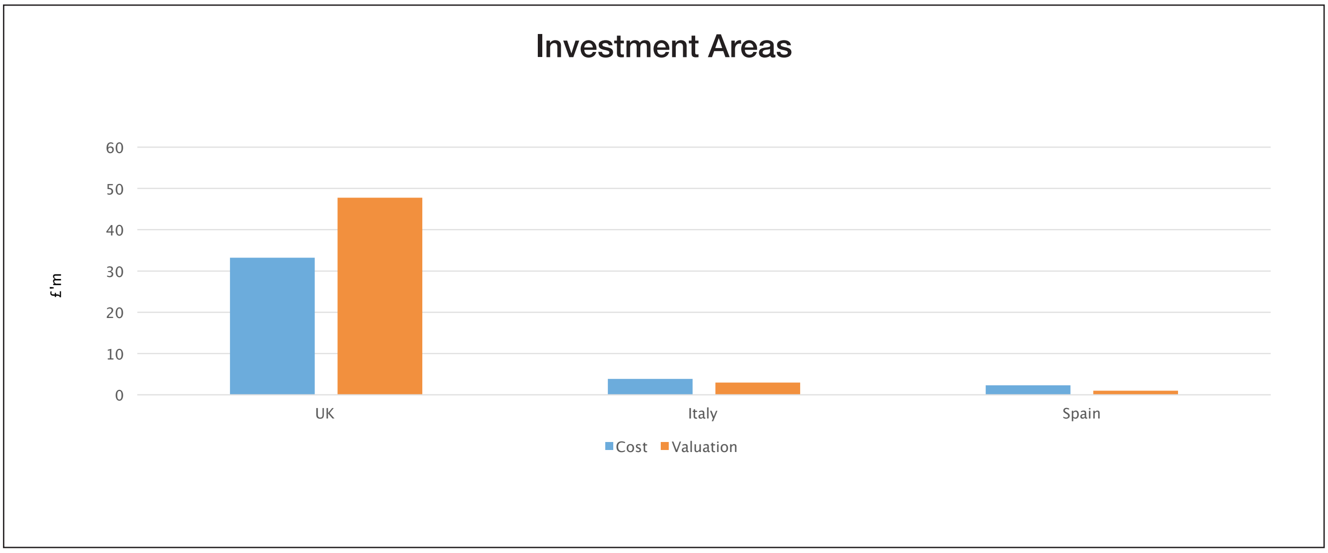
	Ordinary Shares	**C Shares**	Ordinary Shares	C Shares
Dividends paid from inception	**17.0p**	**5.0p**	11.0p	0.0p
Dividends paid in the year	**6.0p**	**5.0p**	6.0p	0.0p
Dividend yield %	**5.9**	**5.3**	5.6	—

Strategic Report continued

Ordinary Shares Fund	
Share price discount to NAV at 30 June 2015	6.7%
Average discount on buybacks	0.7%
Shares bought back during the year under review	15,000
Increase in net asset value during year (after adding back 6.0p dividend)	13.7%
Total expense ratio	2.1%

C Shares Fund	
Share price premium to NAV at 30 June 2015	2.0%
Average discount on buybacks	–
Shares bought back during the year under review	–
Decrease in net asset value during year (after adding back 5.0p dividend)	1.3%
Total expense ratio	3.2%





Strategies for achieving objectives

Investment Policy

Foresight Solar VCT plc will invest mainly in unquoted companies that generate electricity from solar power systems and benefit from long-term government-related price guarantees.

Investment securities

The Company invests in a range of securities including, but not limited to, ordinary and preference shares, loan stock, convertible securities, and fixed-interest securities as well as cash. Unquoted investments are usually structured as a combination of ordinary shares and loan stock. Non Qualifying Investments may include holdings in money market instruments, short-dated bonds, unit trusts, OEICs, structured products, guarantees to banks or third parties providing loans or other investment to investee companies and other assets where Foresight Group believes that the risk/return portfolio is consistent with the overall investment objectives of the portfolio.

UK companies

Investments are primarily made in companies which are substantially based in the UK. The companies in which investments are made must have no more than £15 million of gross assets at the time of investment for funds raised after 6 April 2012 (or £7 million if the funds being invested were raised after 5 April 2006 but before 6 April 2012) to be classed as a VCT qualifying holding.

Asset mix

The Company invests in unquoted companies that seek to generate solar electricity and benefit from long-term government-backed price guarantees. Investments may be made in companies seeking to generate renewable energy from other sources provided that these benefit from similar long-term government-backed price guarantees. No investments of this nature have been made to date. The Board has ensured that at least 70% of net funds raised under the Offer have been invested in companies whose primary business is the generation of solar electricity. Any uninvested funds are held in cash, interest bearing securities or other investments.

Risk diversification and maximum exposures

Risk is spread by investing in a number of different companies and by targeting a variety of separate locations for the solar power assets. The maximum amount invested by the Company in any one company is limited to 15% of the portfolio at the time of investment. The value of an investment is expected to increase over time as a result of trading progress and a continuous assessment is made of its suitability for sale. Solar projects can in aggregate exceed this limit but suitable structures are put in place so that individual corporate investments do not. Although risk is spread across different companies, concentration risk is fairly high, given that a significant portion are all UK Solar projects.

Borrowing powers

The Company's Articles permit borrowing, to give a degree of investment flexibility. The Board's current policy is not to use borrowing. In any event, under the Company's Articles no money may be borrowed without the sanction of an ordinary resolution if the principal amount outstanding of all borrowings by the Company and its subsidiary undertakings (if any), then exceeds, or would as a result of such borrowing exceed, a principal amount equal to the aggregate of the share capital and consolidated reserves of the Company and each of its subsidiary undertakings as shown in the audited consolidated balance sheet. The underlying portfolio companies in which Foresight Solar VCT plc invests may utilise bank borrowing or other debt arrangements to finance asset purchases but such borrowing would be non-recourse to Foresight Solar VCT plc.

VCT regulation

The investment policy is designed to ensure that the Company continues to qualify and is approved as a VCT by HM Revenue & Customs. Amongst other conditions, the Company may not invest in a single company more than 15% of its gross assets at the time of making any investment and must have at least 70% by value of its investments throughout the period in shares or securities in qualifying holdings, of which the specified percentage by value in aggregate must be in ordinary shares which carry no preferential rights (although only 10% of any individual investment needs to be in the ordinary shares of that Company). In respect of capital raised before 6 April 2011 the specified percentage was 30% and in respect of capital raised on or after 6 April 2011 the specified percentage was 70%.

Management

The Board has engaged Foresight Group as discretionary investment manager. Foresight Fund Managers Limited also provides or procures the provision of company secretarial, administration and custodian services to the Company.

Foresight Fund Managers Limited is the secretary of the Company.

Foresight Group prefers to take a lead role in the companies in which it invests. Larger investments may be syndicated with other investing institutions, or strategic partners with similar investment criteria.

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

Environmental, Human Rights, Employee, Social and Community Issues

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

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

Strategic Report continued

policies. As the Company has no employees or policies in these matters this requirement does not apply.

Gender diversity

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

The Manager has an equal opportunities policy and currently employs 63 men and 41 women.

Dividend policy

The Board plans to pay dividends of 5.0p per share each year throughout the life of Foresight Solar VCT plc after the first year, payable bi-annually via dividends of 2.5p per share in April and October each year. The level of dividends is not however, guaranteed.

Purchase of own shares

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

Principal risks, risk management and regulatory environment

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

- Economic — events such as an economic recession and movement in interest rates could affect performance and valuations.
- Loss of approval as a Venture Capital Trust — the Company must comply with Section 274 of the Income Tax Act 2007 which allows it to be exempted from capital gains tax on investment gains. Any breach of these rules may lead to: the Company losing its approval as a VCT; qualifying shareholders who have not held their shares for the designated holding period having to repay the income tax relief they obtained; and future dividends paid by the Company becoming subject to tax. The Company would also lose its exemption from corporation tax on capital gains.
- Investment and strategic — inappropriate strategy, poor asset allocation or consistent weak stock selection might lead to under performance and poor returns to shareholders. Changes in the rates of Feed-in Tariffs (FiTs) or Renewable Obligation Certificates (ROCs) could impact the underlying returns of the Company's investments.
- Regulatory — the Company is required to comply with the Companies Act 2006, the rules of the UK Listing Authority and United Kingdom Accounting Standards. Breach of any of these might lead to suspension of the Company's Stock Exchange listing, financial penalties or a qualified audit report.
- Natural disasters — severe weather/natural disaster could lead to reduction in performance and value of the assets.
- Reputational — inadequate or failed controls might result in breaches of regulations or loss of shareholder trust.
- Operational — failure of the Manager's accounting systems or disruption to its business might lead to an inability to provide accurate reporting and monitoring.
- Fraud — inadequate controls might lead to misappropriation of assets.
- Theft — inadequate security and control could lead to the theft of assets.
- Financial — inappropriate accounting policies might lead to misreporting or breaches of regulations. Additional financial risks, including interest rate, credit, market price and currency, are detailed in note 15 of the financial statements.
- Market risk — investment in unquoted companies by its nature involves a higher degree of risk than investment in companies traded on the main market. In particular, smaller companies often have limited product lines, markets or financial resources and may be dependent for their management on a smaller number of key individuals. In addition, the market for stock in smaller companies is often less liquid than that for stock in larger companies, bringing with it potential difficulties in acquiring, valuing and disposing of such stock.
- Liquidity — the Company's investments, being unquoted, may be difficult to realise.
- Currency risk — short-term currency risk, such as that associated with the investments in Spain and Italy, is mitigated by taking out options that convert the capital investment proceeds back into sterling at the same rate as the original sterling investment was converted into Euros when making the original investment. This ensures no currency loss on the investment up to original cost. The cost of the option is covered by the returns on the investment.

The Board seeks to mitigate the internal risks by setting policy, regular review of performance, enforcement of contractual obligations and monitoring progress and compliance. In the mitigation and management of these risks, the Board applies the principles detailed in the UK Corporate Governance Code. Details of the Company's internal controls are contained in the Corporate Governance and Internal Control sections.

Performance-related incentives

Ordinary Shares fund

After distributions of 100.0p per Ordinary Share issued under the Offer and remaining in issue at the date of calculation have been paid to Ordinary shareholders of the Company, Foresight Group will become entitled to a performance incentive which will be calculated at the rate of 20% of distributions in excess of 100.0p until total distributions reach 130.0p per share and 30% above that level.

C Shares fund

After distributions of 100.0p per C Share issued under the Offer and remaining in issue at the date of calculation have been paid to C shareholders by the Company, Foresight will become entitled to a performance incentive which will be calculated at the rate of 20% of distributions in excess of 100.0p per C Share until total distributions reach 120.0p, and 30% above that level.

Valuation Policy

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

A broad range of assumptions are used in our valuation models. These assumptions are based on long-term forecasts and are not affected by short-term fluctuations in inputs, be it economic or technical. Under the normal course of events, we would expect asset valuations to reduce each period due to the finite nature of the cash flows.

VCT Tax Benefit for Shareholders

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

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

Venture Capital Trust Status

Foresight Solar VCT plc is approved by HMRC as a venture capital trust (VCT) in accordance with Part 6 of the Income Tax Act 2007. It is intended that the business of the Company be carried on so as to maintain its VCT status.

The Directors have managed, and continue to manage, the business in order to comply with the legislation applicable to VCTs. The Board has appointed RW Blears LLP to monitor and provide continuing advice in respect of the Company's compliance with applicable VCT legislation and regulation. As at 30 June 2015 the Company had 81.0% (2014: 78.9%) of its funds in such VCT qualifying holdings.

Future Strategy

The Company will limit its future investment in new solar plants to concluding projects for the C share class - given the significant changes in both the UK Government's attitude to the development of photovoltaic solar and also in the VCT regulatory environment within which we operate as mentioned above. We expect to be in a position shortly to invite shareholders to consider the Board's proposals for new investments in the energy industry more broadly.

David Hurst-Brown
Director
22 October 2015

Manager's Report

Ordinary Shares

UK Assets

Four plants in Kent, Somerset and Wiltshire are the principal assets of the Ordinary Shares fund and are all trading successfully and benefitting from index linked Feed-in Tariffs (FiTs) over 25 years. Because of the favourable differential between the yield on new ROC based plants and the cost of the bond re-financing, executed in 2013, investors in Foresight Solar VCT's Ordinary Shares fund are benefitting from higher dividends and greater capital appreciation as a result of this refinancing.

During the period six companies representing the original investments of the fund deployed cash generated from the issuance of the bond to enter into Capacity Agreements with the Turweston solar project. These agreements substantially take the form of the original agreements in place with the four FiT assets. Turweston is a 16.45 MW site and is accredited as a 1.4 ROCs project. This acquisition means the Ordinary Share class is now fully re-invested following the bond refinancing.

During the period, under review, production from the four FiT sites was above expectations. Turweston had suffered an unusually long external grid disconnection outside of our control during the period resulting in production being materially below expectations. This is not expected to have an impact on long term dividends or returns. During the period, EBITDA of the Ordinary Share assets was in line with expectations.

Each 100.0p invested in new solar ROC plants is targeted to generate a total return of 120.0p. Adding this to the current portfolio should lead to an increase in total returns on the UK based portfolio for the Ordinary Share investors. The Ordinary Shares fund's targeted return of 130.0p was conceived when the more generous FiT subsidy mechanism was in place.

European Assets

Although the Foresight Solar VCT Ordinary Shares fund is predominantly comprised of UK solar assets, the Company also has exposure to several assets in both Italy and Spain accounting in aggregate for c.10% of the portfolio value. The European assets enjoyed strong irradiation levels throughout the year and strong technical performance meant that production was well above the expectations of the Investment Manager.

Regulatory risk in the Italian solar sector has stabilised somewhat in the latter part of the period and we are actively re-financing the loans outstanding in the Italian portfolio.

Foresight has analysed the impact of the change in legislation on the portfolio and after the re-financing expects a drop in IRR of c. 3% across the portfolio (from c. 11.0%). This has been reflected in the valuation. The Ordinary Shares fund's exposure to the Company's Italian assets is 7% of the portfolio value. A reduction in fair value of 23% is in place against the cost of the Italian assets held by Foresight Solar VCT plc. Operating costs across the assets continue to be reduced through contractual negotiations.

The Spanish assets owned by the Company have also been negatively impacted by changes in legislation, which have effectively placed a cap on the returns that Spanish solar assets can generate. This cap has been set at 7.4% (calculated as 300 basis points over the average of the 10 year Spanish Government Bond yield). The Ordinary Shares fund's exposure to the Company's only Spanish asset is 2.4% of the portfolio value. A reduction in fair value of 50% is in place against the cost of the Spanish asset held by Foresight Solar VCT plc.

The combined reductions in valuation for the Italian and Spanish assets will weigh negatively on the ability of the Ordinary Shares fund to achieve more than the target total return of 130p per share.

Exit

The Investment Manager feels it is too early to perform dependable analysis on exit valuations. Whilst the UK portfolio can be predicted with some accuracy the overall outcome for the Ordinary shares is impacted by the Spanish and Italian investments outcome. We will write to Investors to set out proposed exit plans when further clarity can be offered on final returns. At this stage we continue to be relatively comfortable with the £1.30 target.

As part of any exit process, we will consider refinancing opportunities for the portfolio if, like the Solar Bond, they enhance shareholder returns.

'C' Shares

The C share class does not have any exposure to Italian or Spanish assets and the recent increase in the supply of smaller and more appropriate sized assets has led to the Fund acquiring two solar assets. Saron and New Kaine, sized at 6.3 and 1.9MW respectively, were completed during the period. The Fund has a third asset under exclusivity that, upon completion, will see materially all (£10 million) of the C share class fund deployed.

Production from assets held by the C share fund was above the expectations of the Investment Manager.

US assets

During the period the C Share fund made a loan of £1.8 million, the balance of funds to deploy in connection with a solar project in Colorado, USA. The loans were repaid during the period in full generating a c.5% return in under 7 months.

The C Shares fund has acquired equity ownership of the 3.6MW portfolio located in Lancaster, California, a region which benefits from some of the highest levels of irradiance in the world. The project has been operational for 19 months and to date has performed above base case projections. The C Shares fund invested c. £1m in the project in September 2015.

Increasing Capital Value and Dividends

The overall asset scale generated from re-investing the bond proceeds and the C Shares fund proceeds is expected to enhance investor returns for both share classes, particularly in potentially optimising ultimate sale proceeds. If there were an appropriate disposal of both portfolios to the same buyer in due course.

Health and Safety

There were no health and safety incidents reported during the year.

The Investment Manager has appointed a health and safety consultant to review all portfolio assets to ensure they not only meet, but exceed, industry and legal standards.

Market Conditions

Power Prices

Although the UK experienced significant downward volatility in the wholesale power market in 2014, prices have stabilised since the beginning of 2015 and current power price forecasts are reflected in the NAV.

Removal of Climate Change Levy Exemption

On 8 July 2015, the Chancellor announced the UK Budget which included the removal of the climate change levy exemption for renewably sourced electricity, meaning all renewable generators will stop receiving Levy Exemption Certificates ("LECs") from 1 August 2015. The Company is pursuing a judicial review, alongside other renewable generators, as to the speed of implementation of these changes. Any financial impact from this action has not been included in Investment Valuations.

Discount Rate

During the period, the Company reduced its weighted average discount rate applied to future cash flows which has had a positive impact on NAV. We believe this reduction reflects the risk profile of the operational assets that have been acquired, the total installed capacity at portfolio level and asset diversification.

Risk Management

Reliance is placed on the internal systems and controls of external service providers such as the Investment Manager in order to effectively manage risk across the portfolio. Foresight has a comprehensive Risk Management Framework in place which is reviewed regularly by the Directors.

We consider the following as key risks and mitigants to the Fund at this time are:

Electricity Market Reform

Risk: As a result of the introduction of the capacity mechanism under EMR, designed to ensure that the UK has sufficient reliable generating capacity to meet a specified capacity margin and prevent black-outs, wholesale electricity prices may be depressed, as some fossil-fuel power plants will receive capacity payments which will cover part of the costs of constructing and operating them. The carbon price floor is an element of EMR which is designed to support the deployment of renewable generation technologies by underpinning the price of carbon emissions allowances (required to be surrendered by fossil-fuelled combustion plants). However, the UK Government may decide to abolish the carbon price floor or set a lower trajectory for the increase of the carbon price floor. Such abolition, or the UK Government setting a lower trajectory for the increase of the carbon price floor, would likely reduce the wholesale power price.

Mitigant: The UK Government remains committed to a balanced generation mix, whereby renewables as a share of future generation capacity is expected to continue to rise. This is underpinned by EU and UK binding policy targets.

Decline in the sale price of electricity

Risk: Generally, the price at which a solar PV plant sells its electricity is determined by market prices in the UK. A decline in the costs of other sources of electricity generation, such as fossil fuels or nuclear power, could reduce the wholesale price of electricity further. A significant amount of new electricity generation capacity becoming available could also reduce the wholesale price of electricity.

Mitigant: Solar assets acquired under the ROC system will be exposed to market prices for electricity, accounting for c. 50% of overall plant revenue but will also benefit from the remaining 50% of revenues being guaranteed with ROCs. Electricity price-linked revenues are defined in Power Purchase Agreements ("PPAs") signed with off-takers (typically a big six utility company).

The proportion of revenue from a FiT asset deriving from subsidies is c. 85%, further reducing impact on declining power prices.

Assets are subject to appropriate downside sensitivity analysis with respect to electricity prices to ensure that revenues remain robust in this scenario which will be reflected in the price we offer for each asset.

Risks relating to RPI

Risk: The revenues and expenditure of solar PV assets via the ROC system are partly subject to indexation with reference to RPI. In absolute terms, distributions would be adversely affected by deflation.

Mitigant: We consider the inflation risk presented by these assets to be minimised through the explicit inflation-linked nature of both operating revenues and costs. On the revenue side, ROC and FiT prices are formally linked to RPI and for PPAs the electricity price forms part of the RPI basket of goods. For costs, bond repayments, O&M contract prices and land rents are both linked to inflation and as such there is a natural inflation linkage to costs and revenues.

An end to grandfathering policy commitments

Risk: The UK has revised its policies supporting the renewable energy sector from time to time in order to reduce the benefits available to new renewable power generation projects. The assets would likely suffer a loss if the UK was to abandon the practice of grandfathering and apply adverse retrospective changes to the levels of support for operating projects.

Mitigant: There is significantly less risk of support being reduced, withdrawn or changed for existing accredited projects. In order to maintain investor confidence, the UK has ensured that the benefits already granted to operating renewable power generation projects are exempted from future regulatory change. This practice is referred to as grandfathering.

Shorter than forecast operational life span of solar panels

Risk: Investors could be adversely affected by a reduction in production efficiency over the long term.

Manager's Report continued

Mitigant: Each asset is subject to robust technical due diligence to assess the expected operational life span of the panels. Panels are typically covered under a 25 year performance warranty. The Company seeks to access projects with those reputable and proven equipment suppliers most able to demonstrate financial robustness being preferred. Full scope O&M with experienced counterparties should further ensure any such issues are identified early and rectified appropriately.

Change in weather patterns in the UK

Risk: The profitability of a solar PV asset is dependent on the radiation conditions at the individual solar PV plants and upon the meteorological conditions at the particular site. Solar electricity generation is reliant upon daylight rather than sunlight and plants are able to continue to generate power even during poor weather. Annual solar radiation per square metre averages approximately 1,100kWh in the UK as a whole, with higher irradiance of up to 1,300kWh per square metre available in Cornwall. There is risk that expected long term weather patterns change.

Mitigant: Each plant that is acquired will be subject to robust irradiation studies based on c. 20 years of historical weather data in order to derive a site irradiance value which is both conservative and robust and is appropriately accounted for in the acquisition price. Irradiation is the key determinant of solar power production and it is dependent on the hours of daylight availability as opposed to direct sunlight. This means that solar power plants are able to generate electricity even on days without clear skies. In addition, the levels of solar irradiance in the Southern parts of the UK compare favourably with those of Germany, the world's largest solar market with approximately one third of global installed capacity, making the UK a similarly viable location for solar investment. As a result the majority of solar power plants in the UK tend to be located in the Southern parts of England and Wales to maximise levels of production.

Environmental and Social Governance

Environmental

The Company invests in solar farms. The environmental benefits received through the production of renewable energy are widely publicised.

Further to the obvious environmental advantages of large scale renewable energy, each investment is closely scrutinised for localised environmental impact. Where improvements can be made the Company will work with planning and local authorities to minimise visual and auditory impact of sites.

Biodiversity Assessments

The Investment Manager has appointed Kent Wildlife Trust to explore the feasibility of maximising the biodiversity and wildlife potential for some of its UK solar assets. The initial phase of the initiative has involved undertaking site visits involving a walkover survey and preliminary desktop ecological study. The results have been used to prepare scoping reports which identify existing features of wildlife importance and assess the opportunities for biodiversity enhancements at these sites.

Social

Foresight Group is a signatory to the United Nations-supported Principles for Responsible Investment ("UNPRI"). The UNPRI is a global, collaborative network of investors established in 2006.

Outlook

Significant progress has been made during the period in deploying and committing capital across both share classes. Once the remaining asset is acquired using C share funds, we will continue to focus on generating operational efficiencies and optimising financial and technical reporting in order to identify areas where value can be enhanced in order to support ongoing capital growth.

The March 2015 1.4 ROC banding deadline for assets over 5MW drove large amounts of activity this year in terms of new capacity being installed, with reports estimating that more than 2GW was installed by the year ending 31 March 2015, bringing UK total installed capacity to over 7GW.

In our view, the recently announced Government changes, such as the removal of LECs (Levy Exemption Certificates) and the consultation on early closure to the RO (Renewable Obligation) for sub 5MW assets, were not unexpected as DECC had previously flagged it would continue to monitor the deployment of new installation under the RO scheme and subsequent impact on the Levy Control Framework ("LCF"). We believe this confirms DECC's continued intention to introduce changes that support the future sustainability of the LCF without impacting the existing support mechanism for renewable energy investments. This may indeed be positive for existing operating portfolios in terms of scarcity value being taken into account by potential acquirers.

If the early closure of the RO is confirmed, this should not affect any of the existing operational assets in the Fund portfolio or any of our announced projects under exclusivity.

We have confidence that the secondary market in solar assets will remain strong as we get closer to the 5 year anniversary of the Ordinary Shares fund. We will keep refinancing opportunities under review to optimise value ahead of and in conjunction with any sale.

Jamie Richards
Head of Infrastructure
Foresight Group
22 October 2015

Investment Summary

Ordinary Shares Fund

Investment	30 June 2015 Amount Invested £	30 June 2015 Valuation £	Valuation Methodology	30 June 2014 Amount Invested £	30 June 2014 Valuation £
Kent Solar Project**					
Canopus Solar Limited****	636,156	1,844,373	Discounted cashflow	4,572,273	6,325,073
Vega Solar Limited****	884,486	1,842,788	Discounted cashflow	4,572,272	6,320,930
	1,520,642	**3,687,161**		**9,144,545**	**12,646,003**
Puriton & Bridgewater Solar Projects**					
Altair Solar Limited****	620,577	2,341,465	Discounted cashflow	4,572,273	6,334,162
Capella Solar Limited****	684,277	2,402,325	Discounted cashflow	4,572,273	6,210,720
	1,304,854	**4,743,790**		**9,144,546**	**12,544,882**
Malmesbury Solar Project**					
Hadar Solar Limited****	140,686	1,709,283	Discounted cashflow	4,572,274	5,765,285
Rigel Solar Limited****	608,879	3,408,609	Discounted cashflow	2,286,135	2,879,115
	749,565	**5,117,892**		**6,858,409**	**8,644,400**
Turweston Solar Project****					
Altair Solar Limited	3,562,104	4,398,234	Discounted cashflow	—	—
Canopus Solar Limited	3,553,541	4,387,606	Discounted cashflow	—	—
Capella Solar Limited	3,506,446	4,336,578	Discounted cashflow	—	—
Hadar Solar Limited	1,802,459	2,226,287	Discounted cashflow	—	—
Rigel Solar Limited	3,579,229	4,419,194	Discounted cashflow	—	—
Vega Solar Limited	3,305,221	4,081,111	Discounted cashflow	—	—
	19,309,000	**23,849,010**		**—**	**—**
Greenersite Limited	325,878	364,600	Discounted cashflow	325,878	325,878
	325,878	**364,600**		**325,878**	**325,878**
Total UK	**23,209,939**	**37,762,453**		**25,473,378**	**34,161,163**
Italian Solar Project					
Foresight VCT (Lux) 1 S.a.r.l	3,825,922	2,935,158	Discounted cashflow	3,825,922	3,107,592
Foresight VCT (Lux) 2 S.a.r.l	10,854	10,854	Cost	10,854	10,854
	3,836,776	**2,946,012**		**3,836,776**	**3,118,446**
Spanish Solar Project					
Foresight Luxembourg Solar 2 S.a.r.l.*	2,325,786	988,723	Discounted cashflow	2,325,786	1,162,893
	2,325,786	**988,723**		**2,325,786**	**1,162,893**
	29,372,501	**41,697,188**		**31,635,940**	**38,442,502**

C Shares Fund

Investment	30 June 2015 Amount Invested £	30 June 2015 Valuation £	Valuation Methodology	30 June 2014 Amount Invested £	30 June 2014 Valuation £
New Kaine Solar Project***					
Solektra Limited	2,000,000	2,013,911	Discounted cashflow	—	—
	2,000,000	**2,013,911**		—	—
Saron Solar Project***					
Avior Solar Limited	4,000,000	3,993,650	Discounted cashflow	—	—
	4,000,000	**3,993,650**		—	—
Fields Farm Solar Project***					
Antares Solar Limited	—	—	Restructured	5,000,000	5,000,000
Sunelectro Limited	—	—	Restructured	5,000,000	5,000,000
Scorpii Solar Limited	4,000,000	4,000,000	Restructured	—	—
	4,000,000	**4,000,000**		10,000,000	10,000,000
	10,000,000	**10,007,561**		10,000,000	10,000,000

All of the above investments, with the exception of Greensite are held indirectly through investment holding companies. At the balance sheet date in both the current and prior year cash may be held in the holding companies prior to investment in the solar farms.

*Valuation based on the anticipated cashflow impact of the recent legislative changes in Spain, it is expected that this will have a negative impact on fair value of approximately 50%.

**Amount invested in UK solar projects has decreased since the prior year due to £2,263,000 of loan stock repayments made during the year.

*** Cash held in Antares and Sunelectro in the prior year was transferred to Solektra and Avior in a share for share exchange and used to purchase investments in New Kaine and Saron.

**** Cash held in these holding companies was used to buy Turweston Solar project in the year

Details of projects by value are shown on pages 14 to 16.

Investment Summary continued

Ordinary Shares Portfolio

The Ordinary Share fund has invested in the below projects via the investment vehicles listed on page 13.

Kent Solar

Kent solar farm is located in Kent in South East England and has a nominal capacity of 4,850kW. Kent solar farm was connected to the grid and has been producing energy since July 2011. During the year to 30 June 2015 the plant has performed in line with the expected level of production.

First investment	August 2011	Year ended	31 March 2014
			£'000
Voting rights within each project investment vehicle	49%	Income	2,016
Dividend and interest income receivable by the VCT in the year	£268,970	Profit before tax	141
Equity at cost	£545,332	Retained profit	129
Loan stock at cost	£975,310	Net assets	161
Equity and loan stock at fair value as at 30 June 2015	£3,687,161		

Puriton Solar

Puriton solar farm is located in Puriton, Sedgemoor, in South West England, and has a nominal capacity of 3,451 kW. Puriton solar farm was connected to the grid in two phases. Phase I has been producing energy since July 2011 and phase II has been producing energy since October 2011. During the year to 30 June 2015 the plant has performed above the expected level of production.

First investment	February 2012	Year ended	31 March 2014
			£'000
Voting rights within each project investment vehicle	49%	Income	1,782
Dividend and interest income receivable by the VCT in the year	£201,603	Profit before tax	136
Equity at cost	£331,130	Retained profit	136
Loan stock at cost	£592,191	Net liabilities	(1,807)
Equity and loan stock at fair value at 30 June 2015	£3,360,650		

Bridgewater Solar

Bridgewater solar farm is located in Summerway Drove, Bridgwater, in South West England, and has a nominal capacity of 1,746 kW. Bridgewater solar farm was connected to the grid in two phases. Phase I has been producing energy since July 2011 and phase II has been producing energy since November 2011. During the year to 30 June 2015 the plant has performed above the expected level of production.

First investment	February 2012	Year ended	31 March 2014
			£'000
Voting rights within each project investment vehicle	49%	Income	819
Dividend and interest income receivable by the VCT in the year	£67,067	Profit before tax	82
Equity at cost	£136,826	Retained profit	82
Loan stock at cost	£244,707	Net liabilities	(1,253)
Equity and loan stock at fair value at 30 June 2015	£1,383,140		

Malmesbury Solar

Malmesbury solar farm is located in Malmesbury, Wiltshire, and has a nominal capacity of 5,000 kW. Malmesbury solar farm was connected to the grid and has been producing energy since July 2011. During the year to 30 June 2015 the plant has performed above the expected level of production.

First investment	December 2011	Year ended	31 March 2014
			£'000
Voting rights within each project investment vehicle	49%	Income	1,978
Dividend and interest income receivable by the VCT in the year	£194,062	Profit before tax	191
Equity at cost	£268,816	Retained profit	191
Loan stock at cost	£480,749	Net liabilities	(2,855)
Equity and loan stock at fair value at 30 June 2015	£5,117,892		

Ordinary Shares Portfolio

Turweston Solar

Turweston solar farm is located in Westbury, Wiltshire, in South West England, and has a nominal capacity of 12,800 kW. Turweston solar farm was connected to the grid in December 2014. Since acquisition in December 2014 the plant has underperformed compared to the expected level of production. This is mainly due to scheduled disconnections from the grid.

First investment	December 2014	Year ended	31 March 2015
			£'000
Voting rights	49%	Income	—
Dividend and interest income receivable by the VCT in the year	—	Profit before tax	—
Equity at cost	6,924,631	Retained profit	—
Loan stock at cost	12,384,369	Net Assets	—
Equity and loan stock at FV as at 30 June 2015	23,849,010		

Greenersite Limited

Greenersite solar farm is located in Hereford, Herefordshire, in West Midlands, and has a nominal capacity of 100 kW. Greenersite solar farm was connected in April 2011. During the year to 30 June 2015 the plant's performance was below expectation due to a technical issue which has since been resolved.

First investment	March 2013	Year ended	31 March 2014
			£'000
Voting rights	100%	Income	25
Dividend and interest income receivable by the VCT in the year	—	Profit before tax	2
Equity at cost	£325,878	Retained profit	2
Loan stock at cost	—	Net assets	288
Equity and loan stock at fair value at 30 June 2015	£364,600		

Italian Solar

These plants are a joint venture with VEI Capital, an investment fund owned by five Italian institutions including Generali and Intesa. CDC, the French infrastructure investor is also part of the venture.

First investment		June 2011	Year ended	31 March 2014
				€'000
% Equity/voting rights within each project investment vechicle		7.8%	Income	429
Dividend and interest income receivable by the VCT in the year		£188,713	Loss before tax	(61)
Equity at cost	including Foresight VCT (Lux) 1	£63,131	Retained loss	(66)
Loan stock at cost	and Foresight VCT (Lux) 2	£3,773,645	Net liabilities	(91)
Equity and loan stock at fair value at 30 June 2015		£2,946,012		

Spanish Solar

Foresight Luxembourg Solar 2 S.a.r.l is the holding vehicle for an operating Spanish solar photovoltaic plant. Foresight funds, together with the Italian family office GWM, are co-owners of the plant which has been operating since September 2008 and producing electricity that is supplied to the electricity grid. It benefits from an attractive feed-in tariff which is no longer available to new projects and is performing reliably but cash flows have been impacted by a retrospective cap on production enforced by the Spanish government. Foresight arranged a project finance facility alongside the equity to finance the acquisition of the plant.

First investment	June 2011	Year ended	31 December 2014
			€'000
% Equity/voting rights within each project investment vechicle	14%	Income	6,671
Dividend and interest income receivable by the VCT in the year	—	Profit before tax	863
Equity at cost	£2,325,786	Retained profit	357
Loan stock at cost	—	Net assets	7,169
Equity at fair value at 30 June 2015	£988,723		

Investment Summary continued

C Shares Portfolio

The C Shares fund has invested in the below projects via the investment vehicles listed on page 13.

Saron Solar

Saron solar farm is located in Carmarthenshire in South Wales and has a nominal capacity of 5,565.60 kW. Saron Solar Farm was connected to the grid and has been producing energy since March 2015. Since acquisition in March 2015 the plant performed above the expected level of production.

First investment	March 2015	Year ended	31 March 2015 £'000
Voting rights	49%	Income	—
Dividend and interest income receivable by the VCT in the year	£60,000	Profit before tax	—
Equity at cost	£2,800,000	Retained profit	—
Loan stock at cost	£1,200,000	Net Assets	—
Equity and loan stock at FV as at 30 June 2015	£3,993,650		

New Kaine Solar

New Kaine solar farm is located in Kent in South East England and has a nominal capacity of 1,692kW. New Kaine Solar Farm was connected to the grid and has been producing energy since March 2015. Since acquisition in March 2015 the plant performed above the expected level of production.

First investment	March 2015	Year ended	31 March 2015 £'000
Voting rights	49%	Income	—
Dividend and interest income receivable by the VCT in the year	£30,000	Profit before tax	—
Equity at cost	£1,400,000	Retained profit	—
Loan stock at cost	£600,000	Net Assets	—
Equity and loan stock at FV as at 30 June 2015	£2,013,911		

Co-investing funds

Foresight Group also manages or advises Foresight VCT plc, Foresight 2 VCT plc, Foresight 3 VCT plc, Foresight 4 VCT plc, Albany Ventures Fund III LP, Foresight Environmental Fund LP, Foresight European Solar Fund LP, Foresight Solar EIS, Foresight Solar EIS 2, Foresight Solar EIS 3, Foresight Solar EIS 4, Foresight Solar EIS 5, Foresight Inheritance Tax Solutions, UK Waste Resources and Energy Investments LP, Foresight Sustainable UK Investment Fund, Foresight Nottingham Fund LP, Foresight Solar Fund Limited, Foresight AD EIS, Recycling and Waste LP, The Waste Asset LP and Foresight Energy Infrastructure EIS.

Note all UK investments not fully held by Foresight Solar VCT plc have the remainder held by Foresight Solar EIS funds.

Board of Directors

"The differing career backgrounds and experience of the Directors is designed to bring a complementary balance of skills, knowledge and wisdom to the management of the Company's affairs."

David Hurst-Brown Chairman

David Hurst-Brown
Chairman

was appointed as Chairman of the Board with effect from 6 August 2012, following the death of Lord Maples. Having graduated as a Production Engineer he worked for over 25 years in the investment banking industry. Prior to his retirement from UBS in 2002 he had worked for 15 years as an executive in the corporate finance division of UBS Warburg. Since then David has been a non-executive director for a number of UK listed companies and is currently Chairman of Hargreave Hale AIM VCT 2 plc.

Mike Liston OBE
Director

has more than 20 years experience in the electricity industry and is currently non-executive chairman of Renewable Energy Generation Ltd and a non-executive director of Jersey Electricity plc. As chief executive for 17 years of this LSE-listed utility, he was involved in several major power generation, transmission and distribution infrastructure projects. Mike was also non-executive chairman of AIM-listed KSK Emerging India Energy Fund which raised almost £100 million to invest in India's power and energy sector. He is a director of the general partner of Foresight Group's first solar power fund, Foresight European Solar Fund GP Limited. Mike is a Fellow of the Royal Academy of Engineering and is a Fellow of The Institution of Engineering and Technology. Mike is considered non-independent by virtue of the fact that he is a Director of another Foresight Group managed fund.

Tim Dowlen
Director

is a divisional director of City-based Lloyd's insurance broking firm Tasker & Partners, responsible for developing the firm's retail insurance activities. Tim has been a director of insurance broking companies since 1973, was for many years the Senior Examiner in Liability Insurance to the Chartered Insurance Institute, and as a practising expert witness has given evidence in over 100 disputes. Tim has specialised in insurance for the venture capital sector since 1974, acting as insurance broker to a number of fund managers and other financial institutions. Tim is considered an independent Director under the Listing Rules by virtue of the fact that he is not a professional adviser to Foresight Group.

Directors' Report

The Directors present their report and the audited accounts of the Company for the year ended 30 June 2015.

Activities and status

Foresight Solar VCT plc invests mainly in unquoted companies that generate electricity from solar power systems and benefit from long-term government related price guarentees.

Foresight Solar VCT plc is approved by HMRC as a venture capital trust (VCT) in accordance with Part 6 of the Income Tax Act 2007. It is intended that the business of the Company be carried on so as to maintain its VCT status.

Results and dividends

The total profit attributable to equity shareholders for the year amounted to £5,580,000 (2014: loss £2,971,000). The Board paid two interim dividends of both 3.0p per Ordinary Share and 2.5p per C Share each on 14 November 2014 and 10 April 2015.

Net asset value total return

During the year ended 30 June 2015 the Company's principal indicator of performance, net asset value total return (including dividends paid since launch), per Ordinary Share increased 12.4% from 112.9p per share at 30 June 2014 to 126.9p per share at 30 June 2015.

The net asset value total return (including dividends paid since launch) per C Share has decreased 1.3% to 96.7p per share at 30 June 2015 from 98.0p per share at 30 June 2014.

Share buybacks

During the year the Company repurchased 15,000 Ordinary Shares for cancellation at a cost of £16,000. No shares bought back by the company are held in treasury. Share buybacks have been completed at a discount of 0.7% to net asset value.

There were no C Share buybacks during the year.

Global greenhouse gas emissions

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

Principal risks, risk management and regulatory environment

A summary of the principal risks faced by the Company are set out in the Strategic Report on page 8 with further detail being given in note 15 on page 45.

Management

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

Annually, the Management Engagement & Remuneration Committee reviews the appropriateness of the Manager's appointment. In carrying out its review, the Management Engagement & Remuneration Committee considers the investment performance of the Company and the ability of the Manager to produce satisfactory investment performance. It also considers the length of the notice period of the investment management contract and fees payable to the Manager, together with the standard of other services provided which include Company Secretarial services. It is the Directors' opinion that the continuing appointment of the Manager on the terms agreed is in the interests of shareholders as a whole. The last review was undertaken on 22 September 2015. Foresight Fund Managers Limited is the Secretary of the Company. The principal terms of the management agreement are set out in note 3 to the accounts.

No Director has an interest in any contract to which the Company is a party. Foresight Group acts as manager to the Company in respect of its investments and earned fees of £821,000 (2014: £803,000) during the year. Foresight Fund Managers Limited received £167,000 (2014: £167,000) during the year in respect of secretarial, administrative and custodian services to the Company. Foresight Group also received from investee companies arrangement fees of £579,000 (2014: £300,000).

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

VCT status monitoring

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

Substantial shareholdings

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

Financial instruments

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

Directors indemnification and insurance

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

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

Policy of paying creditors

The Company does not subscribe to a particular code but follows a policy whereby suppliers are paid by the due date and investment purchases are settled in accordance with the stated terms. At the year end trade creditors represented an average credit period of 2 days (2014: 11 days).

Alternative Investment Fund Managers Directive (AIFMD)

The AIFMD came into force on 22 July 2013 and sets out the rules for the authorisation and on-going regulation of managers (AIFMs) that manage alternative investment funds (AIFs) in the EU. The Company qualifies as an AIF and so will be required to comply, although additional cost and administration requirements are not expected to be material.

The Company's application was completed in June 2014 and approval was confirmed in August 2014. This will not affect the current arrangements with the Manager, which will continue to report to the Board and manage the Company's investments on a discretionary basis. The first submission was made in January 2015.

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.

Section 992 of the Companies Act

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

Capital Structure

The Company's issued share capital as at 22 October 2015 was 38,316,956 Ordinary Shares and 12,511,089 C Shares.

The Ordinary Shares represent 75.4% of the total share capital and the C Shares represent 24.6% of the total share capital. Further information on the share capital of the Company is detailed in note 11 of the notes to the financial statements.

Voting Rights in the Company's shares

Details of the voting rights in the Company's shares at the date of this report are given in note 5 in the Notice of Annual General Meeting on page 54.

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

In accordance with Section 489 of the Companies Act 2006, a resolution to re-appoint KPMG LLP as the Company's auditor will be put to the forthcoming Annual General Meeting.

Companies Act 2006 Disclosures

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

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

Conflicts of interest

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

Foresight Group as investment manager, manages several funds that invest in solar projects. To ensure that projects are allocated equitably between funds, a third party review of allocation decisions is carried out by qualified risk managers.

Whistleblowing

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

Directors' Report continued

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 5 to 9. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are referred to in the Chairman's Statement, Strategic Report and Notes to the Accounts. In addition, the financial statements include the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

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

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

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

Directors remuneration

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

Annual General Meeting

A formal notice convening the Annual General Meeting on 15 December 2015 can be found on pages 54 to 59. Resolutions 1 to 8 will be proposed as ordinary resolutions meaning that for each resolution to be passed more than half of the votes cast at the meeting must be in favour of the resolution. Resolutions 9 and 10 will be proposed as special resolutions meaning that for each resolution to be passed at least 75% of the votes cast at the meeting must be in favour of the resolution. Resolutions 9 to 10 will be in substitute for existing authorities and are explained below.

Resolution 8

Resolution 8 will authorise the Directors to allot relevant securities generally, in accordance with Section 551 of the Companies Act 2006, up to an aggregate nominal amount of £200,000 (representing approximately 39.3% of the current issued share capital of the Company) for the purposes listed under the authority requested under Resolution 9. This includes authority to issue shares pursuant to the performance incentive fee arrangements with Foresight Group and top-up offers for subscription to raise new funds for the Company if the Board believes this to be in the best interests of the Company. Any offer is intended to be at an offer price linked to NAV. The authority conferred by Resolution 8 will expire on the fifth anniversary of the passing of the resolution.

Resolution 9

Resolution 9 will sanction, in a limited manner, the disapplication of pre-emption rights in respect of the allotment of equity securities (i) with an aggregate nominal value of up to £100,000 in each class of share in the Company pursuant to offer(s) for subscription, (ii) with an aggregate nominal value of up to £10,000 by way of issue of C Shares pursuant to any dividend investment scheme operated from time to time by the Company (resolution only passed previously for C Shares and is therefore being renewed) (iii) with an aggregate nominal value of up to 10% of the issued share capital of each class of share in the Company pursuant to the performance incentive arrangements with Foresight Group CI Limited and (iv) with an aggregate nominal value of up to 10% of the issued share capital in each class of share in the Company, in each case where the proceeds of such issue may in whole or in part be used to purchase the Company's shares. This authority will expire at the conclusion of the Annual General Meeting to be held in 2016 and will be in substitution for all other existing authorities.

Resolution 10

It is proposed by Resolution 10 that the Company be empowered to make market purchases (within the meaning of Section 693(4) of the Companies Act 2006) of its own shares. Under this authority the Directors may purchase up to 5,743,712 Ordinary Shares and 1,875,412 C Shares (representing approximately 14.99% of each share class at the date of this Annual Report). When buying shares, the Company cannot pay a price per share which is more than 105% of the average of the middle market quotation for shares taken from the London Stock Exchange daily official list on the five business days proceding the day on which shares are purchased or, if greater, the amount stipulated by Article 5(1) of the Buyback and Stabilisation Regulation 2003. This authority shall expire at the conclusion of the Annual General Meeting to be held in 2016.

Whilst, generally, the Company does not expect shareholders will want to sell their shares within five years of acquiring them because this may lead to a loss of tax relief, the Directors anticipate that from time to time a shareholder may need to sell shares within this period. Front end VCT income tax relief is only obtainable by an investor who makes an investment in new shares issued by the Company. This means that an investor may be willing to pay more for new shares issued by the Company than he would pay to buy shares from an existing shareholder. Therefore, in the interest of shareholders who may need to sell shares from time to time, the Company proposes to renew the authority to buy-in shares for the benefit of new as well as existing shareholders. This authority when coupled with the ability to issue new shares for the purposes of financing a purchase of shares in the Market, enables one company to purchase shares from a shareholder and effectively to sell on those shares through the company to a new investor with the potential benefit of full VCT tax relief. In making purchases the company will deal only with member firms of the London Stock Exchange at a discount to the then prevailing net asset value per share of the company's shares to ensure that existing shareholders are not disadvantaged.

Separate Meetings of the Ordinary Shareholders and C Shareholders

Formal notices convening separate meetings of Ordinary Shareholders and C Shareholders also to be held on 15 December 2015, can be found on pages 56 to 59. The resolutions proposed at these meetings, if passed, will approve the passing of Resolutions 8 and 10 to be proposed at the Annual General Meeting and will sanction any modification of the rights attaching to Ordinary Shares, and C Shares resulting therefrom.

The resolutions to be proposed at the separate meetings of Ordinary Shareholders and C Shareholders will be proposed as special resolutions meaning that for each resolution to be passed at least 75% of the votes cast at the relevant meeting must be in favour of the resolution.

By order of the Board

Foresight Fund Managers Limited
Secretary
22 October 2015

Corporate Governance

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

As a Venture Capital Trust, the Company's day-to-day responsibilities are delegated to third parties and the Directors are all Non-Executive. Thus not all the procedures of the UK Corporate Governance Code are directly applicable to the Company. Unless noted as an exception below, the requirements of the UK Corporate Governance Code were complied with throughout the year ended 30 June 2015. The Annual General Meeting was convened on at least 24 days' notice.

The Board

The Company at present has a Board comprising the Chairman and two other Non-Executive Directors. The Chairman and Tim Dowlen are considered to be independent. Mike Liston is considered non-independent by virtue of the fact that he is a Director of another Foresight Group managed fund.

The Board is responsible to shareholders for the proper management of the Company and meets at least quarterly and more often on an ad hoc basis as required. It has formally adopted a schedule of matters that are required to be brought to it for decision, thus ensuring that it maintains full and effective control over appropriate strategic, financial, operational and compliance issues. A management agreement between the Company and its 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. In view of its non-executive nature and the requirements of the Articles of Association that all Directors retire by rotation at the Annual General Meeting, the Board considers that it is not appropriate for the Directors to be appointed for a specific term as recommended by provision B.23 of the UK Corporate Governance Code. Non-independent Directors and Directors who have been on the Board for more than nine years are required to retire annually.

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

The Board has appointed a Company Secretary who also attends all Board meetings. A representative of the Company Secretary attends all formal Committee Meetings although the Directors may meet without the Manager being present. Informal meetings with management are also held between Committee Meetings as required. The Company Secretary ensures full information is provided to the Board in advance of each Committee Meeting.

Meeting attendance during the year

	Board	Audit
Mike Liston	5/5	2/2
Tim Dowlen	5/5	2/2
David Hurst-Brown	5/5	2/2

One meeting for each of the nomination, remuneration and risk committees took place during the year, which were attended by all three directors.

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

Board committees

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

The Audit Committee comprises Mike Liston (Chairman), David Hurst-Brown and Tim Dowlen, all of whom are considered to have sufficient recent and relevant financial experience to discharge the role, and meets, amongst other things, to consider the following:

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

As a result of the tender process carried out in 2013, the Board appointed KPMG LLP as the company's auditor. In relation to taxation services, Cornel Partners Limited have been engaged by the Board.

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

The Nomination Committee comprises David Hurst-Brown (Chairman), Mike Liston and Tim Dowlen and intends to meet at least annually to consider the composition and balance of skills, knowledge and experience of the Board and to make nominations to the Board in the event of a vacancy. New Directors are required to resign at the Annual General Meeting following appointment and then every three years by rotation.

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

The Management Engagement & Remuneration Committee (which has responsibility for reviewing the remuneration of the Directors) comprises David Hurst-Brown (Chairman), Mike Liston and Tim Dowlen and meets at least annually to consider the levels of remuneration of the Directors, specifically reflecting the time commitment and responsibilities of the role. The Management Engagement & Remuneration committee also undertakes external comparisons and reviews to ensure that the levels of remuneration paid are broadly in line with industry standards. The Management Engagement & Remuneration Committee also reviews the appointment and terms of engagement of the Manager.

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

Board evaluation

The Board undertakes a formal annual evaluation of its own performance and that of its committees, as recommended by provision B.6 of the UK Corporate Governance Code. Initially, the evaluation takes the form of a questionnaire for the Board (and its committees). The Chairman then discusses the results with the Board (and its committees) and following completion of this stage of the evaluation, the Chairman will take appropriate action to address any issues arising from the process.

Relations with Shareholders

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

Internal control

The Directors of Foresight Solar VCT plc have overall responsibility for the Company's system of internal control and for reviewing its effectiveness.

The internal controls system is designed to manage rather than eliminate the risks of failure to achieve the Company's business objectives. The system is designed to meet the particular needs of the Company and the risks to which it is exposed and by its nature can provide reasonable but not absolute assurance against misstatement or loss.

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

RW Blears LLP provide legal advice and assistance in relation to the maintenance of VCT tax status, the operation of the agreements entered into with Foresight Group and the application of the venture capital trust legislation to any company in which the Company is proposing to invest.

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

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

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

Corporate Governance continued

arrangements with Foresight Group, Foresight Fund Managers Limited and RW Blears LLP.

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

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

The Board has reviewed the need for an internal audit function. It has decided that the systems and procedures employed by the Manager, the Audit Committee and other third party advisers provide sufficient assurance that a sound system of internal control, which safeguards shareholders' investment and the Company's assets, is maintained. In addition, the Company's financial statements are audited by external auditors. An internal audit function, specific to the Company, is therefore considered unnecessary.

The Board has concluded that, given the appointment of Foresight Group as Company accountant and the role of the Audit Committee, it is not necessary to establish an internal audit function at the current time but this policy will be kept under review.

Directors' Professional Development

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

UK Stewardship Code

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

Bribery Act 2010

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

David Hurst-Brown
Director
22 October 2015

Audit Committee Report

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

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

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

Valuation of unquoted investments

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

Venture capital trust status

Maintaining venture capital trust status and adhering to the tax rules of section 274 of ITA 2007 requires a certain element of judgement from management, but is critical to both the Company and its shareholders for them to retain their VCT tax benefits.

The Manager confirmed to the Audit Committee that the conditions for maintaining the Company's status as an approved venture capital trust had been met throughout the year. The Manager obtains legal advice from RW Blears LLP and reviews the Company's qualifying status in advance of realisations being made and throughout the year. The Audit Committee is in regular contact with the Manager and any potential issues with Venture Capital Trust Status would be discussed at or between formal meetings. In addition, an external third party review of Venture Capital Trust Status is conducted by RW Blears LLP on a quarterly basis and this is reported to both the Board and Audit Committee and the Manager.

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, the auditor and RW Blears, 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.

Evaluation of auditor

The Audit Committee considers that KPMG LLP has carried out its duties as auditor in a diligent and professional manner. During the year, the Audit Committee assessed the effectiveness of the current external audit process by assessing and discussing specific audit documentation presented to it in accordance with guidance issued by the Auditing Practices Board. The audit director is rotated every five years ensuring that objectivity and independence is not impaired. The current audit director has been in place for one year end. KPMG LLP was appointed as auditor in 2013, with their first audit for the year ended 30 June 2014. No tender for the audit of the Company has been undertaken since this date. As part of its review of the continuing appointment of the auditors, the Audit Committee considers the need to put the audit out to tender, its fees and independence from the Manager along with any matters raised during each audit.

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

Mike Liston
Audit Committee Chairman
22 October 2015

Directors' Remuneration Report

Introduction

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

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

Annual Statement from the Chairman of the Remuneration Committee

The Board which is profiled on page 17 consists solely of non-executive directors and considers at least annually the level of the Boards fees.

Consideration by the Directors of matters relating to Directors' Remuneration

The Management Engagement and Remuneration Committee comprises all three Directors: David Hurst-Brown (Chairman), Mike Liston and Tim Dowlen.

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

The Management Engagement and Remuneration Committee also undertakes external comparisons and reviews to ensure that the levels of remuneration paid are broadly in line with industry standards and members have access to independent advice where they consider it appropriate. During the period neither the Board nor the Management Engagement and Remuneration Committee have been provided with advice or services by any person in respect of its consideration of the Directors' remuneration.

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

No Director is involved in deciding their own remuneration.

Remuneration policy

The Board's policy is that the remuneration of non-executive Directors should reflect time spent and the responsibilities borne by the Directors on the Company's affairs and should be sufficient to enable candidates of high calibre to be recruited. The levels of Directors' fees paid by the Company for the year ended 30 June 2015 were agreed during the year.

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

The Company's policy is to pay the Directors monthly in arrears, to the Directors personally or to a third party as requested by any Director.

It is the intention of the Board that the remuneration policy will continue to apply in the forthcoming financial year and subsequent years.

Retirement by rotation

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

M Liston, T Dowlen, D Hurst-Brown	AGM 2015
M Liston	AGM 2016
M Liston	AGM 2017

Details of individual emoluments and compensation

The emoluments in respect of qualifying services and compensation of each person who served as a Director during the year are as shown on page 27. No Director has waived or agreed to waive any emoluments from the Company in the current year.

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

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

Total shareholder return

The graph on the following page charts the total shareholder return from launch to 30 June 2015, on the hypothetical value of £100 invested by a shareholder. The return is compared to the total shareholder return on a notional investment of £100 in the WilderHill New Energy Global Innovation Index, which is considered by the Board an appropriate index against which to measure the Company's performance.

Directors

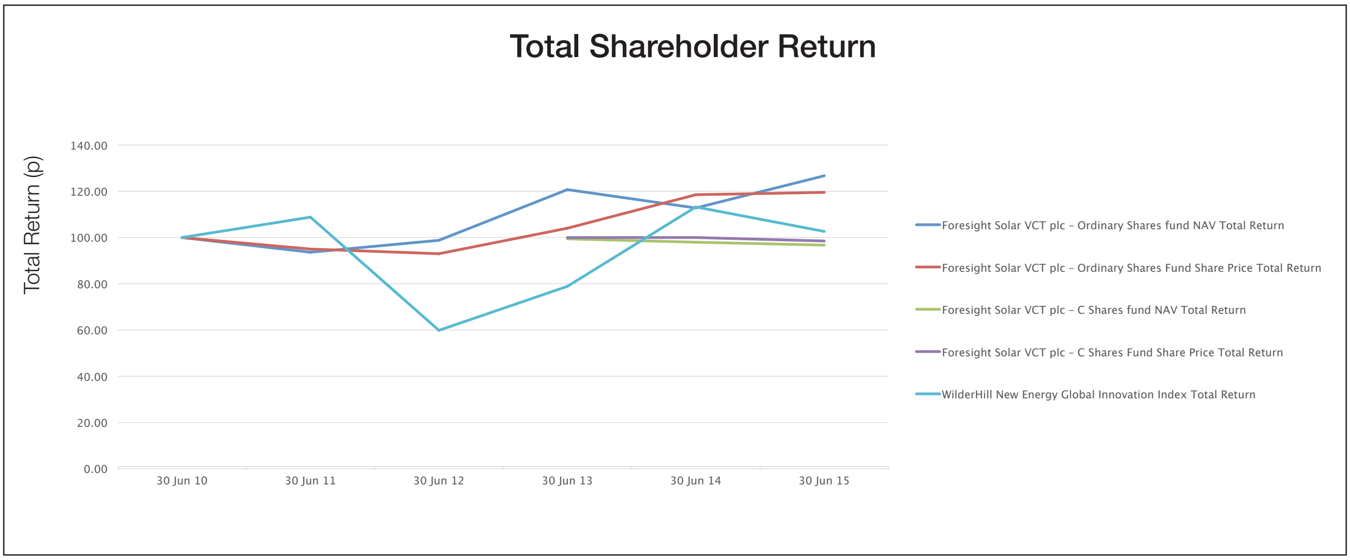
The Directors who held office during the year and their interests in the issued Ordinary Shares and C Shares of 1p each of the Company were as follows:

	30 June 2015 Ordinary Shares	30 June 2015 C Shares	30 June 2014 Ordinary Shares	30 June 2014 C Shares
David Hurst-Brown (Chairman)	52,500	–	52,500	–
Tim Dowlen	21,000	9,450	21,000	9,450
Mike Liston	–	–	–	–

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

There have been no changes in the Directors' share interests between 30 June 2015 and the date of this report.

In accordance with the Articles of Association and the requirements of the UK Corporate Governance Code, Mr Hurst-Brown, Mr Dowlen and Mr Liston must retire through rotation and, being eligible, offer themselves for re-election. Biographical notes on the Directors are given on page 17. The Board believes that Mr Hurst-Brown's, Mr Dowlen's and Mr Liston's skills, experience and knowledge continue to complement each other and add value to the Company and recommends their re-election to the Board. None of the Directors has a contract of service with the Company.



Audited Information

The information below has been audited, with the exception of those fees forcasted for the year to 30 June 2016. See the Independent Auditor's Report on pages 32 and 33.

	Anticipated Directors' (£) fees year ended 30 June 2016	Audited Directors' fees (£) for the year ended 30 June 2015	Audited Directors' fees (£) for the year ended 30 June 2014
David Hurst-Brown	28,250	27,500	26,250
Mike Liston	22,500	22,000	21,000
Tim Dowlen	22,500	22,000	21,000
Total	73,250	71,500	68,250

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

Directors' Remuneration Report continued

Votes cast for and against the Directors' Remuneration Report for the year ended 30 June 2014

Shares & percentage of votes cast	Shares & percentage of votes cast
For	Against
94.44%	5.56%
3,354,919 votes	197,495 votes

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

	Year ended 30 June 2015	Year ended 30 June 2014
Dividends	£2,925,000	£2,302,000
Share buybacks	£16,000	£37,000
Total Shareholder distributions	£2,941,000	£2,339,000
Directors fees	£71,500	£68,250
Directors fees % of Shareholder distributions	2.4%	2.9%

Approval of report

An ordinary resolution for the approval of this Directors' Remuneration Report will be put to shareholders at the forthcoming Annual General Meeting. In addition to this, Resolution 2, which is seeking shareholder approval for the Directors Remuneration Policy, will, if approved, take effect from the AGM and will be valid for a period of three years unless renewed, varied or revoked by the Company at a general meeting.

This Directors' Remuneration Report was approved by the Board on 22 October 2015 and is signed on its behalf by David Hurst-Brown (Chairman).

On behalf of the Board

David Hurst-Brown
Chairman
22 October 2015

Statement of Directors' Responsibilities

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

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

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 the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

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

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

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

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

We confirm that to the best of our knowledge:

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

On behalf of the Board

David Hurst-Brown
Chairman
22 October 2015

Unaudited Non-Statutory Analysis of the Share Classes

Income Statements

for the year ended 30 June 2015

	Ordinary Shares Fund			C Shares Fund		
	Revenue £'000	**Capital £'000**	**Total £'000**	**Revenue £'000**	**Capital £'000**	**Total £'000**
Investment holding gains	—	5,517	5,517	—	8	8
Income	921	—	921	234	—	234
Investment management fees	(152)	(456)	(608)	(53)	(160)	(213)
Gains on the value of derivatives	—	154	154	—	—	—
Other expenses	(276)	—	(276)	(157)	—	(157)
Return/(loss) on ordinary activities before taxation	493	5,215	5,708	24	(152)	(128)
Taxation	(102)	102	—	(5)	5	—
Return/(loss) on ordinary activities after taxation	391	5,317	5,708	19	(147)	(128)
Return/(loss) per share	1.0p	13.9p	14.9p	0.2p	(1.2)p	(1.0)p

Balance Sheets

at 30 June 2015

	Ordinary Shares Fund £'000	**C Shares Fund £'000**
Fixed assets		
Investments held at fair value through profit or loss	41,697	10,008
Current assets		
Debtors	411	377
Money market securities and other deposits	9	—
Cash	119	1,102
	539	1,479
Creditors		
Amounts falling due within one year	(125)	(10)
Net current assets	414	1,469
Net assets	**42,111**	**11,477**
Capital and reserves		
Called-up share capital	383	125
Share premium account	—	1,609
Capital redemption reserve	2	—
Profit and loss account	41,726	9,743
Equity shareholders' funds	**42,111**	**11,477**
Number of shares in issue	**38,316,956**	**12,511,089**
Net asset value per share	**109.9p**	**91.7p**

At 30 June 2015 there was an inter-share debtor/creditor of £68,000 which has been eliminated on aggregation.

Unaudited Non-Statutory Analysis of the Share Classes
continued

Reconciliations of Movements in Shareholders' Funds
for the year ended 30 June 2015

Ordinary Shares Fund	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total £'000
As at 1 July 2014	383	—	2	38,670	39,055
Expenses in relation to share issues	—	—	—	(336)	(336)
Repurchase of shares	—	—	—	(16)	(16)
Dividends	—	—	—	(2,300)	(2,300)
Return for the year	—	—	—	5,708	5,708
As at 30 June 2015	**383**	**—**	**2**	**41,726**	**42,111**

C Shares Fund	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total £'000
As at 1 July 2014	125	12,336	—	(204)	12,257
Expenses in relation to share issues	—	(27)	—	—	(27)
Cancellation of share premium	—	(10,700)	—	10,700	—
Dividends	—	—	—	(625)	(625)
Loss for the year	—	—	—	(128)	(128)
As at 30 June 2015	**125**	**1,609**	**—**	**9,743**	**11,477**

Independent Auditor's Report to the Members of Foresight Solar VCT Plc only

Opinions and conclusions arising from our audit

1 Our opinion on the financial statements is unmodified

We have audited the financial statements of Foresight Solar VCT plc for the year ended 30 June 2015 set out on pages 34 to 52. In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Accounting Standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

2 Our assessment of risks of material misstatement

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

- *Valuation of Unquoted Investments: (£51.705 million)*

Refer to page 25 (Audit Committee Report), page 38 (accounting policy) and pages 43 and 45 to 51 (financial statements)

The risk - 100% of the Company's total assets (by value) is held in investments where no quoted market price is available. Unquoted investments are measured at fair value, which is established in accordance with the International Private Equity and Venture Capital Valuation Guidelines by using discounted cash flow measurements or cost in the period immediately after the investment was acquired. There is a significant risk over the valuation of these investments and this is one of the key judgemental areas that our audit focused on.

Our response - Our procedures included, among others:

- documenting and assessing the design and implementation of the investment valuation processes and controls in place;
- challenging the Investment Manager on key judgements affecting investee company valuations in the context of observed industry best practice and the provisions of the International Private Equity and Venture Capital Valuation Guidelines. In particular, we challenged the appropriateness of the valuation basis selected as well as underlying assumptions, such as energy yield, power price, costs and inflation rates which produce the cash flow projections and the appropriate discount factors.
- comparing key underlying financial data inputs to external sources and management information as applicable.
- Challenging the assumptions around the sustainability of earnings based on the plans of the investee companies and whether these are achievable, and we obtained an understanding of existing and prospective investee company cash flows to understand whether borrowings can be serviced or refinancing may be required. Our work included consideration of events which occurred subsequent to the year end up until the date of this audit report;
- attending the year end Audit Committee meeting where we assessed the effectiveness of the Audit Committee's challenge and approval of unlisted investment valuations; and
- considering the appropriateness, in accordance with relevant accounting standards, of the disclosures in respect of unlisted investments and the effect of changing one or more inputs to reasonably possible alternative valuation assumptions.

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

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

The materiality for the financial statements as a whole was set at £1.1 million. This was determined using a benchmark of Total Assets (of which it represents 2%). Total Assets, which is primarily composed of the Company's investment portfolio, is considered the key driver of the Company's capital and revenue performance and, as such, we believe that it is one of the principal considerations for members of the Company in assessing its financial performance.

We reported to the Audit Committee any uncorrected identified misstatements exceeding £52,500, in addition to other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

Our audit of the Company was undertaken to the materiality level specified above and was all performed at Foresight Group LLP, The Shard, 32 London Bridge Street, London SE1 9SG.

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

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The information given in the Corporate Governance Statement set out on pages 22 to 24 with respect to internal control and risk management systems in relation to financial reporting processes and about share capital structures is consistent with the financial statements.

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

Under International Standards on Auditing (UK and Ireland) we are required to report to you if, based on the knowledge we acquired during our audit, we have identified other information in the annual

Independent Auditor's Report continued

report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact or that is otherwise misleading.

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

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

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

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

Under the Listing Rules we are required to review:

- the directors' statement, set out on page 20, in relation to going concern; and
- the part of the Corporate Governance Statement on page 22 relating to the Company's compliance with the ten provisions of the 2012 UK Corporate Governance Code specified for our review.

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

Scope of report and responsibilities

As explained more fully in the Directors' Responsibilities Statement set out on page 29, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate. This report is made solely to the Company's members as a body and is subject to important explanations and disclaimers regarding our responsibilities, published on our website at www.kpmg.com/uk/auditscopeukco2014a, which are incorporated into this report as if set out in full and should be read to provide an understanding of the purpose of this report, the work we have undertaken and the basis of our opinions.

Philip Merchant (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL
22 October 2015

Income Statement

for the year ended 30 June 2015

		Year ended 30 June 2015			Year ended 30 June 2014		
	Notes	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment holding gains/(losses)		—	5,525	5,525	—	(2,921)	(2,921)
Income	2	1,155	—	1,155	1,041	—	1,041
Investment management fees	3	(205)	(616)	(821)	(201)	(602)	(803)
Gains on the value of derivatives		—	154	154	—	114	114
Other expenses	4	(433)	—	(433)	(402)	—	(402)
Return/(loss) on ordinary activities before taxation		517	5,063	5,580	438	(3,409)	(2,971)
Taxation	5	(107)	107	—	(111)	111	—
Return/(loss) on ordinary activities after taxation		410	5,170	5,580	327	(3,298)	(2,971)
Return/(loss) per share:							
Ordinary Share	7	1.0p	13.9p	14.9p	1.0p	(8.3)p	(7.3)p
C Share	7	0.2p	(1.2)p	(1.0)p	(0.6)p	(1.3)p	(1.9)p

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

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

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

The notes on pages 38 to 52 form part of these financial statements.

Reconciliation of Movements in Shareholders' Funds

Year ended 30 June 2014	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total £'000
As at 1 July 2013	441	5,673	1	43,954	50,069
Share issues in the year	68	7,042	—	—	7,110
Expenses in relation to share issues	—	(379)	—	(178)	(557)
Repurchase of shares	(1)	—	1	(37)	(37)
Dividends	—	—	—	(2,302)	(2,302)
Loss for the year	—	—	—	(2,971)	(2,971)
As at 30 June 2014	508	12,336	2	38,466	51,312

Year ended 30 June 2015	**Called-up share capital £'000**	**Share premium account £'000**	**Capital redemption reserve £'000**	**Profit and loss account £'000**	**Total £'000**
As at 1 July 2014	**508**	**12,336**	**2**	**38,466**	**51,312**
Expenses in relation to share issues	**—**	**(27)**	**—**	**(336)**	**(363)**
Repurchase of shares	**—**	**—**	**—**	**(16)**	**(16)**
Cancellation of share premium	**—**	**(10,700)**	**—**	**10,700**	**—**
Dividends	**—**	**—**	**—**	**(2,925)**	**(2,925)**
Return for the year	**—**	**—**	**—**	**5,580**	**5,580**
As at 30 June 2015	**508**	**1,609**	**2**	**51,469**	**53,588**

The notes on pages 38 to 52 form part of these financial statements.

Balance Sheet

at 30 June 2015

Registered Number: 07289280

	Notes	As at 30 June 2015 £'000	As at 30 June 2014 £'000
Fixed assets			
Investments held at fair value through profit or loss	8	**51,705**	48,443
Current assets			
Debtors	9	**720**	760
Money market securities and other deposits		**9**	8
Cash		**1,221**	2,308
		1,950	3,076
Creditors			
Amounts falling due within one year	10	**(67)**	(207)
Net current assets		**1,883**	2,869
Net assets		**53,588**	51,312
Capital and reserves			
Called-up share capital	11	**508**	508
Share premium account		**1,609**	12,336
Capital redemption reserve		**2**	2
Profit and loss account		**51,469**	38,466
Equity shareholders' funds		**53,588**	51,312
Net asset value per share			
Ordinary Share	12	**109.9p**	101.9p
C Share	12	**91.7p**	98.0p

The accounts on pages 34 to 36 were approved by the Board of Directors and authorised for issue on 22 October 2015 and were signed on its behalf by:

David Hurst-Brown
Chairman
22 October 2015

The notes on pages 38 to 52 form part of these financial statements.

Cash Flow Statement

for the year ended 30 June 2015

	Year ended 30 June 2015 £'000	Year ended 30 June 2014 £'000
Cash flow from operating activities		
Investment income received	**686**	903
Deposit and similar interest received	**1**	5
Investment management fees paid	**(818)**	(867)
Secretarial fees paid	**(167)**	(182)
Other cash payments	**(289)**	(172)
Net cash outflow from operating activities and returns on investment	**(587)**	(313)
Returns on investment and servicing of finance		
Purchase of investments	**(1,808)**	(10,000)
Net proceeds on sale of investments	**4,071**	2,474
Net proceeds on sale of financial assets	**662**	—
Net capital inflow/(outflow) from financial investment	**2,925**	(7,526)
Equity dividends paid	**(2,925)**	(2,302)
Financing		
Proceeds of fund raising	**—**	7,069
Expenses of fund raising	**(463)**	(515)
Repurchase of own shares	**(36)**	—
	(499)	6,554
Decrease in cash	**(1,086)**	(3,587)
Reconciliation of net cash flow to movement in net funds		
Decrease in cash and cash equivalents for the year	**(1,086)**	(3,587)
Net cash and cash equivalents at start of year	**2,316**	5,903
Net cash and cash equivalents at end of year	**1,230**	2,316

Analysis of changes in net cash

	At 1 July 2014 £'000	Cash flow £'000	**At 30 June 2015 £'000**
Cash and cash equivalents*	2,316	(1,086)	**1,230**

* including money market securities and other deposits

Notes to the Accounts

for the year ended 30 June 2015

1 Accounting policies

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

a) Basis of accounting

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

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

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

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

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

All unquoted investments are initially held at cost for an appropriate period where there is considered to have been no change in fair value. Where such a basis is no longer appropriate, unquoted investments are stated at fair value in accordance with the following rules which are consistent with the IPEVCV guidelines.

The fair value of investments are determind by using discounted cash flow valuation techniques. The directors base the fair value of the investments on information received from the Investment Manager. The Investment Manager's assessment of fair value of investments is determined in accordance with UK GAAP, using Discounted Cash Flow principles. This entails assumptions about Feed in tarrifs ("FIT") and Renewable Obligation Certificates ("ROCs"), purchase price agreements ("PPA") and power price forecasts, annual irradiation performance and degredation ratios, operating, maintenance and lease costs, tax, discount rates and inflation.

c) Income

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

d) Expenses

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

Performance incentive payments will relate predominantly to the capital performance of the portfolio and will therefore be charged 100% to capital. The liability is recognised when the related distribution to shareholders is made.

1 Accounting policies (continued)

e) Financial instruments

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

f) Taxation

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

g) Deferred taxation

Provision is made for corporation tax at the current rates on the excess of taxable income over allowable expenses. In accordance with FRS 19 ‘Deferred Tax’, a provision is made on all material timing differences arising from the different treatment of items for accounting and tax purposes.

h) Investment recognition and derecognition

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

i) Cash and liquid resources

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand. Liquid resources are current asset investments which are disposable without curtailing or disrupting the business and are readily convertible into known amounts of cash at their carrying values. Liquid resources comprise money market funds.

j) Derivative financial instruments

Where the Company has used forward/foreign exchange contracts to hedge against its foreign exchange exposure, the Company calculates the fair value gain or loss on the contract at the end and this amount is charged to the capital column of the Income Statement. The underlying investment is restated at the closing exchange rate and any movement is charged to unrealised reserves.

Notes to the Accounts continued

for the year ended 30 June 2015

2 Income

	Year ended 30 June 2015 £'000	Year ended 30 June 2014 £'000
Loan stock interest	**1,153**	1,036
Bank interest	**2**	5
	1,155	1,041

3 Investment management fees

	Year ended 30 June 2015 £'000	Year ended 30 June 2014 £'000
Investment management fees charged to the revenue account	**205**	201
Investment management fees charged to the capital account	**616**	602
	821	803

Foresight Group provides investment management services to the Company under agreements dated 31 August 2010 and 18 February 2013. They receive management fees, paid quarterly in advance, of 1.5% of Ordinary Share net assets and 1.75% of C Share net assets per annum. If the annual expenses of the Company exceed 3.6% of the Company's total assets less current liabilities, the Company is entitled to reduce the fees paid to the Manager by the amount of the excess.

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

Foresight Group also provides administration services to the Company and received annual fees, paid quarterly in advance, for the services provided of £167,000 (2014: £167,000). The annual secretarial and accounting fee (which is payable together with any applicable VAT) is 0.3% of the net funds raised by the offer (subject to a minimum index-linked fee of £60,000) for each of the Ordinary and C Share funds.

Foresight Group are responsible for external costs such as legal and accounting fees incurred on transactions that do not proceed to completion ('abort expenses'). In line with industry practice, Foresight Group retains the right to charge arrangement and syndication fees and Directors' or monitoring fees ('deal fees') to companies in which the Company invests. From this, Foresight Group received from investee companies arrangement fees of £579,000 (2014: £300,000) in the year.

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

4 Other expenses

	Year ended 30 June 2015 £'000	Year ended 30 June 2014 £'000
Administration services excluding VAT	167	167
Directors' remuneration including employer's National Insurance contributions	73	73
Auditors' remuneration excluding VAT		
— Fees payable to KPMG LLP, the Company's auditors for the audit of the financial statements	29	29
Other	164	133
	433	402

The Company has no employees other than the Directors.

5 Taxation

	Year ended 30 June 2015			Year ended 30 June 2014		
a) Analysis of charge in the year:	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Corporation tax	(107)	107	—	(111)	111	—
Total tax for the period	(107)	107	—	(111)	111	—

b) Factors affecting current tax charge for the year:

The tax assessed for the period is lower (2014: lower) than the standard rate of corporation tax in the UK, for a venture capital trust of 20.75% (2014: 22.5%). The differences are explained below:

	Year ended 30 June 2015 £'000	Year ended 30 June 2014 £'000
Net return/(loss) before taxation	5,580	(2,971)
Corporation tax at 20.75% (2014: 22.5%)	1,158	(668)
Effect of:		
Capital items not taxable	(1,178)	657
Utilised losses brought forward	—	—
Unutilised losses carried forward	20	11
Current tax charge for the year	—	—

c) There is an unrecognised deferred tax asset of £119,000 (2014: £129,000). The deferred tax asset related to the prior year unutilised expenses. It is considered too uncertain that there will be taxable profits in the future against which the deferred tax assets can be offset and, therefore, in accordance with FRS 19, the asset has not been recognised.

Notes to the Accounts continued

for the year ended 30 June 2015

6 Dividends

	Year ended 30 June 2015 £'000	Year ended 30 June 2014 £'000
Ordinary Shares		
Dividends - paid in the year	**2,300**	2,302
C Shares		
Dividends - paid in the year	**625**	—

The Board is not recommending a final dividend on the Ordinary Shares Fund for the year ended 30 June 2015. In line with original expectations, interim dividends of 3.0p per Ordinary Share were paid on 14 November 2014 and 10 April 2015.

The Board is not recommending a final dividend on the C Shares Fund for the year ended 30 June 2015. In line with original expectations, interim dividends of 2.5p per Ordinary Share were paid on 14 November 2014 and 10 April 2015.

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

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

7 Return per share

	Year ended 30 June 2015		Year ended 30 June 2014	
	Ordinary Shares £'000	**C Shares £'000**	Ordinary Shares £'000	C Shares £'000
Total return/(loss) after taxation	**5,708**	**(128)**	(2,800)	(171)
Total return/(loss) per share (note a)	**14.9p**	**(1.0)p**	(7.3)p	(1.9)p
Revenue return/(loss) from ordinary activities after taxation	**391**	**19**	384	(57)
Revenue return/(loss) per share (note b)	**1.0p**	**0.2p**	1.0p	(0.6)p
Capital return/(loss) from ordinary activities after taxation	**5,317**	**(147)**	(3,184)	(114)
Capital return/(loss) per share (note c)	**13.9p**	**(1.2)p**	(8.3)p	(1.3)p
Weighted average number of shares in issue during the year	**38,331,915**	**12,511,089**	38,365,782	9,064,723

Notes:

a) Total return per share is total return after taxation divided by the weighted average number of shares in issue during the year.

b) Revenue return per share is revenue return after taxation divided by the weighted average number of shares in issue during the year.

c) Capital return per share is capital return after taxation divided by the weighted average number of shares in issue during the year.

8 Investments held at fair value through profit or loss

	2015 £'000	2014 £'000
Unquoted investments	51,705	48,443
	51,705	48,443

Company	Unquoted & Total £'000
Book cost as at 1 July 2014	41,636
Opening investment holding gains	6,807
Valuation at 1 July 2014	48,443
Movements in the year:	
Purchases at cost	1,808
Disposal proceeds	(4,071)
Investment holding gains	5,525
Valuation at 30 June 2015	**51,705**
Book cost at 30 June 2015	39,373
Closing investment holding gains	12,332
Valuation at 30 June 2015	**51,705**

Ordinary Shares Fund	Unquoted & Total £'000
Book cost as at 1 July 2014	31,636
Opening investment holding gains	6,807
Valuation at 1 July 2014	38,443
Movements in the year:	
Disposal proceeds	(2,263)
Investment holding gains	5,517
Valuation at 30 June 2015	**41,697**
Book cost at 30 June 2015	29,373
Closing investment holding gains	12,324
Valuation at 30 June 2015	**41,697**

C Shares Fund	Unquoted & Total £'000
Book cost as at 1 July 2014	10,000
Opening investment holding gains	—
Valuation at 1 July 2014	10,000
Movements in the year:	
Purchases at cost*	1,808
Disposal proceeds*	(1,808)
Investment holding gains	8
Valuation at 30 June 2015	**10,008**
Book cost at 30 June 2015	10,000
Closing investment holding gains	8
Valuation at 30 June 2015	**10,008**

* During the year there was a restructuring in the C Shares Fund however the underlying assets remained the same. The restructuring has not been included in purchases or disposals.

Notes to the Accounts continued

for the year ended 30 June 2015

9 Debtors

	2015 £'000	2014 £'000
Prepayments	9	8
Other debtors	711	244
Financial assets (see financial instruments note 15)	–	508
	720	760

10 Creditors: amounts falling due within one year

	2015 £'000	2014 £'000
Trade creditors	6	37
Accruals	44	47
Other creditors	17	123
	67	207

11 Called-up share capital

	2015 £'000	2014 £'000
Allotted, called up and fully paid:		
38,316,956 Ordinary Shares of 1p each (2014: 38,331,956)	383	383
12,511,089 C Shares of 1p each (2014: 12,511,089)	125	125

The Ordinary Shares fund repurchased 15,000 shares for cancellation at a cost of £16,000 during the year.

	Ordinary Shares No.	C Shares No.
At 1 July 2014	38,331,956	12,511,089
Repurchase of shares for cancellation	(15,000)	—
At 30 June 2015	38,316,956	12,511,089

12 Net asset value per share

Net asset value per Ordinary Share is based on net assets at the year end of £42,111,000 (2014: £39,055,000) and on 38,316,956 Ordinary Shares (2014: 38,331,956), being the number of Ordinary Shares in issue at that date.

Net asset value per C Share is based on net assets at the year end of £11,477,000 (2014: £12,257,000) and on 12,511,089 C Shares (2014: 12,511,089), being the number of C Shares in issue at that date.

13 Performance-related incentive
Ordinary Shares

After distributions of 100.0p per Ordinary Share issued under the Offer and remaining in issue at the date of calculation have been paid to Ordinary shareholders by the Company, Foresight Group will become entitled to a performance incentive which will be calculated at the rate of 20% of distributions in excess of 100.0p until total distributions reach 130.0p per share (issued under the Offer and remaining in issue at the date of calculation) and 30% above that level. No payment of the performance incentive will be made to Foresight Group until distributions exceed 100.0p (per Share issued under the Offer and remaining in issue at the date of calculation). The performance incentive may be satisfied in cash or by the issue of new shares to Foresight Group, at the discretion of Foresight Group.

If the current Ordinary Share Fund NAV of 109.9p were paid to shareholders, this coupled with the 17.0p already distributed would result in £2.1 million of performance-related incentive fees becoming payable to Foresight Group.

C Shares

After distributions of 100.0p per C Share issued under the offer and remaining in issue at the date of calculation have been paid to C shareholders by the Company, Foresight will become entitled to a performance incentive which will be calculated at the rate of 20% of distributions in excess of 100.0p per C Share until total distributions reach 120.0p, and 30% above that level.

If the current C Share Fund NAV of 91.7p were paid to shareholders, this coupled with the 5.0p already distributed would result in £0 of performance-related incentive fees becoming payable to Foresight Group.

14 Capital commitments and contingent liabilities

The Company had no capital commitments or contingent liabilities at 30 June 2015 (2014: £nil).

15 Financial instrument risk management

The Company's financial instruments comprise:

- Unquoted investments and qualifying loan stock held in the investment portfolio as well as cash and investments in money market funds that are held in accordance with the Company's investment objective as set out in the Directors' Report.
- Cash, liquid resources, short-term debtors, creditors and derivatives that arise directly from the Company's operations.
- Ordinary and C class Shares issued to shareholders.

Classification of financial instruments

The Company held the following categories of financial instruments all of which are included in the Balance Sheet at fair value, at 30 June 2015:

Company	2015 £'000	2014 £'000
Assets held at fair value through profit and loss/cost		
Investments held at fair value	51,705	48.443
Current asset investments (money market funds)	9	8
	51,714	48,451
Receivables at fair value		
Financial assets	—	508
Prepayments and other debtors	720	252
	720	760
Liabilities at fair value		
Creditors	(67)	(207)
	52,367	49,004

Notes to the Accounts continued

for the year ended 30 June 2015

15 Financial instrument risk management (continued)

The investment portfolio will have a high concentration of risk towards unquoted UK-based Solar investments (as well as a smaller exposure to unquoted Spanish and Italian Solar investments), the majority expected to be in sterling denominated equity and loan stock holdings.

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

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

Credit risk

Credit risk is the risk of failure by counterparties to deliver securities which the Company has paid for, or the failure by counterparties to pay for securities which the Company has delivered. The Company has exposure to credit risk in respect of the loan stock investments it has made into investee companies, most of which have no security attached to them, and where they do, such security ranks beneath any bank debt that an investee company may owe. The Board manages credit risk in respect of the current asset investments and cash by ensuring a spread of such investments in separate money market funds such that none exceed 15% of the Company's total investment assets. These money market funds are all triple A rated funds, and so credit risk is considered to be low. The Company currently invests its cash holdings and loan stock (indirectly) with Barclays. Its money market holdings are with HSBC, Goldman Sachs (previously RBS), Blackrock and Insight Investments. The Manager receives full year 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 30 June 2015 was £23,358,000 (30 June 2014: £26,747,000) based on cash, money market funds and other receivables (amounts due on investments, dividends and interest). The majority of the Company's assets are held in its own name in certificated form and therefore custodian default risk is negligible.

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

	Company	
Credit risk	**2015 £'000**	2014 £'000
Loan stocks	**21,408**	23,671
Current asset investments (money market funds)	**9**	8
Financial asset	**—**	508
Prepayments and other debtors	**720**	252
Cash	**1,221**	2,308
Total	**23,358**	26,747

Currency risk

The Company entered into four currency option transactions in the year to 30 June 2012 for the Foresight VCT (Lux1) S.a.r.l investment. The strike rates obtained ranged between £1:€1.1400 and £1:€1.19650. The options ensure that when the investment is sold (in euros) that the conversion rate, back to sterling, is fixed, and therefore that the Company does not suffer any loss (or gain) from currency movements until the original cost of the investment is recovered. The cost of taking out the currency option is covered by the returns on the investments.

These options were sold when the £/€ was at 1:12850 on 2 October 2014, which realised proceeds of £662,000 for the Company.

Valuation risk

The Company primarily invests in private equity via unquoted equity and loan securities. The Group's investment portfolio is recognised in the Balance Sheet at fair value, in accordance with IPEVC Valuation Guidelines.

All investments are initally held at cost for an appropriate period after which they are held at fair value. Fair value is determined by using discounted cashflow valuation techniques. Valuation risk is the risk that there will be changes in the inputs and assumptions into the discounted cashflow model. This is discussed in more detail on pages 48 to 51.

15 Financial instrument risk management (continued)

Regulatory risk

During the year, the Italian and Spanish governments implemented plans to retroactively reduce the FIT rates paid to Solar projects which had a negative impact on valuations. These changes have been taken into consideration in the discounted cash flow models to determine fair value. The UK Government also proposed closing the ROC scheme to new Solar Plants with capacity above 5MW from 1 April 2015. This will also have a negative impact on valuation. The fair value of unquoted investments may also be affected by future regulatory changes.

Liquidity risk

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

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

Interest rate risk

The fair value of the Company's loan stock and cash investments may be affected by interest rate movements. This is not considered to be a significant risk as the loan stock interest rates are all fixed. The maximum exposure to interest rate risk for the Company was £22,638,000 at 30 June 2015 (30 June 2014: £25,271,000). During the year the Company also held cash balances. The benchmark rate, which determines the interest payments received on cash and loan balances held, is the bank base rate which was 0.5% at 30 June 2015 (0.5% at 30 June 2014).

	Total fixed portfolio		Weighted average interest rate		Weighted average time for which rate is fixed	
Company	**30 June 2015 £'000**	30 June 2014 £'000	**30 June 2015 %**	30 June 2014 %	**30 June 2015 Days**	30 June 2014 Days
Short term fixed interest securities — exposed to cash flow interest rate risk	**9**	8	**0.3**	0.3	**—**	—
Loan stock — exposed to fixed interest rate risk	**21,408**	22,955	**5.0**	5.0	**729**	1,080
Cash	**1,221**	2,308	**0.5**	0.5	**—**	—
Total exposed to interest rate risk	**22,638**	25,271				

	Total portfolio	
Maturity analysis:	**30 June 2015 £'000**	30 June 2014 £'000
- in one year or less	**1,207**	3,032
- in more than one year but less than two years	**15,342**	—
- in more than two years but less than three years	**—**	19,239
- in more than three years but less than four years	**5,373**	—
- in more than four years but less than five years	**—**	3,000
Total	**22,638**	25,271

Notes to the Accounts continued

for the year ended 30 June 2015

15 Financial instrument risk management (continued)

Fair value hierarchy

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

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

Company

As at 30 June 2015	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Unquoted investments	—	—	51,705	51,705
Current asset investments (money market funds)	9	—	—	9
Financial assets	9	—	51,705	51,714

Company

As at 30 June 2014	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Unquoted investments	—	—	48,443	48,443
Current asset investments (money market funds)	8	—	—	8
Derivative financial instruments	—	508	—	508
Financial assets	8	508	48,443	48,959

Year ended 30 June 2015	**Company Level 3 £'000**
Valuation at 1 July 2014	48,443
Purchases at cost	1,808
Disposal proceeds	(4,071)
Investment holding gains	5,525
Valuation carried forward at 30 June 2015	51,705

Transfers

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

Sensitivity analysis of changes in key inputs and assumptions which may significantly change valuations

For each class of fair valued instruments, if changing one or more of the inputs or reasonably possible alternative assumptions would change the fair value significantly, FRS 29 requires an entity to state the fact and disclose the effect of those changes.

The Company's investments are valued with reference to the discounted value of future cash flows. The Directors consider the valuation methodology used, including the key assumptions and discount rate applied, to be prudent. The Board reviews, at least quarterly, the valuation inputs and where possible, make use of observable market data to ensure valuations reflect the fair value of the investments.

A broad range of assumptions are used in the valuation models. These assumptions are based on long-term forecasts and are not affected by short term fluctuations in inputs, be it economic or technical.

The significant assumptions used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 30 June 2015 are set out on pages 49 to 51. Please note, this sensitivity analysis only refers to the impact of changes in key inputs and assumptions on the valuation of the UK Solar investments held at fair value which constitute 84% of the portfolio. The impact of the changes in key inputs and assumptions on the valuation of the foreign investments which constitute 8% of the potfolio has not been considered. UK investments held at cost constitute 8% of the portfolio and are not subject to changes in key inputs and assumptions.

15 Financial instrument risk management (continued)

The discounted cash flow valuations of the solar assets form the majority of the NAV calculation.

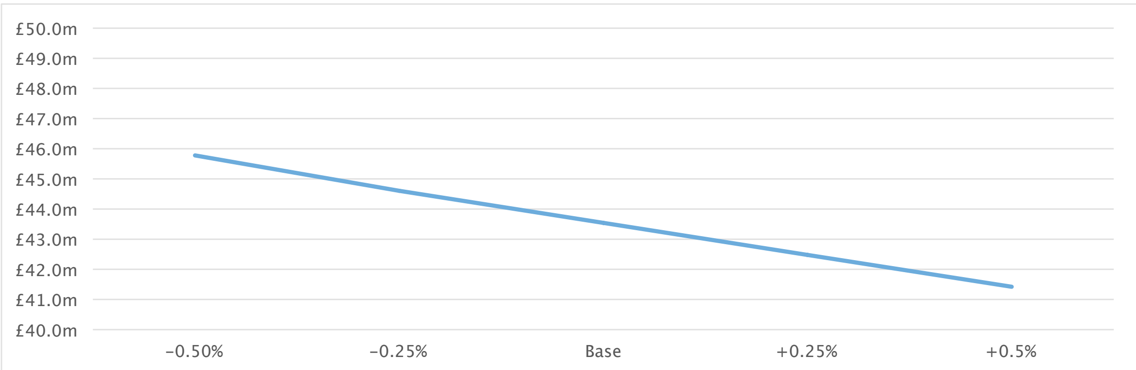
Only changes in those key inputs and assumptions to the discounted cash flow models which would have a significant impact on valuation are discussed in more detail below. The valuation of investments may also be impacted by changes in other inputs to the discounted cash flow models, but these have not been discussed further as they would not have a significant impact on the valuation. The assumption sensitivities are illustrative. The actual change in these assumptions could be more or less than the amount shown.

Discount Rate Sensitivities

The range of discount rates used is 6% - 8%. The Directors do not expect to see a significant change in the discount rates applied within the Solar Infrastructure sector. Therefore a variance of +/- 0.50% is considered reasonable given the current risk profile of the fund.

	-0.50%	-0.25%	Base	+0.25%	+0.50%
Directors DCF Valuation (£m)*	45.78	44.60	43.54	42.48	41.42

* Not including cash held in holding company investments



Notes to the Accounts continued

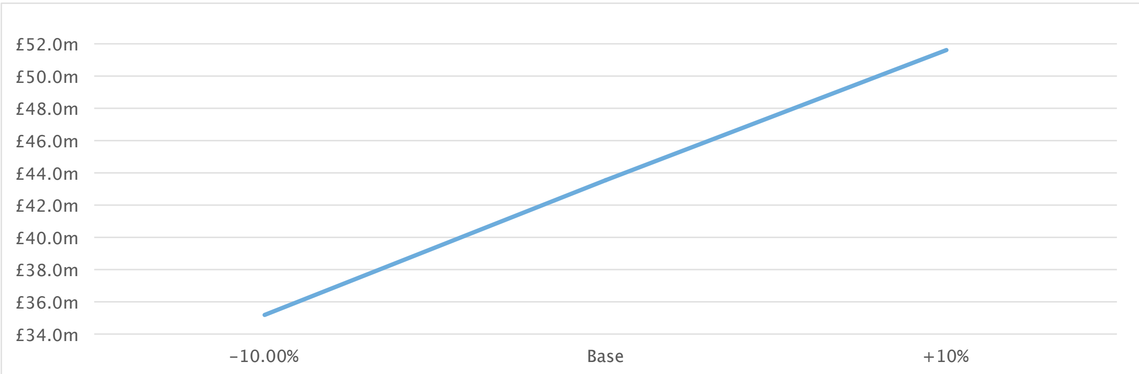
for the year ended 30 June 2015

15 Financial instrument risk management (continued)

Energy Yield Sensitivities

Energy Yield is the amount of electricity that is produced and is calculated based on irradiation multilpied by the asset perfomance ratio for the project. Irradiation is the amount of solar energy per metre squared of plant, and the asset performance ratio refers to how efficiently a plant converts irradiation into electricity on the grid.

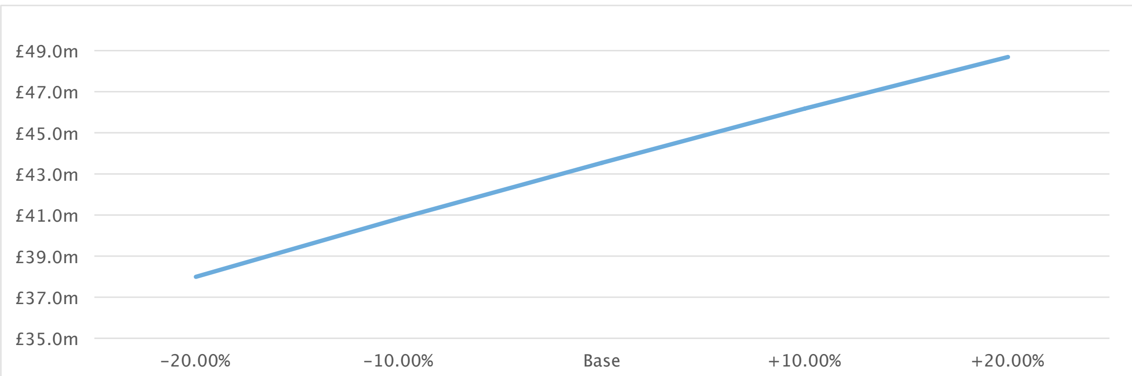
	-10.00%	Base	+10.00%
Directors DCF Valuation (£m)*	35.18	43.54	51.62



Power Price Sensitivities

The discounted cash flow models assume that power prices are consistent with the Power Price Agreements ("PPA") currently in place. At the PPA end date the model reverts to market price. The base case power pricing is based on the current forecast reel price reference curve provided by external market experts.

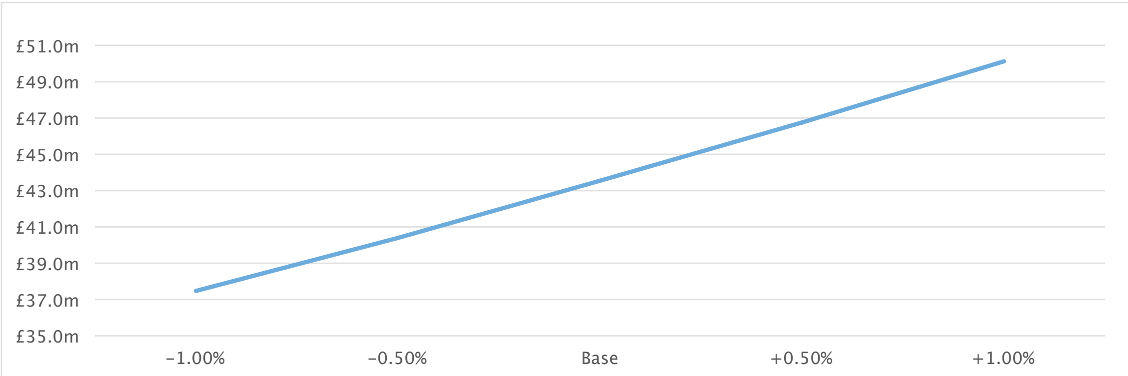
	-20.00%	-10.00%	Base	+10.00%	+20.00%
Directors DCF Valuation (£m)*	37.99	40.83	43.54	46.18	48.69



15 Financial instrument risk management (continued)

Inflation Sensitivities

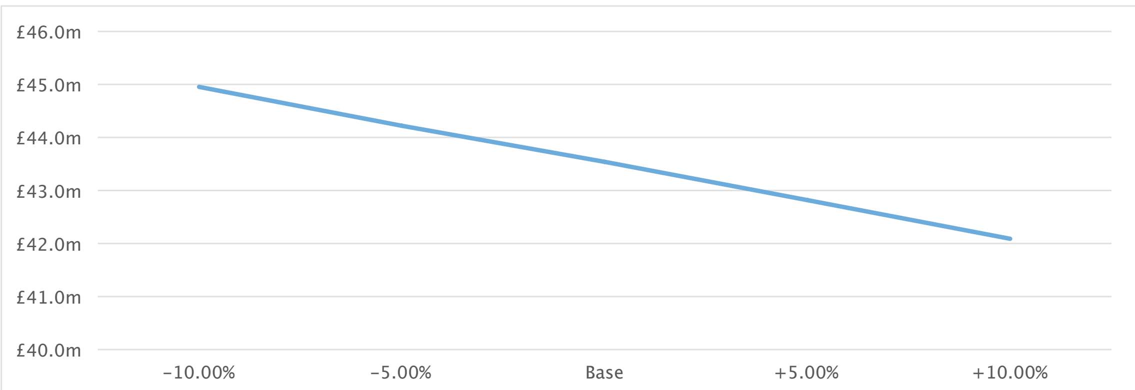
	-1.00%	-0.50%	Base	+0.50%	+1.00%
Directors DCF Valuation (£m)*	37.47	40.39	43.54	46.75	50.12



Operating Cost Sensitivities (Investment Level)

Operating costs refers to the cost of running the plants.

	-10.00%	-5.00%	Base	+5.00%	+10.00%
Directors DCF Valuation (£m)*	44.95	44.22	43.54	42.82	42.09



Notes to the Accounts continued

for the year ended 30 June 2015

16 Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and to provide an adequate return to shareholders by allocating its capital to assets commensurate with the level of risk.

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

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

Financial liabilities and borrowing facilities

The Company had no committed borrowing facilities, liabilities or guarantees at 30 June 2015 or 30 June 2014. An overdraft facility of £400,000 is available on the Company's bank account.

Fair value

The fair value of the Company's financial assets and liabilities at 30 June 2015 and 30 June 2014 are not different from their carrying values.

17 Transactions with the manager

Details of arrangements with Foresight Group LLP, Foresight Fund Managers Limited and Foresight Group CI Limited are given in the Directors' Report and Notes 3 and 13.

Foresight Group, which acts as investment manager to the Company in respect of its venture capital investments earned fees of £821,000 in the year (2014: £803,000).

Foresight Fund Managers Limited provides administration services to the Company, and received fees of £167,000 during the year (2014: £167,000). The annual administration and accounting fee (which is payable together with any applicable VAT) is 0.3% of the net funds raised by the offer (subject to a minimum index-linked fee of £60,000 for each of the Ordinary and C Share funds).

At the balance sheet date there was £3,000 due to Foresight Group (2014: £26,000).

Foresight Group 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 industry practice, Foresight Group retain the right to charge arrangement and syndication fees and Directors' or monitoring fees ('deal fees') to companies in which the Company invests. From this, Foresight Group received from investee companies arrangement fees of £579,000 in the year (2014: £300,000).

18 Post Balance Sheet events

Investment

During September 2015 the Company invested £950k in a 3.6MW solar farm in Lancaster, California.

LECs

On 8 July 2015, the Chancellor announced the UK Budget which included the removal of the climate change levy exemption for renewably sourced electricity, meaning all renewable generators will stop receiving Levy Exemption Certificates ("LECs") from 1 August 2015. The removal of the LECs has not been reflected in the NAVs at 30 June 2015 in accordance with FRS21. The expected reduction in the Ordinary Shares NAV as a result of the LECs is £984,000 or 2.6p. The expected reduction in the C Shares NAV as a result of the LECs is £221,000 or 1.8p.

Shareholder Information

Dividends

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

Share price

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

Investor Centre

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

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

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

Trading shares

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

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

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

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

Indicative financial calendar

December 2015	Annual General Meeting
February 2016	Announcement of interim results for six months to 31 December 2015
October 2016	Announcement of annual results for the year ended 30 June 2016
October 2016	Posting of the Annual Report for the year ended 30 June 2016

Open invitation to meet the Investment Manager

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

Enquiries

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

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

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Foresight Solar VCT plc ("the Company") will be held on 15 December 2015 at 1 pm at the offices of Foresight Group, The Shard, 32 London Bridge Street, London, SE1 9SG for the purpose of considering and, if thought fit, passing the following resolutions, of which resolutions 1 to 8 will be proposed as ordinary resolutions and resolutions 9 and 10 will be proposed as special resolutions.

Resolution 1 To receive the Report and Accounts for the year ended 30 June 2015.

Resolution 2 To approve the Directors' Remuneration Policy.

Resolution 3 To approve the Directors' Remuneration Report.

Resolution 4 To re-elect Michael Liston as a director.

Resolution 5 To re-elect Timothy Dowlen as a director.

Resolution 6 To re-elect David Hurst-Brown as a director.

Resolution 7 To re-appoint KPMG LLP as auditor and to authorise the directors to fix the auditor's remuneration.

Resolution 8 That, in substitution for all existing authorities, the directors be and they are authorised to allot relevant securities generally, in accordance with Section 551 of the Companies Act 2006, up to a nominal amount of £200,000 (representing approximately 39.3% of the current issued share capital) provided that the authority and power conferred by this Resolution 8 will expire on the fifth anniversary of the passing of this resolution.

Resolution 9 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) pursuant to the authority conferred by Resolution 8 as if section 561(1) of that Act did not apply to any such allotment, provided that this power shall be limited to:

(i) the allotment of equity securities with an aggregate nominal value of up to £100,000 by way of issue of ordinary shares of 1p each ("Ordinary Shares") and/or £100,000 by way of issue of C ordinary shares of 1p each ("C Shares"), in each case pursuant to offer(s) for subscription;

(ii) the allotment of equity securities with an aggregate nominal value of up to £10,000 by way of issue of C Shares pursuant to any dividend investment scheme operated by the Company from time to time;

(iii) the allotment of equity securities with an aggregate nominal value of up to 10% of the issued share capital of the Company by way of an issue of Ordinary Shares and/or C Shares pursuant to the performance incentive arrangements with Foresight Group CI Limited; and

(iv) the allotment of equity securities with an aggregate nominal value of an amount up to or equal to 10% of the issued Ordinary Share capital of the Company and/or 10% of the issued C Share capital of the Company from time to time,

in each case where the proceeds of such issue may in whole or part be used to purchase the Company's shares. This authority will expire at the conclusion of the Annual General Meeting to be held in 2016.

Resolution 10 That, in substitution for all existing authorities the Company be empowered to make market purchases (within the meaning of Section 693(4) of the Companies Act 2006) of its own shares provided that:

(i) the aggregate number of shares to be purchased shall not exceed 5,743,712 Ordinary Shares and 1,875,412 C Shares or, if lower such number of shares rounded down to the nearest whole share as shall equal 14.99% of the Company's; Ordinary Shares and C Shares in issue at the date of passing this resolution;

(ii) the minimum price which may be paid for a share is 1 pence (the nominal value thereof);

(iii) the maximum price which may be paid for shares is the higher of (1) an amount equal to 105% of the average of the middle market quotation for shares taken from the London Stock Exchange daily official list for the five business days immediately preceding the day on which the shares are purchased, and (2) the amount stipulated by Article 5(1) of the BuyBack and Stabilisation Regulation 2003;

(iv) the authority conferred by this resolution shall expire on the conclusion of the Annual General Meeting of the Company to be held in the year 2016 unless such authority is renewed prior to such time; and

(v) the Company may make a contract to purchase shares under the authority conferred by this resolution prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of shares pursuant to such contract.

By order of the Board

Foresight Fund Managers Limited
Company Secretary
22 October 2015

The Shard
32 London Bridge Street
London
SE1 9SG

Notes:

1. No Director has a service contract with the Company. Directors' appointment letters with the Company will be available for inspection at the registered office of the Company until the time of the meeting and from 15 minutes before the meeting at the location of the meeting, as well as at the meeting.
2. To be entitled to attend and vote at the meeting (and for the purposes of the determination by the Company of the votes they may cast), members must be registered in the Register of Members of the Company at 6.00 pm on 11 December 2015 (or, in the event of any adjournment, 6.00 pm on the date which is two (excluding non-business days) days before the time of the adjourned meeting). Changes to the Register of Members of the Company after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
3. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend, speak and vote on his or her behalf. A proxy need not also be a member but must attend the meeting to represent you. Details of how to appoint the chairman of the meeting or another person as your proxy using the form of proxy are set out in the notes on the form of proxy which is enclosed. If you wish your proxy to speak on your behalf at the meeting, you will need to appoint your own choice of proxy (not the chairman) and give your instructions directly to them.
4. You may appoint more than one proxy, provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, (an) additional form(s) of proxy may be obtained by contacting Computershare Investor Services PLC on 0370 707 4017. Please indicate in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and returned together in the same envelope.
5. As at the publication of this notice, the Company's issued share capital was 38,316,956 Ordinary Shares and 12,511,089 C Shares carrying one vote each. Therefore, the total voting rights in the Company as at the date of this notice is 50,828,045.
6. Any person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a 'Nominated Person') may, under an agreement between him/her and the member by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
7. The statement of the rights of members in relation to the appointment of proxies in paragraphs 3 to 4 above does not apply to Nominated Persons. The rights described in those paragraphs can only be exercised by members of the Company.
8. Appointment of a proxy will not preclude a member from subsequently attending and voting at the meeting should he or she subsequently decide to do so. You can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy.
9. If you wish to attend the Annual General Meeting in person, please bring the proxy form with you to the meeting.
10. The Register of Directors' Interests will be available for inspection at the meeting.
11. Information regarding the meeting, including the information required by Section 311A of the Companies Act 2006, is available from www.foresightgroup.eu.
12. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If you either select the "Discretionary" option or if no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
13. A form of proxy and reply paid envelope is enclosed. To be valid, it should be lodged with the Company's Registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY or the proxy must be registered electronically at www.investorcentre.co.uk/eproxy, in each case, so as to be received no later than 48 hours (excluding non 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.
14. 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.
15. Pursuant to Chapter 5 of Part 16 of the Companies Act 2006 (Sections 527 to 531), where requested by a member or members meeting the qualification criteria the Company must publish on its website, a statement setting out any matter that such members propose to raise at the meeting relating to the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the meeting. Where the Company is required to publish such a statement on its website it may not require the members making the request to pay any expenses incurred by the Company in complying with the request, it must forward the statement to the Company's auditors no later than the time the statement is made available on the Company's website and the statement may be dealt with as part of the business of the meeting.
16. Except as provided above, members who have general queries about the meeting should use the following means of communication (no other methods of communication will be accepted):

    Telephone number: 020 3667 8100

    You may not use any electronic address provided either:

    i) in this notice of Annual General Meeting; or

    ii) any related documents (including the Chairman's letter and proxy form), to communicate with the Company for any purposes other than those expressly stated.

Notice of Separate Meeting of Ordinary Shareholders

Notice is hereby given that a separate meeting of the holders of ordinary shares of 1p each in the capital of Foresight Solar VCT plc ("the Company") will be held on 15 December at 1.10 pm (or as soon thereafter as the annual general meeting of the Company convened for 1.00 pm on that day has been concluded or adjourned) at the offices of Foresight Group, The Shard, 32 London Bridge Street, London, SE1 9SG for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as a special resolution.

The holders of the ordinary shares of 1p each in the capital of the Company ("Ordinary Shares") hereby sanction, approve and consent to:

a) the passing and carrying into effect of resolutions 8 and 10 (as ordinary and special resolutions of the Company, as applicable) set out in the notice of annual general meeting of the Company convened for 1.00 pm on 15 December 2015 (a copy of which is produced to the meeting and signed by the Chairman for the purposes of identification); and

b) any effect on, variation, abrogation, dealing with and/or deemed variation or abrogation of the rights and privileges attached to the Ordinary Shares which will, or may, result from the passing and carrying into effect of the said resolutions and notwithstanding that the passing and carrying into effect of such resolutions may affect the rights and privileges attached to such Ordinary Shares.

By order of the Board

The Shard
32 London Bridge Street
London
SE1 9SG

Foresight Fund Managers Limited
Company Secretary
22 October 2015

Notes:

1. 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 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 entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend, speak and vote on his or her behalf. A proxy need not also be a member but must attend the meeting to represent you. Details of how to appoint the chairman of the meeting or another person as your proxy using the form of proxy are set out in the notes on the form of proxy which is enclosed. If you wish your proxy to speak on your behalf at the meeting, you will need to appoint your own choice of proxy (not the chairman) and give your instructions directly to them.
3. You may appoint more than one proxy, provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, (an) additional form(s) of proxy may be obtained by contacting Computershare Investor Services PLC on 0370 707 4017. Please indicate in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and returned together in the same envelope.
4. A reply paid form of proxy for your use is enclosed (Form of Proxy — Separate Meeting of Ordinary Shareholders). To be valid it should be completed, signed and sent, together with a power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority, to the Company's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY or the proxy must be registered electronically at www.investorcentre.co.uk/eproxy, in each case, so as to be received not later than 1.10pm on the day which is two days (excluding non-working days) before the date of the meeting or 9.00 am on the day which is two days (excluding non-working days) before the date of the adjourned meeting or (in the case of a poll taken subsequently to the date of the meeting or adjourned meeting) so as to be received no later than 24 hours before the time appointed for taking the poll. 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.

Notice of Separate Meeting of Ordinary Shareholders

continued

5. As at 22 October 2015 (being the last business day prior to the publication of this notice), the issued share capital of the Ordinary Shares fund was 38,316,956 shares, carrying one vote each. Therefore, the total voting rights in the Ordinary Shares fund as at 22 October 2015 was 38,316,956 Ordinary Shares.
6. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a 'Nominated Person') may, under an agreement between him/her and the member by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
7. The statement of the rights of members in relation to the appointment of proxies in paragraphs 2 to 4 above does not apply to Nominated Persons. The rights described in those paragraphs can only be exercised by members of the Company.
8. Appointment of a proxy will not preclude a member from subsequently attending and voting at the meeting should he or she subsequently decide to do so. You can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy.
9. Notice is hereby further given that the necessary quorum for the above meeting shall be holders of Ordinary Shares present in person or by proxy holding not less than one-third of the paid up Ordinary Share capital and that if within half an hour from the time appointed for the above meeting a quorum is not present it shall be adjourned to 16 December 2015 at 9.00 am at the offices of Foresight Group LLP, The Shard, 32 London Bridge Street, London, SE1 9SG or as soon thereafter as may be arranged and at such adjourned meeting the holders of Ordinary Shares present in person or by proxy shall be a quorum regardless of the number of Ordinary Shares held.

Notice of Separate Meeting of C Shareholders

Notice is hereby given that a separate meeting of the holders of C shares of 1p each in the capital of Foresight Solar VCT plc ("the Company") will be held on 15 December 2015 at 1.15 pm (or as soon thereafter as the separate meeting of the holders of ordinary shares of 1p each in the capital of the Company convened for 1.10 pm on that day has been concluded or adjourned) at the offices of Foresight Group LLP, The Shard, 32 London Bridge Street, SE1 9SG for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as a special resolution.

The holders of the C shares of 1p each in the capital of the Company ("C Shares") hereby sanction, approve and consent to:

a) the passing and carrying into effect of resolutions 8 and 10 (as ordinary and special resolutions of the Company, as applicable) set out in the notice of annual general meeting of the Company convened for 1.00 pm on 15 December 2015 (a copy of which is produced to the meeting and signed by the Chairman for the purposes of identification); and

b) any effect on, variation, abrogation, dealing with and/or deemed variation or abrogation of the rights and privileges attached to the C Shares which will, or may, result from the passing and carrying into effect of the said resolutions and notwithstanding that the passing and carrying into effect of such resolutions may affect the rights and privileges attached to such C Shares.

By order of the Board

The Shard
32 London Bridge Street
London
SE1 9SG

Foresight Fund Managers Limited
Company Secretary
22 October 2015

Notes:

1. 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 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 entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend, speak and vote on his or her behalf. A proxy need not also be a member but must attend the meeting to represent you. Details of how to appoint the chairman of the meeting or another person as your proxy using the form of proxy are set out in the notes on the form of proxy which is enclosed. If you wish your proxy to speak on your behalf at the meeting, you will need to appoint your own choice of proxy (not the chairman) and give your instructions directly to them.
3. You may appoint more than one proxy, provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, (an) additional form(s) of proxy may be obtained by contacting Computershare Investor Services PLC on 0370 707 4017. Please indicate in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and returned together in the same envelope.
4. A reply paid form of proxy for your use is enclosed (Form of Proxy — Separate Meeting of C Shareholders). To be valid it should be completed, signed and sent, together with a power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority, to the Company's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY or the proxy must be registered electronically at www.investorcentre.co.uk/eproxy, in each case, so as to be received not later than 1.15pm on the day which is two days (excluding non-working days) before the date of the meeting or 9.05 am on the day which is two days (excluding non-working days) before the date of the adjourned meeting or (in the case of a poll taken subsequently to the date of the meeting or adjourned meeting) so as to be received no later than 24 hours before the time appointed for taking a poll. 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.

Notice of Separate Meeting of C Shareholders continued

5. As at 22 October 2015 (being the last business day prior to the publication of this notice), the issued share capital of the C Shares fund was 12,511,089 shares, carrying one vote each. Therefore, the total voting rights in the C Shares fund as at 22 October 2015 was 12,511,089 C Shares.
6. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a 'Nominated Person') may, under an agreement between him/her and the member by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
7. The statement of the rights of members in relation to the appointment of proxies in paragraphs 2 to 4 above does not apply to Nominated Persons. The rights described in those paragraphs can only be exercised by members of the Company.
8. Appointment of a proxy will not preclude a member from subsequently attending and voting at the meeting should he or she subsequently decide to do so. You can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy.
9. Notice is hereby further given that the necessary quorum for the above meeting shall be holders of C Shares present in person or by proxy holding not less than one-third of the paid up C Share capital and that if within half an hour from the time appointed for the above meeting a quorum is not present it shall be adjourned to 16 December 2015 at 9.05 am at the offices of Foresight Group LLP, The Shard, 32 London Bridge Street, London, SE1 9SG or as soon thereafter as may be arranged and at such adjourned meeting the holders of C Shares present in person or by proxy shall be a quorum regardless of the number of C Shares held.

Foresight Solar VCT plc
c/o Foresight Group
The Shard
32 London Bridge Street
London
SE1 9SG

Directors
David Hurst-Brown (Chairman)
Mike Liston
Tim Dowlen

Investment Manager & Administration providers
Foresight Group CI Limited
PO Box 156
Frances House
Sir William Place
St Peter Port
Guernsey
GY1 4EU

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

Registered Office
c/o Foresight Group
The Shard
32 London Bridge Street
London
SE1 9SG

Auditors
KPMG LLP
15 Canada Square
London
E14 5GL

Tax Advisers
Cornel Partners Limited
Cornel House
117 Alexandra Park Road
London
N10 2DP

Solicitors and VCT Status Advisers
RW Blears LLP
125 Old Broad Street
London
EC2N 1AR

Registrar
Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol
BS99 6ZZ

Registered Number
07289280