

FORESIGHT SOLAR VCT PLC
ANNUAL REPORT AND ACCOUNTS

30 JUNE 2013





Foresight Solar VCT

Objective

Foresight Solar VCT plc aims to combine greater security of capital than is normal within a VCT with the enhancement of investor returns created by the VCT tax benefits — income tax relief of 30% of the amount invested, and tax-free distribution of income and capital gains.



For further information go to
www.foresightgroup.eu

VCT Tax Benefit for Shareholders beyond 6 April 2006

To obtain VCT tax relief 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 relief for subscriptions are:

- Income tax relief of 30% on subscription into new shares, which is retained by shareholders if the shares are held for more than five years.
- VCT dividends are not subject to income tax.
- Capital gains on disposal of VCT shares are tax free, whenever the disposal occurs.

Venture Capital Trust Status

Foresight Solar VCT plc ('the Company') has been granted approval as a Venture Capital Trust (VCT) under S274–S280A of the Income Tax Act 2007. The last complete review of the Company's compliance with the VCT regulations was carried out for the year ended 30 June 2012. It is intended that the business of the Company be carried on so as to maintain its VCT status. The Board is not aware of any reason why the Company has not complied with these regulations in the year ended 30 June 2013.

Contents

Financial Highlights	1
Meet the Board	2
Chairman's Statement	3
Investment Manager's Report	5
Investment Summary	7
Directors' Report	10
Directors' Remuneration Report	18
Statement of Directors' Responsibilities	20
Unaudited Non-Statutory Analysis between the Ordinary Shares and C Shares Funds	21
Independent Auditor's Report	23
Income Statement	24
Reconciliation of Movements in Shareholders' Funds	25
Balance Sheet	26
Cash Flow Statement	27
Notes to the Accounts	28
Shareholder Information	42
Notice of Annual General Meeting	43

Financial Highlights

	Year ended 30 June 2013		Year ended 30 June 2012	
	Ordinary Shares	C Shares	Ordinary Shares	C Shares
Net asset value per share	115.7p	99.4p	98.8p	n/a
Revenue return/(loss) per share	4.8p	(0.4)p	0.1p	n/a
Total return/(loss) per share	22.5p	(0.7)p	5.2p	n/a
Share price per share	99.0p	100.0p	93.0p	n/a



Meet the Board

“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. David is currently Chairman of Hargreave Hale AIM VCT 2 plc, and a non-executive director of Imagination Technologies Group plc and Anite 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 for City-based Lloyd’s brokering 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 approximately 85 disputes. Tim has specialised in 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 and does not handle Foresight Group business.

Chairman's Statement

"A combination of the solar plants performing in line with or better than original expectations and the bond refinancing has resulted in a 22.2% increase, after including dividends paid in the year, in net asset value to 115.7p at 30 June 2013 from 98.8p at 30 June 2012."

David Hurst-Brown Chairman

Summary

- Net asset value total return per Ordinary Share in the year to 30 June 2013 increased by 22.2%, representing an uplift in net asset value to 115.7p (30 June 2012: 98.8p) and total dividend payments in the year of 5.0p per Ordinary Share.
- In line with original expectations, interim dividends of 2.5p per Ordinary Share were paid to shareholders on 31 October 2012 and 12 April 2013, making 5.0p per Ordinary Share for the year.
- Bond refinancing completed on 2 May 2013, increasing target returns per Ordinary Share from 130p towards 150p.
- Two small further investments of £325,878 into Greenersite Limited and £6,820 into Foresight Luxembourg Solar 2 S.à.r.l were made during the year and a loan repayment of £410,505 was received from Foresight VCT (Lux) 1 S.à.r.l.
- The Ordinary Shares fund is considered fully invested and therefore the Board launched a C Shares fund in February 2013 to take advantage of new solar photovoltaic investment opportunities benefiting from the Renewable Obligation Certificate (ROC) regime (as opposed to the Feed-in-Tariff (FiT) scheme that benefited investments in the Ordinary Shares fund). As at 30 June 2013, a total of 5,731,693 C Shares had been issued based on an issue price of 100p per C Share.

Results

I am pleased to be able to report on a period of robust performance from the Company's portfolio of solar investments. A combination of the solar plants performing in line with or better than original expectations and the bond refinancing has resulted in a 22.2% increase, after including dividends paid in the year, in net asset value to 115.7p at 30 June 2013 from 98.8p at 30 June 2012. All of the investments are more fully described in the Investment Manager's Report.

Bond Refinancing

On 2nd May 2013, two institutional investors, a British pension fund and an insurance company, invested a total of £60 million gross in this index linked listed bond which is the largest such bond issued to date in the UK. Of this total, approximately £30 million related to the refinancing of the UK solar assets of Foresight Solar VCT plc.

The Board and Foresight Group believe that this bond structure offers the best opportunity to investors in Foresight Solar VCT to maximise refinancing proceeds for re-investment in new solar ROC projects and optimise returns when compared with other alternative refinancing structures, such as traditional bank loans and project or asset finance facilities. Investors in Foresight Solar VCT are expected to benefit from higher dividends and greater capital appreciation as a result of this innovative refinancing, increasing the target return from 130p per share towards 150p per share in 2016. Further details are included in the Investment Manager's report.

Dividends

The Board plans 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.

In line with original expectations, the first interim dividend of 2.5p per Ordinary Share was paid on 31 October 2012 and a second interim dividend of 2.5p per Ordinary Share was paid to shareholders on 12 April 2013, making 5.0p per Ordinary Share in total.

As a result of the strong operational performance of the portfolio and the successful bond refinancing, the Board is pleased to announce that the next interim dividend, increased to 3.0p per Ordinary Share was paid on 25 October 2013. The dividend had an ex-dividend date of 9 October 2013 and a record date of 11 October 2013. This forms the first part of the 6p annual target dividend for 2013/14.

Ordinary Shares Fund	Year ended 30 June 2013	Year ended 30 June 2012
Net asset value per share	115.7p	98.8p
Revenue return per share	4.8p	0.1p
Capital return per share	17.7p	5.1p
Total Dividends per share	5.0p	—
Total return per share	22.5p	5.2p
Share price per share	99.0p	93.0p

C Shares Fund	Year ended 30 June 2013	Year ended 30 June 2012
Net asset value per share	99.4p	n/a
Revenue return per share	(0.4)p	n/a
Capital return per share	(0.3)p	n/a
Total Dividends per share	—	n/a
Total return per share	(0.7)p	n/a
Share price per share	100.0p	n/a



Chairman's Statement continued

Share Issues & New Fund Raising

During the period there were no issues or buybacks of Ordinary Shares. The Ordinary Shares fund is now effectively fully invested and therefore the Board decided to launch a C Shares fund to take advantage of new solar photovoltaic (PV) investment opportunities benefiting from the Renewable Obligation Certificate (ROC) regime (as opposed to the Feed-in-Tariff (FiT) scheme that benefited investments in the Ordinary Shares fund). The new fund, which has been launched as a separate "C" Share class whose assets and liabilities will be segregated from those of the Ordinary Shares fund, is being managed by the existing Foresight Group Solar team. The target is for a total fund-raising of £20 million. Although the funds will be run separately there will be areas of commonality between the funds, which should allow for cost savings that will benefit both sets of shareholders.

The prospectus for the new £20 million C Shares fund-raising was launched in February 2013 and as at 30 June 2013, a total of 5,731,693 C Shares had been issued based on an issue price of 100p per C Share. As at the date of this announcement a total of 6,903,414 C Shares had been issued based on an issue price of 100p per C Share.

Valuation Policy

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

Outlook

The Board and Foresight Group, the Investment Manager, are satisfied with the current portfolio and the quality of the returns being seen from those projects, which gives us confidence in achieving the original objectives of the Company. The refinancing of existing projects has facilitated the release of funds for further investment in a rapidly growing UK PV sector, which should enhance returns to shareholders.

Additionally, as outlined earlier in my statement, a further fund-raising has been undertaken to enable the Company to take advantage of further solar investment opportunities, although these investments will be managed in a separate C Shares fund as the Government incentives and returns from Solar ROC investments differ from the investments in the fully invested Ordinary Shares fund.

David Hurst-Brown

Chairman

28 October 2013

Investment Manager's Report

UK Assets

As indicated in the Investment Manager's review in the interim report & accounts, the Company's Ordinary share class interests in four UK ground based solar power plants were refinanced during the period with cheaper long term debt which is expected to enhance investor returns (both in terms of higher dividends and greater capital appreciation). A £60 million listed index linked solar bond, of which £30 million relates solely to Foresight Solar VCT, was issued secured solely on these plants which are held jointly with another Foresight Group managed fund, the Foresight Solar EIS Fund. These proceeds will in turn be invested in other UK ground based solar power plants benefiting from the UK Government's ROC subsidy scheme. Because of the favourable differential between the yield on these new ROC based plants and the cost of the bond, investors in Foresight Solar VCT are expected to benefit from higher dividends and greater capital appreciation as a result of this refinancing, increasing the target return from 130p per share towards 150p per share in 2016. Through the issue of this bond, over 100p of refinancing proceeds has been raised for each 100p invested in the plants by Foresight Solar VCT which still owns the same equity interest in the four UK plants. The four plants are the principal assets of the Ordinary share class and are all trading successfully benefitting from index linked Feed-in Tariffs (FITs) over 25 years.

The solar bond, which at £60 million was the largest such bond issued to date in the UK, was subscribed for by two institutional investors, a British pension fund and an insurance company. Foresight believes that this bond structure offers the best opportunity to investors in Foresight Solar VCT to maximise refinancing proceeds for re-investment in new solar ROC projects and optimise returns when compared with other alternative refinancing structures, such as traditional bank loans and project or asset finance facilities. The bond capital which is index linked will be repaid over 21 years in instalments twice yearly. Annual interest will be charged at a fixed rate of 2.60% on such index linked principal which compares with much higher rates and shorter average lives for conventional bank loans. Interest rates on comparable government bonds were at or near long term lows when the bond completed and this is one of the main reasons, along with the long 21 year tenor, that such a bond is the most efficient refinancing structure currently available.

The solar bond proceeds were generated not by Foresight Solar VCT but by the underlying investments it holds, so although there is no borrowing or leverage by the Foresight Solar VCT, the underlying investments now have borrowings, effectively, of £30 million. These borrowings are secured on the assets of the underlying investments and there is no recourse to Foresight Solar VCT plc or against the proceeds, which will be reinvested in new projects.

Reinvestment of Bond Proceeds and Investment of C share class

Foresight has an extensive pipeline of UK solar ROC opportunities totalling over 600 MWs in which to invest (more than £600 million), over part of which Foresight already enjoys exclusivity. It is expected that all of the net bond proceeds and the funds raised by the Company's £20m "C" Share issue will be invested in UK based operating plants with a view to benefiting from the ROC subsidy framework.

European Assets

Although the Foresight Solar VCT portfolio is predominantly comprised of UK solar assets, the Company also has exposure to several assets in both Italy and Spain accounting in aggregate for 18% of the total invested assets.

The Company's Italian assets continue to perform in line or slightly ahead of original expectations, which is reflected in the current carrying value of the investment. Although the Italian Government raised the rate of corporate tax for energy producers, this has had a minimal impact on the portfolio as a whole.

The Spanish assets owned by the fund have been negatively impacted by recent changes in legislation, which effectively place a cap on the revenues that Spanish solar assets can generate. Although the application and financial impact of these regulatory changes are, as yet, uncertain, a provision of 25% has been made against the previous carrying value of the Spanish assets held by Foresight Solar VCT plc.

Increasing Capital Value and Dividends

After the bond issue, the residual net present value of the equity in the four UK solar assets is estimated to be worth approximately 30p per share. Together with the net bond proceeds, this more than achieves the 130p per share return on the UK solar assets originally targeted.

By investing the proceeds in new ROC solar plants in a timely manner, investor returns are expected to be enhanced, facilitating the payment of dividends increasing from the current annual level of 5.0p per share while also creating more scale which will be valuable in maximising ultimate sale proceeds. Once fully operational, the new solar ROC plants are expected to deliver a net 5.0p annual dividend to investors. Combined with the annual residual equity distributions from the four existing UK solar assets, this is expected to result in progressive, growing dividends for VCT investors from 2014 onwards.

Each 100p invested in new solar ROC plants is expected to generate a total return of 120p. By adding this to the estimated residual net present value of the four UK solar assets, the bond refinancing and reinvestment strategy could improve total returns for investors from 130p towards 150p per share.



Investment Manager's Report continued

A small investment was completed during the period in Greenersite Limited which owns a fully FiT accredited 100 kilowatt roof top PV plant on a farm in Herefordshire.

Outlook

Utility scale ground based UK solar PV installations are currently growing rapidly based on ROC subsidy support. The VCT Ordinary share class can use this opportunity to enhance investment returns generated by the existing portfolio by using the refinancing proceeds to build a bigger portfolio that should generate more yield and value on an exit. The 'C' share class will invest in a similar portfolio over the course of the next 12 months.

Jamie Richards

Head of Infrastructure
28 October 2013

Investment Summary

Ordinary Shares Fund

Investment	30 June 2013			30 June 2012	
	Amount Invested £	Valuation £	Valuation Methodology	Amount Invested £	Valuation £
Kent Solar Project					
Tethys Solar 01 Limited	1,000,000	1,392,499	Discounted cashflow	1,000,000	1,079,200
Umbriel Solar 07 Limited	1,000,000	1,388,769	Discounted cashflow	1,000,000	1,079,200
Rugby Solar Limited	1,000,000	1,388,629	Discounted cashflow	1,000,000	1,079,200
Enceladus Solar 02 Limited	1,000,000	1,388,512	Discounted cashflow	1,000,000	1,079,200
Miranda Solar 09 Limited	1,000,000	1,388,512	Discounted cashflow	1,000,000	1,079,200
Oberon Solar 05 Limited	1,000,000	1,388,512	Discounted cashflow	1,000,000	1,079,200
Titania Solar 06 Limited	1,000,000	1,386,937	Discounted cashflow	1,000,000	1,079,200
Ariel Solar 08 Limited	1,000,000	1,386,932	Discounted cashflow	1,000,000	1,079,200
Saturn Solar 04 Limited	1,000,000	1,386,796	Discounted cashflow	1,000,000	1,079,200
Blyth Solar Limited	1,000,000	1,386,663	Discounted cashflow	1,000,000	1,079,200
	10,000,000	13,882,761		10,000,000	10,792,000
Malmesbury Solar Project					
Hull Solar Limited	1,000,000	1,278,414	Discounted cashflow	1,000,000	1,119,700
Sark Solar Limited	1,000,000	1,278,414	Discounted cashflow	1,000,000	1,119,700
Bude Solar Limited	1,000,000	1,278,412	Discounted cashflow	1,000,000	1,119,700
Kesh Solar Limited	1,000,000	1,276,680	Discounted cashflow	1,000,000	1,119,700
Liss Solar Limited	1,000,000	1,276,422	Discounted cashflow	1,000,000	1,119,700
Rhyl Solar Limited	1,000,000	1,276,199	Discounted cashflow	1,000,000	1,119,700
Looe Solar Limited	1,000,000	1,276,112	Discounted cashflow	1,000,000	1,119,700
Bute Solar Limited	500,000	641,869	Discounted cashflow	500,000	545,900
	7,500,000	9,582,522		7,500,000	8,383,800
Puriton Solar Project					
Diss Solar Limited	1,000,000	1,367,228	Discounted cashflow	1,000,000	1,025,400
Triton Solar 13 Limited	1,000,000	1,367,227	Discounted cashflow	1,000,000	1,025,400
Uranus Solar 11 Limited	1,000,000	1,367,227	Discounted cashflow	1,000,000	1,025,400
Puck Solar 10 Limited	1,000,000	1,365,315	Discounted cashflow	1,000,000	1,025,400
Neried Solar 12 Limited	1,000,000	1,364,597	Discounted cashflow	1,000,000	1,025,400
Deal Solar Limited	1,000,000	1,364,345	Discounted cashflow	1,000,000	1,025,400
Proteus Solar 14 Limited	1,000,000	1,364,032	Discounted cashflow	1,000,000	1,025,400
	7,000,000	9,559,971		7,000,000	7,177,800
Bridgewater Solar Project					
Neptune Solar 15 Limited	1,000,000	1,407,953	Discounted cashflow	1,000,000	1,064,300
Charon Solar 16 Limited	1,000,000	1,404,408	Discounted cashflow	1,000,000	1,064,300
Bury Solar Limited	1,000,000	1,403,461	Discounted cashflow	1,000,000	1,064,300
	3,000,000	4,215,822		3,000,000	3,192,900
Greensite Limited	325,878	325,878	Price of recent investment	—	—
Total UK	27,825,878	37,566,954		27,500,000	29,546,500
Italian Solar Project					
Foresight VCT (Lux) 1 S.à.r.l	3,947,352	4,581,002	*Discounted cashflow	4,385,759	4,847,964
Foresight VCT (Lux) 2 S.à.r.l	10,854	10,854	Price of recent investment	10,854	10,854
	3,958,206	4,591,856		4,396,613	4,858,818
Spanish Solar Project					
Foresight Luxembourg Solar 2 S.à.r.l**	2,325,786	1,678,936	*Cost less impairment	2,318,966	2,105,510
	2,325,786	1,678,936		2,318,966	2,105,510
	34,109,870	43,837,746		34,215,579	36,510,828

Foresight VCT (Lux) 1 S.à.r.l. and Foresight VCT (Lux) 2 S.à.r.l. are the holding vehicles for ForVEI Srl.

* Some of the differences between the original costs and valuations relate to currency movements. However, the Company has entered into currency options to offset the currency losses, so the Company does not suffer currency gains or losses on the investment cost. The currency options are not reflected in cost but is disclosed as a current asset/(liability) on the face of the Balance Sheet. When the investments are sold the Company can exercise its option and receive back UK Sterling at the same Euro exchange rate they were purchased at. In the meantime the value of the option (derivative) varies depending on movements in the Euro and UK Sterling exchange rate and this unrealised change in value is credited or charged to the profit and loss account as a gain or loss on the value of derivatives.

**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 25%.

C Shares Fund

No investments have been made by the C Shares Fund at 30 June 2013.

Details of projects by value are shown on pages 8 and 9.



Investment Summary continued

Foresight Solar VCT has invested in the below projects via the investment vehicles listed on page 7.

Kent Solar

Kent Solar is a 4.9MW operational PV plant in Aylesford, Kent. The plant was commissioned and connected to the national grid before the 1 August 2011 FiT deadline and therefore attracts the highest FiT rate that has been available in the UK for projects of this size. Production to date is above expectation.

First investment	August 2011	Year ended	31 March 2013
			£'000
Voting rights within each project investment vehicle	49%	Income	1,812
Dividend and interest income receivable by the VCT in the year	£872,739	Profit before tax	215
Equity at cost	£3,000,000	Retained profit	69
Loan stock at cost	£7,000,000	Net assets	10,397

Malmesbury Solar

Malmesbury Solar is a 5.0MW operational PV plant in Wiltshire. The plant was commissioned and connected to the national grid before the 1 August 2011 FiT deadline and therefore attracts the highest FiT rate that has been available in the UK for projects of this size. Production to date is above expectation.

First investment	December 2011	Year ended	31 March 2013
			£'000
Voting rights within each project investment vehicle	49%	Income	1,841
Dividend and interest income receivable by the VCT in the year	£417,710	Profit before tax	376
Equity at cost	£2,250,000	Retained profit	192
Loan stock at cost	£5,250,000	Net assets	9,783

Puriton Solar

Puriton Solar is a 4.0MW operational PV plant in Puriton, Somerset. The plant was partially commissioned and connected to the national grid before the 1 August 2011 FiT deadline and therefore attracts the highest FiT rate that has been available in the UK for projects of this size. Production to date is above expectation.

First investment	February 2012	Year ended	31 March 2013
			£'000
Voting rights within each project investment vehicle	49%	Income	1,365
Dividend and interest income receivable by the VCT in the year	£529,094	Profit before tax	33
Equity at cost	£2,100,000	Retained loss	(44)
Loan stock at cost	£4,900,000	Net assets	9,434

Bridgewater Solar

Bridgewater Solar is a 1.9MW operational plant in Bridgwater, Somerset. The plant was partially commissioned and connected to the national grid before the 1 August 2011 FiT deadline and therefore attracts the highest FiT rate that has been available in the UK for projects of this size. Final commissioning took place in October 2011. Production to date is above expectation.

First investment	February 2012	Year ended	31 March 2013
			£'000
Voting rights within each project investment vehicle	49%	Income	680
Dividend and interest income receivable by the VCT in the year	£193,199	Profit before tax	41
Equity at cost	£900,000	Retained profit	5
Loan stock at cost	£2,100,000	Net assets	4,681

Greenersite Limited

Greenersite is a 100KW operational rooftop installation in Weobley, Hertfordshire. The installation was commissioned and connected to the grid before the 1 August 2011 FIT deadline and therefore attracts the highest FIT rate that has been available in the UK for this type of rooftop installation. Production to date is slightly behind expectation but work is in progress to increase the production.

First investment	March 2013	Year ended	31 March 2013
			£'000
Voting rights	100%	Income	48
Dividend and interest income receivable by the VCT in the year	£nil	Profit before tax	18
Equity at cost	£325,878	Retained profit	18
Loan stock at cost	£nil	Fixed assets	241

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, joined the venture during the year.

First investment	June 2011	Year ended	31 March 2013
			€'000
% Equity/voting rights within each project investment vehicle	7.8%	Income	488
Dividend and interest income receivable by the VCT in the year	£401,510	Loss before tax	(128)
Equity at cost	} including Foresight VCT (Lux) 1 and Foresight VCT (Lux) 2	Retained profit	—
Loan stock at cost		Fixed assets	7,129

Spanish Solar

Foresight Luxembourg Solar 2 S.à 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 short term cash flows have been impacted by a retrospective cap on production enforced by the Spanish government for the period 2011–2013. Foresight arranged a project finance facility alongside the equity to finance the acquisition of the plant.

First investment	June 2011	Year ended	31 March 2012
			€'000
% Equity/voting rights within each project investment vehicle	14%	Income	303
Dividend and interest income receivable by the VCT in the year	45,569	Profit before tax	15
Equity at cost	£2,325,786	Retained profit	10
Loan stock at cost	—	Fixed assets	8,869

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 Inheritance Tax Solutions, UK Waste Resources and Energy Investments LP, Foresight Sustainable UK Investment Fund and Foresight Nottingham Fund LP. There are no common investments between these funds and Foresight Solar VCT plc.



Directors' Report

The Directors present their report together with the audited financial statements of the Company for the year ended 30 June 2013.

Principal activity and status

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

The Company is not an investment company within the meaning of Section 833 of the Companies Act 2006. It has satisfied the requirements as a Venture Capital Trust under sections 274–280A of the Income Tax Act 2007 for the period ended 30 June 2012. The Company has complied with the regulations governing Venture Capital Trusts and their investments and the Directors have managed and intend to continue to manage the Company's affairs in such a manner as to comply with these regulations. The next complete review will be carried out for the year ended 30 June 2013.

Business review

The purpose of this review is to provide shareholders with a snapshot summary setting out the business objectives of the Company, the Board's strategy to achieve those objectives, the risks faced, the regulatory environment and the key performance indicators (KPIs) used to measure performance.

Nature of the Company

Foresight Solar VCT plc is a company listed on The London Stock Exchange.

Strategy for achieving objectives

Foresight Solar VCT plc aims to combine greater security of capital than is normal within a VCT with the enhancement of investor returns created by the VCT tax benefits — income tax relief of 30% of the amount invested, and tax-free distribution of income and capital gains.

Ordinary Shares

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 fifth anniversary of the closing date of the offer.

C Shares

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

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.

A proportion of realised gains will normally be retained for reinvestment and to meet future costs. Subject to this, the Company will endeavour to maintain a regular dividend payment of 5.0p per Ordinary Share per

year after the first year in aggregate, although a greater or lesser sum may be paid in any year.

The Company will also aim to pay dividends of 5.0p per C Share per year, except in the first year from the closing date of the offer when it is intended that no dividend will be paid.

Investment securities

The Company invests in a range of securities including, but not limited to, ordinary and preference shares, loan stock, convertible securities, and other interest bearing instruments as well as cash. Unquoted investments are usually structured as a combination of ordinary shares, preference shares and loan stocks. The Company may invest in money-market instruments, short dated bonds, unit trusts, OEICs, structured products and other assets, where Foresight believes that the risk/return profile is consistent with the overall investment objectives of Foresight Solar VCT plc.

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.

Since 6 April 2012 a VCT may not make investments pursuant to what are termed 'disqualifying arrangements' where a main purpose of the investment may be to secure that the investment will be a qualifying holding or that person(s) may secure tax relief in respect of the investment and additionally, a party to the arrangements will benefit from the majority of the amount raised by the investee company or it is reasonable to expect that the component activities of the investee company's business would have been carried on by a third party in any event even if the investment were not made. Additionally, provided an investee company is not in a partnership or joint venture in which case the old investment restriction of £1 million remains, a VCT may now invest up to £5 million in an investee company in any rolling period of 12 months, but no longer can an investee company deploy funds raised after 6 April 2012 on the acquisition of the shares of other companies.

VCT regulation

The investment policy is designed to ensure that the Company continues to qualify and is approved as a VCT by HM Revenue & Customs. Amongst other conditions, the Company may not invest more than 15% of its investments in a single company and must have at least 70% by value of its investments throughout the period in shares or securities comprised in Qualifying Holdings, of which 30% by value in aggregate across the portfolio must be ordinary shares which carry no preferential rights (although only 10% per investment needs to be in the ordinary shares of the Qualifying company).

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.

Management

The Board has engaged Foresight Group as discretionary investment manager. Foresight Group also provides or procures the provision of administrative 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 period is included within the Investment Manager's Report.

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) 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 AIM traded, PLUS traded and unquoted companies by its nature involves a higher degree of risk than investment in companies traded on the main market. In particular, smaller companies often have limited product lines, markets or financial resources and may be dependent for their management on a 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



Directors' Report continued

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 and key performance indicators (KPIs)

The Company believes that solar power generation supported by FITs is attractive for investors in a time of economic uncertainty and government spending austerity. Demand for solar electricity in the UK is not dependent on a general economic recovery and is expected to grow at rates well above GDP growth. In the UK, FITs are paid by utilities (the licensed electricity supply companies) and not by the government. The UK government has committed to source 15% of all of the UK's energy needs from renewable sources by 2020 and this commitment implies a need for investment of an estimated £100 billion, part of which is expected to be directed to solar power. Italy, Spain and other EU countries have similar commitments.

The Board expects the Manager to deliver performance which meets the objectives of providing investors with attractive returns from a portfolio of investments in Solar projects and maintaining a steady flow of tax free dividends for shareholders. The key performance indicators in meeting these objectives are net asset value performance and dividends paid, which when combined give net asset value total return. Additional performance indicators reviewed by the Board include the discount of the share price relative to net asset value and total expenses as a ratio of shareholders' funds.

A record of some of these indicators is contained on page 1 entitled 'Financial Highlights'. Additional comments are provided in the Chairman's Statement discussing the performance of the Company over the current year. The ongoing charges ratio (previously total expense ratio), in the period was 1.9%, which compares favourably with the wider VCT industry.

The Board's policy is to buy back Shares in the market at a price close to their net asset value, less transaction costs payable to market makers and stockbrokers. Combined, these KPIs compare favourably with the wider VCT marketplace based on independently published information.

A review of the Company's performance during the financial period, the position of the Company at the period end and the outlook for the coming year is contained within the Investment Manager's Report.

The Board assesses the performance of the Manager in meeting the

Company's objective against the primary KPIs highlighted.

Foresight Solar VCT plc is a Venture Capital Trust and has three Non-Executive Directors but no employees and contracts its investment activities to its investment manager, Foresight Group. These investments have clear environmental benefits such as clean generation of electricity and carbon emissions reduction.

Results

	Year ended 30 June 2013 £'000	Year ended 30 June 2012 £'000
Return on ordinary activities after taxation	8,598	1,932
Dividends paid	(1,918)	—
	6,680	1,932

Dividend

Dividends of 5.0p per Ordinary Share were paid in the year to 30 June 2013 (2012: nil).

Called-up share capital

During the year, 5,731,693 C Shares were allotted based on an issue price of 100.0p per share, made up from £6,000,460 of gross funds raised.

No shares were repurchased in the period.

Details of shares in issue at the year end are included on page 14.

Crest

The Company entered CREST, a paperless settlement system, on 1 November 2010. CREST is a voluntary system and those Shareholders who wish to retain their certificates may do so.

Directors

The Directors who held office during the year and their interests in the issued Ordinary Shares and C Shares of 1.0p each of the Company were as follows:

	30 June 2013		30 June 2012	
	Ordinary Shares	C Shares	Ordinary Shares	C Shares
David Hurst-Brown (appointed 6 August 2012)	52,500	—	52,500	n/a
Mike Liston	—	—	—	n/a
Tim Dowlen	21,000	9,450	21,000	n/a

During the year Tim Dowlen purchased 9,450 C Shares of 1.0p each. There have been no other changes in the Directors' share interests.

In accordance with the Articles of Association and the requirements of the UK Corporate Governance Code, Mr Liston retires by rotation and, being eligible, offers himself for reappointment. Biographical notes on all of the Directors are given on page 2.

The Board believes that Mr Hurst-Brown's, Mr Liston's and Mr Dowlen's balance of skills, experience and knowledge continue to complement each other and add value to the Company and recommends to Shareholders their reappointment to the Board.

None of the Directors has a contract of service with the Company.

Management

Foresight Group is the Investment Manager ("the Manager") of the Company and provides management and other administrative services.

Foresight Fund Managers Limited is the Secretary of the Company. The principal terms of the investment management and secretarial services agreement are set out in Note 3 of the accounts.

Since the end of the year, the Management Engagement and Remuneration Committee has reviewed the appropriateness of the Manager's appointment. In carrying out its review, the Management Engagement and Remuneration Committee considered the investment performance of the Company and the ability of the Investment Manager to produce satisfactory investment performance. It also considered 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 administration services. The Directors are of the opinion that the continuing appointment of the Investment Manager on the terms agreed is in the interests of Shareholders as a whole.

No Director has an interest in any contract to which the Company is a party. Foresight Group earned management fees of £633,000 (2012: £520,000), investee company arrangement fees of £nil (2012: £716,000) and administration fees excluding VAT of £122,000 (2012: £104,000) during the year. Foresight Group is also a party to the performance-related incentive agreement described in Note 13 to the financial statements. No performance-related incentive payment was made in the year.

VCT status monitoring

RW Blears LLP advise Foresight Solar VCT plc on compliance with legislative requirements relating to VCTs. RW Blears LLP review investment activity as appropriate and carry out regular reviews of Foresight Solar VCT plc's investment portfolio. RW Blears LLP work closely with Foresight Group, but report directly to 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 financial statements.

Policy of paying creditors

The Company does not subscribe to a particular creditor payment policy. 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 7 days (2012: 60 days).

Alternative Investment Fund Managers Directive (AIFMD)

The AIFMD came into force in the UK 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. Transitional provisions for existing AIFs are such that an extra year is allowed (until 22 July 2014) before the regulatory provisions become mandatory.

Annual General Meeting

A formal notice convening the Annual General Meeting to be held on 16 December 2013 can be found on pages 43 and 44. Resolutions 1 to 5 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 6 and 7 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 5 to 7 will be in substitution for existing authorities and are explained below.

Resolution 5

Resolution 5 will authorise the Directors 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 44.18% of the Company's shares in issue as at 28 October 2013) for the purposes listed under the authority requested under Resolution 6. This includes authority to issue shares pursuant to performance incentive fee arrangements with Foresight Group and top-up offers for subscription to raise new funds for the Company if the Board believes this to be in the best interests of the Company. Any offer is intended to be at an offer price linked to NAV. The authority and power conferred by Resolution 5 will expire on the fifth anniversary of the passing of the resolution.

Resolution 6

Resolution 6 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



Directors' Report continued

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 2014 and will be in substitution for all other existing authorities.

Resolution 7

It is proposed by Resolution 7 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 5,751,101 Ordinary Shares and / or 1,034,821 C Shares, representing approximately 14.99% of the Company's shares in issue in each share class as at 28 October 2013. 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 for the five business days immediately preceding 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 2014.

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 the 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 the 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.

Audit Information

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware and each Director has taken all the steps that they ought to have

taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that 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 had issued share capital of 38,366,252 Ordinary Shares and 5,731,693 C Shares as at 30 June 2013.

Details of the C Share launch can be found on page 4.

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 44.

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.

Auditors

In accordance with Section 485 of the Companies Act 2006, a resolution to re-appoint Ernst & Young LLP as the Company's auditor will be put to the forthcoming Annual General Meeting.

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 issued by the Financial Reporting Council in June 2010, as appropriate for a Venture Capital Trust.

As a Venture Capital Trust, most of 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 2013.

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.

Directors indemnification and insurance

The Directors have the benefit of indemnities under the articles of association of the Company against any liabilities they may incur in relation to the Company, to the extent permitted by law.

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

Board committees

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

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 to, amongst other things;

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

The Board retains Ernst & Young LLP as the Company's auditor. In relation to taxation services, Cornel Partners Limited have been engaged by the Board. The Audit Committee is of the opinion that Cornel Partners Limited are well placed to provide these taxation services.

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 would 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.



Directors' Report continued

The Management Engagement and Remuneration Committee (which has responsibility for reviewing the remuneration of the Directors) comprises David Hurst-Brown (Chairman), Mike Liston and Tim Dowlen and intends to meet at least annually to consider the levels of remuneration of the Directors, specifically reflecting the time commitment and responsibilities of the role. The 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 and Remuneration Committee also reviews the appointment and remuneration of the Manager.

Board evaluation

The Board undertakes a formal annual evaluation of its own performance and that of its committees. There is no formal annual evaluation of individual Directors as recommended by provision B.6 of the UK Corporate Governance Code. Initially, the evaluation takes the form of a questionnaire for the Board as a whole (and its committees as a whole). 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 is appropriate to do so. Individual shareholders are made welcome at 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, Management Engagement and Remuneration and Nomination Committees. The Board may from time to time also seek feedback through shareholder questionnaires, workshops and an open invitation for shareholders to meet the investment manager. The Company is not aware of any institutional shareholders in the capital of 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 has delegated much of the financial administration of the Company to Foresight Group who are the appointed Accountant. They have an established system of internal 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. A representative of Foresight

Fund Managers Limited, the Company Secretary, attends all Board meetings.

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

Foresight Group was appointed by the Board to provide administration services with responsibilities relating to the non-financial systems of internal control. All Directors have access to the advice and services of the managers, who are responsible to the Board for ensuring that Board procedures and applicable rules and regulations are complied with.

Pursuant to the terms of their appointment, Foresight Group advise the Company on venture capital investments. Foresight Group, in their capacity as administration providers, have physical custody of documents of title relating to equity investments.

Following publication of Internal Control: Guidance for Directors on the Combined Code (the Turnbull guidance), the Board confirms that there is an ongoing 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 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 which has been, or is being, taken. This process covers consideration of the key business, operational, compliance and financial risks facing the Company and includes consideration of the risks associated with the Company's arrangements with Foresight Group and RW Blears LLP.

The Audit Committee has carried out a review of the effectiveness of the system of internal control, together with a review of the operational and compliance controls and risk management, as it operated during the period and reported its conclusions to the Board which was satisfied with the outcome of the review. The Board has concluded that, given the appointment of Foresight Group as Company accountants 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.

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

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business review on page 10. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are described in the Chairman's statement, business review and the financial statements. 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 considerable financial resources together with investments and income generated therefrom across a variety of industries and sectors. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

Cash flow projections have been reviewed and show that the Company has sufficient liquid funds to meet both its contracted expenditure and its discretionary cash outflows in the form of the share buy-back programme and dividend policy. The Company has no external loan finance in place and therefore is not exposed to any gearing covenants.

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.

By order of the Board

Foresight Fund Managers Limited

Company Secretary

28 October 2013



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, Ernst & Young 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'.

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 2013 were agreed during the period.

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 above remuneration policy will continue to apply in the forthcoming financial year and subsequent years.

Service contracts

None of the Directors have a service contract but, under letters of appointment dated 31 August 2010 for M Liston and T Dowlen, and 6 August 2012 for D Hurst-Brown, they may resign at any time by notice in writing to the Board. There are no set minimum notice periods but all Directors are subject to retirement by rotation. No compensation is payable to Directors on leaving office. As the Directors are not appointed for a fixed length of time there is no unexpired term to their appointment. However, the Directors will retire by rotation as follows:

M Liston	AGM 2013
M Liston	AGM 2014
M Liston, T Dowlen, D Hurst-Brown	AGM 2015

Details of individual emoluments and compensation

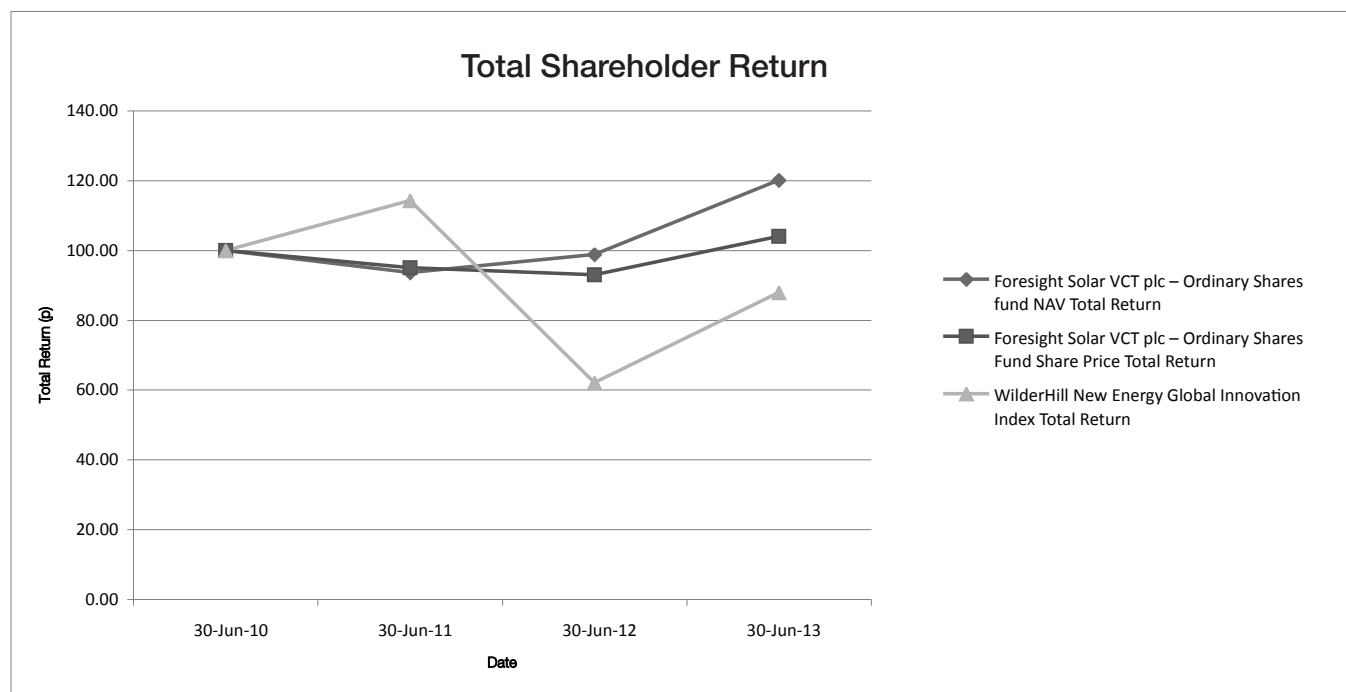
The emoluments in respect of qualifying services and compensation of each person who served as a Director during the period were as shown on page 19. No Director has waived or agreed to waive any emoluments from the Company in the current period.

No other remuneration was paid or payable by the Company during the period 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 2013, on the hypothetical value of £100 invested by an Ordinary 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.



Audited Information

Only the information below has been audited. See the Independent Auditor's Report on page 23.

	Directors' fees (£) for the year ended 30 June 2013	Directors' fees (£) for the year ended 30 June 2012 [†]
David Hurst-Brown	22,557	—
Mike Liston	20,000	20,000
Tim Dowlen	20,000	20,000
Total	62,557	40,000

[†]In the year to 30 June 2012 there were also £25,000 of fees earned by Lord Maples.

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

Approval of report

An ordinary resolution for the approval of this Directors' Remuneration Report will be put to shareholders at the forthcoming Annual General Meeting.

This Directors' Remuneration Report was approved by the Board on 28 October 2013 and is signed on its behalf by David Hurst-Brown (Chairman).

On behalf of the Board

David Hurst-Brown

Chairman

28 October 2013



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 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

28 October 2013

Unaudited Non-Statutory Analysis between the Ordinary Shares and C Shares Funds

Income Statements

for the year ended 30 June 2013

	Ordinary Shares Fund			C Shares Fund		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment holding gains	—	7,432	7,432	—	—	—
Realised losses on investments	—	(28)	(28)	—	—	—
Income	2,461	—	2,461	—	—	—
Investment management fees	(152)	(457)	(609)	(6)	(18)	(24)
Losses on the value of derivatives	—	(305)	(305)	—	—	—
Other expenses	(310)	—	(310)	(19)	—	(19)
Return/(loss) on ordinary activities before taxation	1,999	6,642	8,641	(25)	(18)	(43)
Taxation	(166)	156	(10)	6	4	10
Return/(loss) on ordinary activities after taxation	1,833	6,798	8,631	(19)	(14)	(33)
Return/(loss) per share	4.8p	17.7p	22.5p	(0.4)p	(0.3)p	(0.7)p

Balance Sheets

at 30 June 2013

	Ordinary Shares Fund £'000	C Shares Fund £'000
Fixed assets		
Investments held at fair value through profit or loss	43,838	—
Current assets		
Debtors	610	41
Money market securities and other deposits	8	—
Cash	129	5,766
	747	5,807
Creditors		
Amounts falling due within one year	(213)	(110)
Net current assets	534	5,697
Net assets	44,372	5,697
Capital and reserves		
Called-up share capital	384	57
Share premium account	—	5,673
Capital redemption reserve	1	—
Profit and loss account	43,987	(33)
Equity shareholders' funds	44,372	5,697
Number of shares in issue	38,366,252	5,731,693
Net asset value per share	115.7p	99.4p

At 30 June 2013 there was an inter-share debtor/creditor of £37,000 which has been eliminated on aggregation.



Unaudited Non-Statutory Analysis between the Ordinary Shares and C Shares Funds continued

Reconciliations of Movements in Shareholders' Funds

for the year ended 30 June 2013

	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total £'000
Ordinary Shares					
As at 1 July 2012	384	—	1	37,506	37,891
Expenses in relation to share issues	—	—	—	(232)	(232)
Dividends	—	—	—	(1,918)	(1,918)
Return for the year	—	—	—	8,631	8,631
As at 30 June 2013	384	—	1	43,987	44,372

	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total £'000
C Shares					
As at 1 July 2012	—	—	—	—	—
Share issues in the year	57	5,943	—	—	6,000
Expenses in relation to share issues	—	(270)	—	—	(270)
Loss for the year	—	—	—	(33)	(33)
As at 30 June 2013	57	5,673	—	(33)	5,697

Independent Auditor's Report

to the Members of Foresight Solar VCT plc

We have audited the financial statements of Foresight Solar VCT plc for the year ended 30 June 2013 which comprise the Income Statement, the Reconciliation of Movements in Shareholders' Funds, the Balance Sheet, the Cash Flow Statement and the related Notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of Directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 20, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report and Accounts to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; 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.

Under the Listing Rules we are required to review:

- the Directors' statement, on page 17, in relation to going concern;
- the part of the Corporate Governance Statement on page 14 relating to the Company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review; and
- certain elements of the report to shareholders by the Board on Directors' remuneration.

Ashley Coups (Senior statutory auditor)

for and on behalf of

Ernst & Young LLP

Statutory Auditor

London

29 October 2013



Income Statement

for the year ended 30 June 2013

	Notes	Year ended 30 June 2013			Year ended 30 June 2012		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment holding gains		—	7,432	7,432	—	2,240	2,240
Realised losses on investments		—	(28)	(28)	—	—	—
Income	2	2,461	—	2,461	488	—	488
Investment management fees	3	(158)	(475)	(633)	(130)	(390)	(520)
(Losses)/gains on the value of derivatives		—	(305)	(305)	—	63	63
Other expenses	4	(329)	—	(329)	(339)	—	(339)
Return on ordinary activities before taxation		1,974	6,624	8,598	19	1,913	1,932
Taxation	5	(160)	160	—	—	—	—
Return on ordinary activities after taxation		1,814	6,784	8,598	19	1,913	1,932
Return/(loss) per share:							
Ordinary Share	7	4.8p	17.7p	22.5p	0.1p	5.1p	5.2p
C Share	7	(0.4)p	(0.3)p	(0.7)p	n/a	n/a	n/a

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

All revenue and capital items in the above Income Statement are derived from continuing operations. No operations were acquired 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 28 to 41 form part of these financial statements.

Reconciliation of Movements in Shareholders' Funds

	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total £'000
Year ended 30 June 2012					
As at 1 July 2011	331	30,946	—	(333)	30,944
Share issues in the year	54	5,354	—	—	5,408
Expenses in relation to share issues	—	338	—	(633)	(295)
Repurchase of shares	(1)	—	1	(98)	(98)
Cancellation of share premium*	—	(36,638)	—	36,638	—
Return for the year	—	—	—	1,932	1,932
As at 30 June 2012	384	—	1	37,506	37,891

* The share premium of the Company was cancelled by order of the High Court of Justice, Chancery Division, on 8 February 2012 and registered at Companies House on 21 February 2012. This has enabled the Company to increase its distributable reserve to which, amongst other things, losses can be written off, providing the Company greater flexibility when considering dividend payments to shareholders and from which share buybacks can be financed.

	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total £'000
Year ended 30 June 2013					
As at 1 July 2012	384	—	1	37,506	37,891
Share issues in the year	57	5,943	—	—	6,000
Expenses in relation to share issues	—	(270)	—	(232)	(502)
Dividends	—	—	—	(1,918)	(1,918)
Return for the year	—	—	—	8,598	8,598
As at 30 June 2013	441	5,673	1	43,954	50,069

The notes on pages 28 to 41 form part of these financial statements.



Balance Sheet

at 30 June 2013

Registered Number: 07289280

	Notes	As at 30 June 2013 Audited £'000	As at 30 June 2012 Audited £'000
Fixed assets			
Investments held at fair value through profit or loss	8	43,838	36,511
Current assets			
Debtors	9	614	1,240
Money market securities and other deposits		8	336
Cash		5,895	58
		6,517	1,634
Creditors			
Amounts falling due within one year	10	(286)	(254)
Net current assets		6,231	1,380
Net assets		50,069	37,891
Capital and reserves			
Called-up share capital	11	441	384
Share premium account		5,673	—
Capital redemption reserve		1	1
Profit and loss account		43,954	37,506
Equity shareholders' funds		50,069	37,891
Net asset value per share			
Ordinary Share	12	115.7p	98.8p
C Share	12	99.4p	n/a

The accounts on pages 24 to 41 were approved by the Board of Directors and authorised for issue on 28 October 2013 and were signed on its behalf by:

David Hurst-Brown

Chairman

28 October 2013

The notes on pages 28 to 41 form part of these financial statements.

Cash Flow Statement

for the year ended 30 June 2013

	Year ended 30 June 2013 £'000	Year ended 30 June 2012 £'000
Cash flow from operating activities		
Investment income received	2,753	36
Deposit and similar interest received	—	7
Investment management fees paid	(702)	(495)
Secretarial fees paid	(134)	(106)
Other cash payments	(202)	(232)
Net cash inflow/(outflow) from operating activities and returns on investment	1,715	(790)
Returns on investment and servicing of finance		
Purchase of investments	(333)	(32,190)
Net proceeds on sale of investments	410	7,108
Purchase of financial assets	—	(361)
Net capital inflow/(outflow) from financial investment	77	(25,443)
Equity dividends paid	(1,918)	—
Financing		
Proceeds of fund raising	6,050	5,577
Expenses of fund raising	(415)	(408)
Repurchase of own shares	—	(98)
	5,635	5,071
Increase/(decrease) in cash	5,509	(21,162)
Reconciliation of net cash flow to movement in net funds		
Increase/(decrease) in cash for the year	5,509	(21,162)
Net cash at start of year	394	21,556
Net cash at end of year	5,903	394

Analysis of changes in net cash

	At 1 July 2012 £'000	Cash flow £'000	At 30 June 2013 £'000
Cash and cash equivalents	394	5,509	5,903



Notes to the Accounts

for the year ended 30 June 2013

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 January 2009 (SORP).

In accordance with the SORP, 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 August 2010. This classification is followed as the Company’s business is to invest in financial assets with a view to profiting from their total return in the form of capital growth and income.

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

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

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

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

1 Accounting policies (continued)

c) Income

Dividends receivable on quoted equity shares are brought into account on the ex-dividend date. Dividends receivable on unquoted equity shares are brought into account when the Company's rights to receive payment are established and there is no reasonable doubt that payment will be received. Other income such as loan or deposit interest is included on an accruals basis using the effective interest basis. Redemption premiums are recognised on an effective interest rate basis where there is reasonable certainty that the redemption premium will be paid. Where uncertainty exists they will be recognised on realisation of investment.

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.

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, qualifying loans, and shares in companies on the Alternative Investment Market. The carrying value for all financial assets and liabilities is fair value.

f) Taxation

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

g) Deferred taxation

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

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 2013

2 Income

	Year ended 30 June 2013 £'000	Year ended 30 June 2012 £'000
Bank interest	—	7
Distributions from overseas based Open Ended Investment Companies ("OEICs")	—	37
Loan stock interest	1,368	444
Dividends receivable	1,093	—
	2,461	488

3 Investment management fees

	Year ended 30 June 2013 £'000	Year ended 30 June 2012 £'000
Investment management fees charged to the revenue account	158	130
Investment management fees charged to the capital account	475	390
	633	520

Foresight Group provides investment management services to the Company under agreements dated 31 August 2010 and 18 February 2013. They received management fees, paid quarterly in advance, of 1.5% of Ordinary Shares 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 £122,000 (2012: £104,000). 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 £nil in the year.

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

4 Other expenses

	Year ended 30 June 2013 £'000	Year ended 30 June 2012 £'000
Administration services excluding VAT	122	104
Directors' remuneration including employer's National Insurance contributions	64	69
Auditors' remuneration excluding VAT		
— Fees payable to the Company's auditors for the audit of the financial statements	26	25
— Non audit services regarding interim report review	1	3
Other	116	138
	329	339

The Company has no employees other than the Directors.

5 Taxation

	Year ended 30 June 2013			Year ended 30 June 2012		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
a) Analysis of charge in the year:						
Corporation tax	(160)	160	—	—	—	—
Total tax for the period	(160)	160	—	—	—	—

b) Factors affecting current tax charge for the year:

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (23.8%). The differences are explained below:

	Year ended 30 June 2013 £'000	Year ended 30 June 2012 £'000
Net return before taxation	8,598	1,932
Corporation tax at 23.8% (2012: 25.5%)	2,046	493
Effect of:		
Unutilised management expenses	—	95
Exempt income	(260)	—
Utilised losses brought forward	(24)	—
Capital items not taxable	1,762	588
Current tax charge for the year	—	—

c) There is an unrecognised deferred tax asset of £nil (2012: £172,000). 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 2013

6 Dividends

	Year ended 30 June 2013 £'000	Year ended 30 June 2012 £'000
Ordinary Shares		
Dividends - paid in the period	1,918	—
C Shares		
Dividends - paid in the period	—	n/a

The board is recommending a final dividend per Ordinary Share of 0.0p (2012: 0.0p) per share for the year ended 30 June 2013. In line with original expectations, an interim dividend of 3.0p per Ordinary Share was paid on 25 October 2013. It had a record date of 11 October 2013 and an ex dividend date of 9 October 2013.

Set out below 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.

During the year £1,918,313 in Ordinary Share dividends was paid out. At June 2013 the company had £43,954,000 from which to pay dividends.

7 Return per share

	Year ended 30 June 2013		Year ended 30 June 2012	
	Ordinary Shares £'000	C Shares £'000	Ordinary Shares £'000	C Shares £'000
Total return/(loss) after taxation	8,631	(33)	1,932	n/a
Total return/(loss) per share (note a)	22.5p	(0.7)p	5.2p	n/a
Revenue return/(loss) from ordinary activities after taxation	1,833	(19)	19	n/a
Revenue return/(loss) per share (note b)	4.8p	(0.4)p	0.1p	n/a
Capital return/(loss) from ordinary activities after taxation	6,798	(14)	1,913	n/a
Capital return/(loss) per share (note c)	17.7p	(0.3)p	5.1p	n/a
Weighted average number of shares in issue during the year	38,366,252	5,079,631	37,361,746	n/a

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

	2013 £'000	2012 £'000
Unquoted investments	43,838	36,511
	43,838	36,511

Company	Unquoted £'000	Total £'000
Book cost as at 1 July 2012	34,215	34,215
Opening investment holding gains	2,296	2,296
Valuation at 1 July 2012	36,511	36,511
Movements in the period:		
Purchases at cost	333	333
Disposal proceeds	(410)	(410)
Realised losses	(28)	(28)
Investment holding gains	7,432	7,432
Valuation at 30 June 2013	43,838	43,838
Book cost at 30 June 2013	34,110	34,110
Closing investment holding gains	9,728	9,728
Valuation at 30 June 2013	43,838	43,838

Ordinary Shares	Unquoted £'000	Total £'000
Book cost as at 1 July 2012	34,215	34,215
Opening investment holding gains	2,296	2,296
Valuation at 1 July 2012	36,511	36,511
Movements in the period:		
Purchases at cost	333	333
Disposal proceeds	(410)	(410)
Realised losses	(28)	(28)
Investment holding gains	7,432	7,432
Valuation at 30 June 2013	43,838	43,838
Book cost at 30 June 2013	34,110	34,110
Closing investment holding gains	9,728	9,728
Valuation at 30 June 2013	43,838	43,838

No investments had been made by the C Shares fund at 30 June 2013.



Notes to the Accounts continued

for the year ended 30 June 2013

9 Debtors

	2013 £'000	2012 £'000
Prepayments	8	12
Other debtors	212	529
Financial assets (see financial instruments)	394	699
	614	1,240

10 Creditors: amounts falling due within one year

	2013 £'000	2012 £'000
Trade creditors	9	183
Accruals	141	54
Other creditors	136	17
	286	254

11 Called-up share capital

	2013 £'000	2012 £'000
Allotted, called up and fully paid:		
38,366,252 Ordinary Shares of 1p each (2012: 38,366,252)	384	384
5,731,693 C Shares of 1p each (2012: n/a)	57	n/a

During the year 5,731,693 C Shares were allotted, representing £6,000,460 of gross funds raised at 30 June 2013.

	Ordinary Shares No.	C Shares No.
At 1 July 2012	38,366,252	—
Allotment of shares	—	5,731,693
At 30 June 2013	38,366,252	5,731,693

12 Net asset value per share

Net asset value per Ordinary Share is based on net assets at the year end of £44,372,000 (2012: £37,891,000) and on 38,366,252 Ordinary Shares (2012: 38,366,252 Ordinary Shares), being the number of Ordinary Shares in issue at that date.

Net asset value per C Share is based on net assets at the year end of £5,697,000 (2012: n/a) and on 5,731,693 C Shares (2012: n/a), 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 115.7p were paid to shareholders, this coupled with the 5.0p already distributed would result in £1.6 million of performance-related incentive fees becoming payable to Foresight Group.

C Shares

After distributions of 100p 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 100p per C Share until total distributions reach 120p, and 30% above that level.

14 Capital commitments and contingent liabilities

The Company had no capital commitments or contingent liabilities at 30 June 2013 (2012: £nil).

15 Financial instrument risk management

The Company's financial instruments comprise:

- Loan Stock, Convertible Securities and Fixed-Interest Securities held in the investment portfolio as well as cash 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 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 2013:

Company	2013 (Fair value) £'000	2012 (Fair value) £'000
Assets at fair value through profit and loss		
Investment portfolio	43,838	36,511
Current asset investments (money market funds)	8	336
Cash at bank	5,895	58
	49,741	36,905
Receivables		
Financial asset	394	699
Prepayments and other debtors	220	541
	614	1,240
Liabilities		
Creditors	(286)	(254)
	50,069	37,891



Notes to the Accounts continued

for the year ended 30 June 2013

15 Financial instrument risk management (continued)

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

The investment portfolio will principally consist of unquoted investments and qualifying loan stock valued at fair value. Current asset investments are money market funds, discussed under credit risk management on the following page.

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

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

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

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

Interest rate risk

The fair value of the Company's fixed rate securities and the net revenue generated from the Company's floating rate securities may be affected by interest rate movements. Investments are often in early stage businesses, which are relatively high risk investments sensitive to interest rate fluctuations. Due to the short time to maturity of some of the Company's fixed rate investments, it may not be possible to reinvest in assets which provide the same rates as those currently held. When making investments of an equity and debt nature, consideration is given during the structuring process to the potential implications of interest rate risk and the resulting investment is structured accordingly. The maximum exposure to interest rate risk for the Company was £29,048,000 at 30 June 2013 (30 June 2012: £23,977,000).

Company	Total fixed portfolio		Weighted average interest rate		Weighted average time for which rate is fixed	
	30 June 2013 £'000	30 June 2012 £'000	30 June 2013 %	30 June 2012 %	30 June 2013 Days	30 June 2012 Days
Short term fixed interest securities						
— exposed to cash flow interest rate risk	8	336	0.3%	0.5%	—	—
Loan stock						
— exposed to fixed interest rate risk	23,145	23,583	5.3%	5.3%	1,362	1,663
Loan stock						
— exposed to variable interest rate risk	—	—	0.0%	0.0%	—	—
Cash	5,895	58	—	—		
Total	29,048	23,977				

Maturity analysis:	Total portfolio	
	30 June 2013 £'000	30 June 2012 £'000
- in one year or less	5,903	394
- in more than one year but less than two years	—	—
- in more than two years but less than three years	—	—
- in more than three years but less than four years	23,145	883
- in more than four years but less than five years	—	22,700
Total	29,048	23,977

15 Financial instrument risk management (continued)

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 2013 (0.5% at 30 June 2012).

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 with Barclays, HSBC, RBS, BONY 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 2013 was £29,662,000 (30 June 2012: £25,217,000) 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:

Credit risk	Company	
	2013 £'000	2012 £'000
Loan stocks	23,145	23,583
Current asset investments (money market funds)	8	336
Financial asset	394	699
Prepayments and other debtors	220	541
Cash	5,895	58
Total	29,662	25,217

Market price risk

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

The investments in equity and fixed interest stocks of unquoted companies are rarely traded and as such the prices are more volatile than those of more widely traded securities. In addition, the ability of the Company to realise the investments at their carrying value may at times not be possible if there are no willing purchasers. The ability of the Company to purchase or sell investments is also constrained by the requirements set down for Venture Capital Trusts. The potential maximum exposure to market price risk, being the value of the investment portfolio as at 30 June 2013 is £43,837,746 (2012: £36,510,828).

Currency risk

The Company entered into four currency option transactions in the year to 30 June 2012 for the Foresight VCT (Lux1) S.à r.l investment. The strike rates obtained ranged between £1:1.1400 euros and £1:1.19650 euros. 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.

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.



Notes to the Accounts continued

for the year ended 30 June 2013

15 Financial instrument risk management (continued)

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.

Sensitivity analysis

Equity price sensitivity

The Board believes that the Company's assets are mainly exposed to equity price risk, as the Company holds most of its assets in the form of sterling denominated equity investments in small companies. All of these assets are unquoted. All of the investments made by the Investment Manager in unquoted companies, irrespective of the instruments the Company actually holds (whether shares or loan stock), carry a full equity risk, even though some of the loan stocks may be secured on assets (as they will be behind any prior ranking bank debt in the investee company).

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

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

	2013 Return and net assets	2012 Return and net assets
Company		
If overall share prices decrease by 15%, with all other variables held constant – decrease (£'000)	(6,576)	(5,477)
Decrease in earnings, and net asset value, per share (in pence)	(14.91)p	(14.28)p

	2013 Return and net assets	2012 Return and net assets
Company		
If overall share prices increase by 15%, with all other variables held constant – increase (£'000)	6,576	5,477
Increase in earnings, and net asset value, per share (in pence)	14.91p	14.28p

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

Interest rate sensitivity

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

15 Financial instrument risk management (continued)

Company	2013 Return and net assets	2012 Return and net assets
If interest rates were 1% lower, with all other variables held constant – decrease (£'000)	—	—
Decrease in earnings, and net asset value, per share (in pence)	—	—

Company	2013 Return and net assets	2012 Return and net assets
If interest rates were 1% higher, with all other variables held constant – increase (£'000)	—	—
Increase in earnings, and net asset value, per share (in pence)	—	—

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

Fair value hierarchy

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

- 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 2013

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Unquoted investments	—	—	43,838	43,838
Current asset investments (money market funds)	8	—	—	8
Derivative financial instruments	—	394	—	394
Financial assets	8	394	43,838	44,240

Company

As at 30 June 2012

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Unquoted investments	—	—	36,511	36,511
Current asset investments (money market funds)	336	—	—	336
Derivative financial instruments	—	699	—	699
Financial assets	336	699	36,511	37,546

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.



Notes to the Accounts continued

for the year ended 30 June 2013

15 Financial instrument risk management (continued)

Year ended 30 June 2013

Company
Level 3
£000

Valuation at 1 July 2012	36,511
Purchases at cost	333
Disposal proceeds	(410)
Realised losses	(28)
Investment holding gains	7,432
Valuation carried forward at 30 June 2013	43,838

Transfers

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

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

If unquoted Company investments moved by 15%, this would create an increase or decrease in investments of £6.6million.

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 2013 or 30 June 2012. 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 2013 and 30 June 2012 are not different from their carrying values.

17 Post-balance sheet event

Since the year end an additional 1,171,721 C Shares had been issued based on a price of 100.0p per share.

18 Bond securities

As a result of the bond refinancing of the UK SPVs, the assets of the four UK projects are secured against it. However, the transaction was structured such that reinvestment of the refinancing proceeds into new ROC projects falls outside the scope of this security. This security is not expected to restrict the sale of the equity in the four UK Solar assets in future.

Notes to the Accounts continued

for the year ended 30 June 2013

19 Transactions with the manager

Foresight Group LLP, Foresight Fund Managers Limited and Foresight Group CI Limited are considered to be related parties of the Company. Details of arrangements with these parties 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 £633,000 in the year (2012: £520,000).

Foresight Group also provides administration services to the Company, and received fees of £122,000 plus VAT during the year (2012: £104,000). 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 £96,000 due to Foresight Group (2012: £159,000).

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 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 £nil in the year (2012: £716,000).

Foresight Fund Managers are the Secretary of the Company and received £nil during the year for their services (2012: £nil).



Shareholder Information

Dividends

Dividends are ordinarily paid to shareholders in April and October. 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 independent 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 2013	Annual General Meeting
February 2014	Announcement of interim results for six months to 31 December 2013
October 2014	Announcement of annual results for the year ended 30 June 2014
October 2014	Posting of the Annual Report for the year ended 30 June 2014

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: 01732 471800

Fax: 01732 471810

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 16 December 2013 at 4 pm at the offices of Foresight Group, ECA Court, 24-26 South Park, Sevenoaks, Kent, TN13 1DU for the purpose of considering and, if thought fit, passing the following resolutions, of which resolutions 1 to 5 will be proposed as ordinary resolutions and resolutions 6 and 7 will be proposed as special resolutions.

Resolution 1 To receive the Report and Accounts for the year ended 30 June 2013.

Resolution 2 To approve the Directors' Remuneration Report.

Resolution 3 To re-elect Michael Liston as a director.

Resolution 4 To re-appoint Ernst & Young LLP as auditor and to authorise the directors to fix the auditor's remuneration.

Resolution 5 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 44.18% of the current issued share capital as at 28 October 2013) provided that the authority and power conferred by this Resolution 5 will expire on the fifth anniversary of the passing of this resolution.

Resolution 6 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 5 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 2014.

Resolution 7 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 5,751,101 Ordinary Shares and 1,034,821 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 2014 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
28 October 2013

ECA Court
24-26 South Park
Sevenoaks
Kent
TN13 1DU



Notice of Annual General Meeting continued

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 12 December 2013 (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 0870 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 28 October 2013 (being the last business day prior to the publication of this notice), the Company's issued share capital was 38,366,252 Ordinary Shares and 6,903,414 C Shares shares carrying one vote each. Therefore, the total voting rights in the Company as at 28 October 2013 was 45,269,666.
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 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: 01732 471800
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 16 December at 4.10 pm (or as soon thereafter as the annual general meeting of the Company convened for 4.00 pm on that day has been concluded or adjourned) at the offices of Foresight Group LLP, ECA Court, South Park, Sevenoaks, Kent, TN13 1DU 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 5 and 7 (as ordinary and special resolutions of the Company, as applicable) set out in the notice of annual general meeting of the Company convened for 4.00 pm on 16 December 2013 (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

ECA Court
24–26 South Park
Sevenoaks
Kent
TN13 1DU

Foresight Fund Managers Limited

Company Secretary

28 October 2013

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 0870 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 4.10pm 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

5. As at 28 October 2013 (being the last business day prior to the publication of this notice), the issued share capital of the Ordinary Shares fund was 38,366,252 shares, carrying one vote each. Therefore, the total voting rights in the Ordinary Shares fund as at 28 October 2013 was 38,366,252 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 17 December 2013 at 9.00 am at the offices of Foresight Group LLP, ECA Court, 24-26 South Park, Sevenoaks, Kent, TN13 1DU 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 16 December 2013 at 4.15 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 4.10 pm on that day has been concluded or adjourned) at the offices of Foresight Group LLP, ECA Court, South Park, Sevenoaks, Kent, TN13 1DU 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 5 and 7 (as ordinary and special resolutions of the Company, as applicable) set out in the notice of annual general meeting of the Company convened for 4.00 pm on 16 December 2013 (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

ECA Court
24–26 South Park
Sevenoaks
Kent
TN13 1DU

Foresight Fund Managers Limited
Company Secretary
28 October 2013

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 0870 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 4.15pm 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

5. As at 28 October 2013 (being the last business day prior to the publication of this notice), the issued share capital of the C Shares fund was 6,903,414 shares, carrying one vote each. Therefore, the total voting rights in the C Shares fund as at 28 October 2013 was 6,903,414 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 17 December 2013 at 9.05 am at the offices of Foresight Group LLP, ECA Court, 24-26 South Park, Sevenoaks, Kent, TN13 1DU 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**

ECA Court
24-26 South Park
Sevenoaks
Kent
TN13 1DU

**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
ECA Court
24-26 South Park
Sevenoaks
Kent
TN13 1DU

Registered Office

Foresight Group
ECA Court
24-26 South Park
Sevenoaks
Kent
TN13 1DU

Auditors

Ernst & Young LLP
1 More London Place
London
SE1 2AF

Tax Advisers

Cornel Partners Limited
Cornel House
115 Alexandra Park Road
London
N10 2DP

Solicitors and VCT Status Advisers

RW Blears LLP
125 Old Board Street
London
EC2N 1AR

Registrar

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

Registered Number

07289280