

Foresight Enterprise VCT plc

Unaudited Half-Yearly Financial Report
30 June 2024

Foresight
FOR A SMARTER FUTURE

Our Purpose

Foresight Enterprise VCT plc is a Venture Capital Trust aiming to provide investors with attractive returns from a portfolio of investments in fast-growing, unquoted UK companies.

Key objectives



Payment of an annual dividend of at least 5% of the NAV at the start of the year



Development of Net Asset Value Total Return above a 5% annual target



Maintaining a programme of regular share buybacks at a discount of 5%, subject to market conditions



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

Key dates

Annual results to 31 December 2024 April 2025

Annual General Meeting June 2025

Half-Yearly results to 30 June 2025 September 2025

Awards



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Financial Highlights

“Callen-Lenz and Specac were both sold in the period, returning proceeds of £34.3 million to the Company.”

£171.1m

Total net assets
as at 30 June 2024

5.0p

Dividend paid
19 January 2024

£8.7m

Increase in valuation of
investments
in the period ended
30 June 2024

64.5p

NAV per share
as at 30 June 2024

- Total net assets **£171.1 million**
- A special dividend of **5.0p** per share was paid on 19 January 2024, returning **£13.2 million** to Shareholders
- Post period end, an interim dividend of **3.3p** per share was paid on 12 July 2024, returning **£8.7 million** to Shareholders
- The value of the investment portfolio has increased by **£8.7 million** in the last six months
- Net Asset Value per share decreased by 1.7% in the period from **65.6p** at 31 December 2023 to **64.5p** at 30 June 2024
- Including the payment of a **5.0p** dividend on 19 January 2024, NAV Total Return per share at 30 June 2024 was **69.5p** (being NAV at the end of the period plus dividends paid in the period), representing a positive NAV Total Return of **5.9%** in the period

Financial Highlights continued

Key metrics

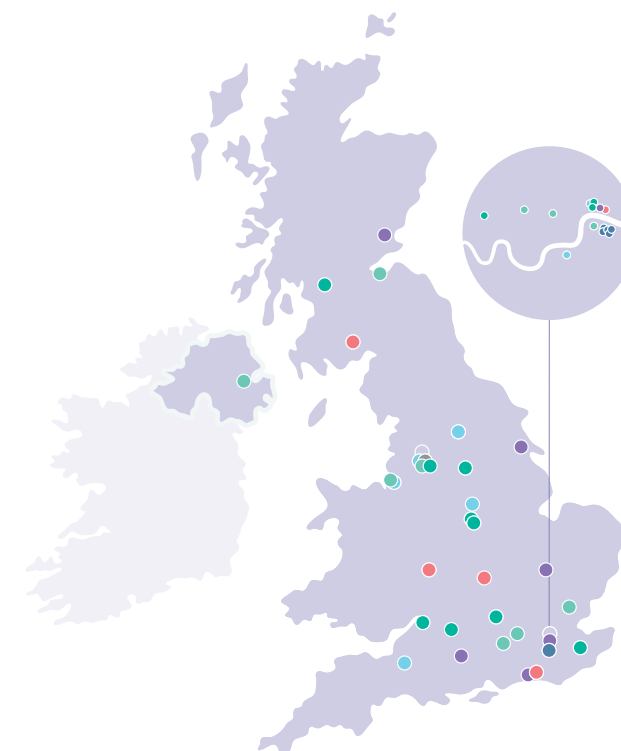
	6 months to/ as at 30 June 2024	12 months to/ as at 31 December 2023
Total net assets	£171.1m	£168.5m
Net Asset Value per share	64.5p	65.6p
Movement in Net Asset Value Total Return during the period ¹	5.9%	6.2%
Share price	58.0p	57.5p
Dividend per share paid in the period	5.0p	3.3p
Dividend yield ¹	8.6%	5.7%
Shares in issue	265,024,186	256,728,468

	6 months to 30 June 2024	12 months to 31 December 2023
Discount to NAV ¹	10.1%	12.3%
Average discount on buybacks ¹	5.0%	5.8%
Shares issued through fundraising	14,269,440	52,350,433
Shares issued under the dividend reinvestment scheme	2,878,148	1,637,805
Shares bought back during the period under review	8,851,870	10,576,192
Ongoing charges ratio (based on net assets) ^{1, 2}	2.3%	2.2%

1. Definitions of these Alternative Performance Measures ("APMs") can be found in the Glossary on page 35.

2. Special dividends paid during the period have been added back to period-end net assets and the performance incentive accrual has been added back to total expenses in the period. Expenses in the 6 month period have been annualised.

Place of business of portfolio companies



Key

- Technology, Media & Telecommunications
- Industrials & Manufacturing
- Healthcare
- Business Services
- Consumer & Leisure
- Financial Services
- General

Chair's Statement



Michael Gray
Chair of Foresight Enterprise VCT plc

I am pleased to present the unaudited Half-Yearly Financial Report for Foresight Enterprise VCT plc for the period ended 30 June 2024 and to report a Net Asset Value Total Return of 5.9% for the period, including a dividend yield of 8.6%.

The business environment is slowly improving with interest rates looking like they have peaked and inflationary pressures more stable, as are energy costs. All of these factors are key to a more stable business environment which is a prerequisite to building business confidence and, from this, hopefully growth. However, the spectre of a worsening geopolitical landscape continues to cause concern for citizens and investors alike. The threat of recession is receding, but markets remain uncertain with forthcoming US elections and a new UK Government and what that might mean for us all. The continuing issues in Ukraine and the Middle East only goes to add to the uncertainty and these matters influence the Manager's investment thinking too. Against that backdrop, I am delighted to say our portfolio is performing well with some good exits and a positive pipeline of new investment opportunities being considered. The Board is soon to embark upon our annual strategy review with the Manager. I believe the strong and growing team of investment professionals serves us well. The Manager's regional presence across core commercial centres in the UK further adds to the diversity of opportunities they can review and invest in. We will continue to have great focus to ensure the Company and sector selections are considered, well researched and suggest good value prior to investment.

In the six months ended 30 June 2024, 22 companies in the portfolio recorded a combined increase in valuation of £13.7 million, offset by 19 companies recording an aggregate fall in valuation of £5.0 million.

Strategy

The Board believes that it is in the best interests of Shareholders to continue to pursue a strategy of:

- Growth in Net Asset Value Total Return above a 5% annual target while continuing to grow the Company's assets
- Payment of annual dividends of at least 5% of the NAV per share based on the opening NAV per share of that financial year
- Implementation of a number of new and follow-on qualifying investments every year, exceeding deployment requirements to maintain VCT status
- Maintaining a programme of regular share buybacks at a discount of 5%, subject to market conditions

Portfolio overview

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Investments as at
30 June 2024

£8.7m

Increase in valuation of
investments in the period
ended 30 June 2024

£34.5m

Investment sales proceeds
in the period ended
30 June 2024

Chair's Statement continued

Strategy continued

Central to the Company being able to achieve these objectives is the ability of the Manager to source and complete attractive new qualifying investment opportunities.

Whilst this task has not been made easier by the changes to VCT legislation since 2015, which (amongst other requirements) place greater emphasis on growth or development capital investment into younger companies, the Company is fortunate in that it has pursued a policy of seeking growth capital investments for several years prior to the rule changes and the Manager has an established track record in this area.

Performance and portfolio activity

During the period Net Asset Value per share decreased by 1.7% from 65.6p as at 31 December 2023 to 64.5p as at 30 June 2024. After adding back the payment of a 5.0p dividend paid on 19 January 2024, NAV Total Return per share at 30 June 2024 was 69.5p, representing a positive NAV Total Return of 5.9% in the period. This positive movement is a result of the strategy and business changes throughout the portfolio alluded to above.

On 13 October 2023, the Company launched an offer for subscription to raise up to £20 million, with an over-allotment facility to raise up to a further £10 million, through the issue of new shares. The offer was closed on 15 April 2024 having raised gross proceeds of £30.0 million, £28.8 million after expenses. We would like to thank those existing Shareholders who have supported the offer and welcome all new Shareholders to the Company.

During the period the Manager completed three new investments and three follow-on investments costing £6.5 million and £2.5 million respectively. The Manager successfully disposed of Callen-Lenz Associates Limited and Specac International Limited, generating proceeds of £34.3 million, with a further £3.6 million of deferred consideration included within debtors at the period end. Adding in the £1.5 million of cash returned in the investment period, this represents a combined return multiple of 6.4 times the original investment. The Manager also disposed of two challenged businesses, Crosstown Dough Limited and So-Sure Limited, during the period. Further details of these investments and realisations can be found in the Manager's Review.

The Board and the Manager are confident that a number of new and follow-on investments can be achieved this year, particularly with the increased investment activity noted above. Details of each of these new, existing and former portfolio companies can be found in the Manager's Review.

The Manager continues to see a strong pipeline of potential investments sourced through its regional networks and well-developed relationships with advisers and the SME community; however, it is also focused on supporting the existing portfolio through the current economic climate.

Responsible investing

The analysis of environmental, social and governance ("ESG") issues is embedded in the Manager's investment process and, whilst the Company has no specific objective to invest in companies which have an ESG focus, these factors are more generally considered key in determining the quality of a business and its long-term success. Central to the Manager's responsible investment approach are five ESG principles that are applied to evaluate investee companies, acquired since May 2018, throughout the lifecycle of their investment, from their initial review and acquisition to their final sale. Every year, the portfolio companies are assessed and progress measured against these principles. More detailed information about the process can be found on pages 24 and 25.

Dividends

A special interim dividend of 5.0p per share was declared on 14 December 2023 based on an ex-dividend date of 4 January 2024 and a record date of 5 January 2024. The dividend was paid on 19 January 2024, returning £13.2 million to Shareholders. Additionally, an interim dividend of 3.3p per share was declared on 11 June 2024 based on an ex-dividend date of 27 June 2024 and a record date of 28 June 2024. The dividend was paid on 12 July 2024, returning £8.7 million to Shareholders.

The Board and the Manager continue to hope that additional "special" dividends can be paid as and when particularly successful portfolio exits are made.

Chair's Statement continued

Buybacks

The Board is pleased to have achieved an average discount across all buybacks of 5.0% to the Net Asset Value per share in the period and continues to have an objective of maintaining buybacks at a discount of 5%, subject to market conditions.

Shareholder communication

We were delighted to hold the AGM on 11 June 2024. We hope many of you will be available to attend our next in-person investor forum event which will be announced in due course. These events have proven very popular with our Shareholders in the past and provide the opportunity to learn first-hand about some of our investee companies from their founders and management.

Board composition

The Board continues to review its own performance and undertakes succession planning to maintain an appropriate level of independence, experience, diversity and skills in order to be in a position to discharge all its responsibilities.

VCT Sunset clause

I am pleased to report that the European Commission has decided not to raise objections in respect of the prolongation of the UK's VCT scheme by ten years to April 2035. This now removes any recent uncertainty and will help support further investment by the VCT sector in early stage companies.

Outlook

As I mentioned in my introduction, the business environment is improving with interest rates and inflationary pressures beginning to ease. However, the geopolitical landscape of the world is as hostile and uncertain as I have seen it. We are therefore carefully considering how all of these factors, in an ever-changing world, challenge the investment thesis.

We do, however, have the benefit of these developing companies in which we invest, on the whole being able to more swiftly adapt to the fast-moving environment in which we operate with the benefit of our Manager and a strong funding base.

We have a diverse portfolio of investments and we are confident that our continued focus on the wider business landscape, alongside the Manager's deep understanding of the individual investee companies in which we invest, will protect us from the most extreme market conditions.

We have a strong balance sheet with a diversified portfolio that we believe will provide sustainable long-term value for Shareholders.

Michael Gray

Chair

26 September 2024

Manager's Review

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Manager's Review

continued



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

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

Portfolio summary

As at 30 June 2024, the Company’s portfolio comprised 45 investments with a total cost of £71.4 million and a valuation of £102.7 million. The portfolio is diversified by sector, transaction type and maturity profile. Details of the ten largest investments by valuation, including an update on their performance, are provided on pages 17 to 20.

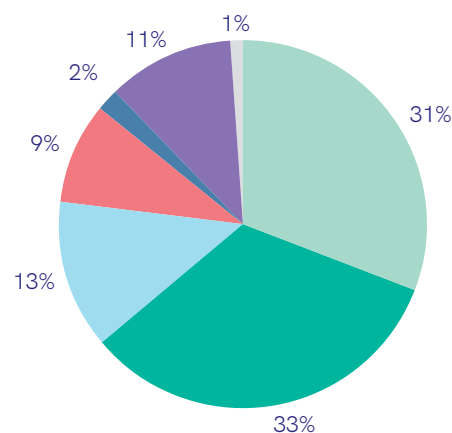
During the six months to 30 June 2024, the value of the investment portfolio decreased by £16.9 million as a result of successful realisations of several investments generating £34.5 million. This was partially offset by an increase of £8.7 million in the valuation of the remaining investments, plus £9.0 million of new and follow-on investments.

Overall, the portfolio has performed well despite uncertainty in the market with ongoing conflicts in Ukraine and Gaza, numerous elections taking place worldwide, fears of a potential recession in the US and continued domestic price inflation, coupled with high interest rates.

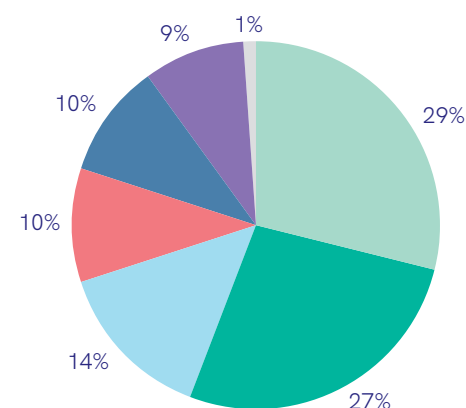
In line with the Board’s strategic objectives, we remain focused on growing the Company through further development of Net Asset Value Total Return. For the six months to 30 June 2024, Net Asset Value Total Return was 5.9% and net assets increased by 1.5% to £171.1 million following the payment of a 5.0p per share dividend costing the Company £13.2 million, meaning that the Company has successfully met this objective in the period under review.

Portfolio diversification

Sector by cost



Sector by valuation



Key

- Healthcare (cost 31% | valuation 29%)
- Technology, Media & Telecommunications (cost 33% | valuation 27%)
- Consumer & Leisure (cost 13% | valuation 14%)
- Business Services (cost 9% | valuation 10%)
- General (cost 2% | valuation 10%)
- Industrials & Manufacturing (cost 11% | valuation 9%)
- Financial Services (cost 1% | valuation 1%)

Manager's Review continued

New investments

Three new investments were completed in the six months to 30 June 2024, totalling £6.5 million. New investments were across children's play centres, engineering solutions and cybersecurity. Follow-on investments totalling £2.5 million were also made in three existing investee companies. There is a strong pipeline of opportunities that we expect to convert during the second half of 2024.



Family Adventures Group Limited

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



Evolve Dynamics Limited

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



Lepide Group Holding Company Limited

In March 2024, the Company invested £2.0 million into Lepide, a cyber security software solution that helps organisations to protect their unstructured data. Lepide actively monitors event logs within Windows Active Directory in order to detect suspicious activity and help organisations to manage over-exposure of data. The investment will help scale the business and accelerate growth initiatives.

Manager's Review continued

Follow-on investments

The Company made follow-on investments in three companies during the six months to 30 June 2024, totalling £2.5 million. Further details of each of these are provided opposite.

The additional equity injections in the period were used to support further growth plans, such as launching new products, and expansion of commercial capabilities. We continue to successfully navigate the volatility that has been felt across the markets over the course of the year and remain vigilant about the health of the portfolio and the need for follow-on funding during the second half of 2024. Given the size of the portfolio, further opportunities to deploy capital into growing existing investments are expected.

Post period end activity

After the period end, the Company completed three follow-on investments totalling £2.2 million into NorthWest EHealth Limited, which provides software and services to the clinical trials market; Strategic Software Applications Ltd, a London-based SaaS technology provider supporting financial institutions in meeting their regulatory compliance obligations; and Red Flag Alert Technology Group Limited, a Manchester-based proprietary SaaS intelligence platform with modular capabilities spanning compliance, prospecting, risk management and financial health assessments.



HomeLink Healthcare Limited

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



Sprintroom Limited

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



Hexarad Group Limited

In June 2024, the Company completed a £0.7 million follow-on investment into Hexarad Group. The Company initially invested £0.9 million into Hexarad in June 2021, which preceded a £0.7 million follow-on in August 2022. Hexarad is a teleradiology company, supporting NHS and private healthcare providers with access to a diversified pool of radiologists in order to provide fast, accurate diagnosis and enable more timely and higher quality patient care. The latest investment forms part of a larger funding round, including a new third-party investor, to support the ongoing development of the technology, as well as the expansion of the commercial and operational teams.

Manager's Review continued

Realisations

The M&A climate has proven more challenging in recent years in light of macroeconomic conditions, including higher interest rates and geopolitical uncertainty alluded to above. Despite this, we are pleased to report the particularly strong realisations of Callen-Lenz Associates Limited and Specac International Limited, as well as the disposal of two challenged businesses within the portfolio: Crosstown Dough Ltd and So-Sure Limited. Two loans totalling £0.6 million were also fully repaid in the period. We continue to engage with a range of potential acquirers of several portfolio companies and to carefully consider the timing of exit for each. Demand from both private equity and trade buyers remains for high-quality, high-growth businesses.



Callen-Lenz

Callen-Lenz Associates Limited

In May 2024, the Company achieved the successful exit of Callen-Lenz Associates, returning £23.4 million to the Company. Including a further £2.9 million of earnout recognised at the period end, the sale implies a 5.4x cash-on-cash return on the total investment made of £4.9 million, equivalent to an IRR of 124%.

Since investment, we have worked with the board to expand both non-executive and executive leadership, which led to successful product launches and a significant increase in headcount and revenue. With the business focus successfully transitioned from R&D to commercial sales, the exit will facilitate continued growth.



Specac International Limited

In March 2024, the Company announced the sale of Specac International, a leading manufacturer of high-specification sample analysis and preparation equipment used in testing and research laboratories worldwide, primarily supporting infrared spectroscopy. The transaction generated proceeds of £11.2 million at completion. When added to £1.5 million of cash returned pre-exit, this implies a total cash-on-cash return of 10.3x, equivalent to an IRR of 33%, with a further £704,000 of deferred consideration recognised at the period end. Since investment, the business has grown to sell globally through both original equipment manufacturers ("OEMs") and distributors. We also engaged with the team to support management team changes, improvements in governance, headcount and numerous product launches, as well as a major site move. The exit will facilitate the continued growth of the business.

CROSSTOWN

Crosstown Dough Limited

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

so-sure

So-Sure Limited

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

Manager's Review continued

Realisations in the period ended 30 June 2024

Company	Detail	Total invested (£)	Accounting cost at date of disposal (£)	Exit proceeds and deferred consideration (£)	Total return (£)
Callen-Lenz Associates Limited ¹	Full disposal	4,875,000	4,875,000	26,266,395	26,266,395
Specac International Limited ²	Full disposal	1,300,000	2,054,761	11,876,787	13,326,804
Crosstown Dough Ltd	Full disposal	1,500,000	1,500,000	—	—
So-Sure Limited ³	Full disposal	1,600,000	1,600,000	11,429	11,429
Spektrix Limited	Loan repayment	112,873	112,873	112,873	112,873
Positive Response Corporation Ltd	Loan repayment	100,000	100,000	100,000	100,000
		9,487,873	10,242,634	38,367,484	39,817,501

1. Includes £2,894,000 of deferred consideration which has been recognised within debtors.

2. Includes £704,000 of deferred consideration which has been recognised within debtors. Accounting cost includes an uplift of £1,254,761 on transfer into the Company on merger with Foresight 3 VCT plc.

3. Includes £11,000 of deferred consideration which has been recognised within debtors.

Pipeline

As at 30 June 2024, the Company had cash reserves of £64.5 million, which will be used to fund new and follow-on investments, buybacks, dividends and corporate expenditure. We are seeing a strong pipeline of new opportunities, with several opportunities in due diligence or in exclusivity, with further deal completions expected to be announced in the months to follow.

The outlook for the UK economy is more favourable during the year to date, with inflation returning to historic norms over the last 12 months. Consumer spending remains squeezed however, resulting from stubbornly higher interest rates and the effects of recent high inflation still being felt. Conflicts in Ukraine and Gaza continue to impact supply chains and erode confidence.

Global markets have proven to be exceptionally volatile so far in 2024, which recently gave rise to some concern within the market about a US recession which would have far-reaching consequences globally. Against this unsettled backdrop, the UK economy is performing reasonably well and UK companies continue to seek both the capital and experience to help deliver growth in uncertain times.

With a broad network of deal introducers across the UK and internationally, and through its growing network of regional offices, we continue to see a large volume of attractive investment opportunities. This is not expected to change in the medium term. We continue to pursue a balanced strategy, targeting companies from a range of sectors and at different stages of maturity to combat market volatility.



Manager’s Review continued

Key portfolio developments

Material changes in valuation, defined as increasing or decreasing by £1.0 million or more since 31 December 2023, are detailed below. Updates on these companies are included opposite or in the Top Ten Investments section on pages 17 to 20.

Key valuation changes in the period

	Valuation methodology	Valuation change (£)
TLS Holdco Limited ¹	Discounted earnings multiple	2,135,763
Hexarad Group Limited ¹	Price of last funding round	1,685,755
Aerospace Tooling Corporation Limited	Discounted earnings multiple	(1,417,100)

1. Updates included in Top Ten Investments section on pages 17 and 18.



Aerospace Tooling Corporation Limited (“ATL”)

ATL provides specialist inspection, maintenance, repair and overhaul services for components in high-specification aerospace and turbine engines.

30 June 2024 update

ATL saw an improvement in revenue and gross profit compared to the prior year; however, electricity costs in the year to 30 June 2024 increased by 61%, resulting in a reduction in the EBITDA margin. New product development and new customer wins in FY25 should help mitigate the increased overhead costs.



Manager's Review continued

Outlook

2024 has so far been a year of market volatility. Global markets performed strongly in the first six months of the year, with US indexes such as the S&P 500 and NASDAQ delivering consistent gains, albeit largely driven by a handful of high-performing technology companies. Increasing unemployment rates created a sense of anxiety in the US, whilst volatility across the market is expected to continue in the medium term as a result of the ongoing wars in Ukraine and Gaza, which threaten to morph into global conflicts. In addition, nations representing approximately half of the global population are holding or have held elections in 2024, with the polarising US election taking place later in the year. This political uncertainty deepens the sense of instability in the markets.

Despite this challenging backdrop, the UK economy continues to perform relatively well. The FTSE 100 has shown steady gains throughout the year, rather than the significant gains and losses driven by highly valued technology companies seen in the US. GDP growth forecasts for the year are modest but exceed the expectations set earlier in 2024. Inflation has returned to historic levels, despite evidence which suggests that increased costs continue to be passed on to consumers, eroding spending power. As a result, the base interest rate has been held at 5% or over until September, with further reductions likely to be measured. The first Labour government in over a decade appears relatively moderate and business-friendly, but is yet to announce its first budget, which could have wide-ranging consequences for small businesses in the UK.

In light of the volatile global economy and geopolitical environment, and a UK economy that is showing moderate signs of growth, the Company has performed well in the year to date. NAV Total Return in the year to date is 5.9%. Strong exits from Specac and Callen-Lenz have significantly contributed to the 3.3p dividend paid in July and a very attractive dividend yield of 14.3% (based on the mid-market share price as at 30 June 2024 of 58.0p). The disappointing exits of So-Sure and Crosstown, however, exemplify the current challenges faced by businesses linked to consumer spending. The Company maintains a balanced portfolio across different sectors and stages of the business lifecycle, which should stand it in good stead to face the volatility ahead. Our hands-on approach to challenges and exit planning continues to add value to the portfolio companies.

Looking to the remainder of 2024 and beyond, it would be reasonable to expect further volatility given the geopolitical and economic environment. The US election could have far-reaching consequences, while few concrete details have yet emerged on the new UK government's first budget. Interest rates are likely to remain relatively high in the medium term, although this may create opportunities for equity investors to support SMEs put off by the cost of debt.

On the optimistic side, the UK's relatively low market volatility and moderate government should mean it remains an attractive place to do business. We expect to see continuing interest in UK companies as acquisition targets for overseas corporations. The UK continues to invest heavily in innovation through world-class universities and support networks, generating a good flow of attractive investment opportunities for us.

We are pleased with the performance in the year to date, with a successful fundraising, high-potential new investments and attractive exits. With inflation returning to historic norms and consumer confidence hopefully improving, there is cause for some optimism looking to the future. Crucially, the portfolio remains diversified across sectors and with a mix of higher-growth and cash-generative businesses, the Company is resilient to headwinds and challenges. The Company has further strengthened its position in the rankings against its peers in the VCT market, which remains an important source of capital for UK entrepreneurs.

James Livingston

Foresight Group LLP

26 September 2024

Case Study

Spektrix Limited

Spektrix is an enterprise software company, providing ticketing, CRM, marketing and fundraising software to the performing arts sector. The company was conceived by two software engineers, Michael Nabarro and Matt Scarisbrick, who had a shared passion for theatre. After spending a few years running his university theatre, Michael experienced first hand the challenge of finding good software for ticket sales and marketing. This led to the pair building the first iteration of the Spektrix system, a cloud-based software that eliminated the need for in-venue servers.

The company initially gained traction with smaller theatres and organisations, such as the Derby Theatre, Cambridge Junction and the Royal Academy of Dramatic Arts. Over time, Spektrix established itself as the leader in the UK market before expanding to the US. The company's recent agreement with Canada-based Artsman further enhanced the company's North American presence.

In addition to regional expansion, Spektrix has also expanded its product offering to include payments. This has served to further embed the company into its customers' workflows and increase the revenue per customer for both new and existing clients.

Spektrix maintains a strategy of continuous platform development, meaning that there are consistent opportunities to build aspects of new functionality outside the core, enabling faster growth, as well as to keep technical debt to a minimum. The company is continuing to build its presence in both the US and in other key markets in the UK and Ireland.

Spektrix is the first and only unified arts CRM and ticketing provider to be certified as a B Corporation, demonstrating its commitment to using business as a force for good to benefit live entertainment organisations, audience members and communities.

Spektrix key facts

Name	Spektrix Limited
Location	37-45 Paul Street, Castle House, London EC2A 4LS
Website	www.spektrix.com
Industry	Technology, Media & Telecommunications
Foresight Enterprise VCT plc investment	£3.0 million

Foresight Enterprise VCT plc ownership %	5.0% (fully diluted)
Stage	Growth stage
Investment date	December 2018
Total investment by funds managed by Foresight Group LLP	£9.9 million (£3.0 million of investment made by Foresight Enterprise VCT plc and £6.9 million of investment made by Foresight VCT plc)

Case Study

Hospital Services Group Limited

Established in 1962, Hospital Services Limited ("HSL") is a specialist healthcare distribution company, which installs, maintains and supplies consumables for a range of diagnostic imaging and healthcare equipment. The company is largely focused on radiology, but also supplies ophthalmic, surgical, endoscopy and other healthcare equipment.

HSL's provision of state-of-the-art healthcare technology, particularly diagnostic-related equipment such as mammography machines, is crucial for early disease detection. This improves patient outcomes and contributes to the efficiency and effectiveness of the UK and Ireland's healthcare systems. HSL's team works in partnership with radiology and surgical teams to develop an understanding of their needs and deliver technologies that meet requirements for accuracy, ease of use, durability and user and patient experience, whilst also providing repair when required.

Since the Company's initial investment, HSL has acquired various other medical companies, including Video South, a specialist supplier of video communication systems within hospital sites; MDI Medical, a leading supplier of high-quality medical devices for patient monitoring, ultrasound imaging, diagnostic instruments and clinical IT systems; and Ergo Viewing Limited, a supplier of high-end medical technology products and services. Earlier this year HSL acquired Orca Medical, a company delivering ultrasound training and equipment to medical professionals.

In September 2023, the Manager supported HSL's acquisition of Ireland-based Fleetwood Healthcare Holdings Limited ("Fleetwood"). Fleetwood distributes endoscopy and surgical device products for use in gastrointestinal endoscopy, urology and theatre procedures. Through a UK subsidiary, MedTech-UK, Fleetwood also provides quality single-use medical devices to NHS hospitals.

Hospital Services Group key facts

Name	Hospital Services Group Limited
Location	30 Wildflower Way, Adelaide Industrial Estate, Belfast BT12 6TA
Website	www.hsl.ie
Industry	Healthcare
Foresight Enterprise VCT plc investment	£1.2 million

Foresight Enterprise VCT plc ownership %	15.6% (fully diluted)
Stage	Income stage
Investment date	September 2015
Total investment by funds managed by Foresight Group LLP	£9.5 million (£1.2 million by Foresight Enterprise VCT plc and £8.3 million by other funds)

About the Manager

The Manager is part of Foresight, a leading investment manager in real assets and capital for growth.

Foresight

The Manager is a leading private equity investment manager, with its parent, Foresight Group Holdings Limited, listed on the London Stock Exchange. Foresight invests in building cleaner energy systems, decarbonising industry and growing the economic potential of ambitious companies.

200+ Institutional investors	c.40,000 Retail investors	45 Investment vehicles
69% Institutional AUM	31% Retail AUM	£12.1bn AUM as at 31 March 2024

Private Equity

Our Private Equity division is one of the most active UK & Ireland regional SME investors, supporting companies through various economic cycles. We partner with promising SMEs across all sectors and deal stages. Each year we review over 3,000 business plans and are currently supporting more than 250 SMEs.

£1.6bn
AUM | 13%



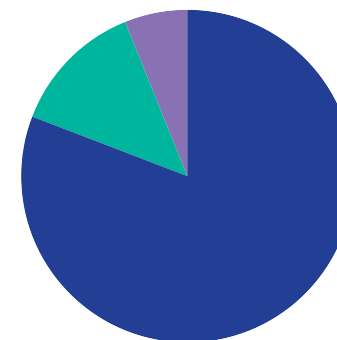
On 9 February 2021, Foresight Group Holdings Limited's shares were unconditionally listed on the premium segment of the Official List maintained by the Financial Conduct Authority (the "FCA") (the "Official List") and admitted to trading on the Main Market of the London Stock Exchange under the ticker "FSG". Since the FCA's new UK Listing Rules came into force on 29 July 2024, Foresight Group Holdings Limited has been automatically transferred to the Equity Shares (Commercial Companies) category on the Official List. Foresight Group Holdings Limited was awarded the LSE's Green Economy Mark, which recognises companies that derive 50% or more of their annual revenues from products and services that contribute to the global green economy.

www.fsg-investors.com

£12.1bn

AUM as at 31 March 2024

Group AUM



Key

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

Top Ten Investments

By value as at 30 June 2024

1. HOSPITAL SERVICES LIMITED

Hospital Services Group Limited

Belfast www.hsl.ie

Sector: Healthcare

Hospital Services Limited ("HSL") is a specialist healthcare distribution business, which installs, maintains and supplies consumables for a range of diagnostic imaging and healthcare equipment. The company is largely focused on radiology, but also supplies ophthalmic, surgical, endoscopy and other healthcare equipment.

30 June 2024 update

HSL has traded strongly in the year to date, following the delivery of several significant projects and the successful integration of Fleetwood Healthcare Holdings Ltd. HSL continued to demonstrate a strong capacity for strategic growth by completing the acquisition of Orca Medical, a Bristol-based specialist supplier of training services and advanced ultrasound scanning equipment.

Initial investment	September 2015
Amount invested (£)	1,200,000
Accounting cost (£)	1,200,000
Valuation (£)	8,017,666
Basis of valuation	Discounted earnings multiple
Equity held (%)	15.6%

2. TRUE LENS SERVICES

TLS HoldCo Limited

Leicestershire www.truelens.co.uk

Sector: General

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

30 June 2024 update

Sales and EBITDA have increased compared to the same period in the prior year. The company's impressive trading performance is reflective of the improvements made in the last 12 months in recruitment and trading and the larger premises. TLS HoldCo Limited continues to focus on future growth and on identifying new products and markets.

Initial investment	December 2015
Amount invested (£)	100
Accounting cost (£)	100
Valuation (£)	7,765,719
Basis of valuation	Discounted earnings multiple
Equity held (%)	42.5%

3. ROXY LEISURE LTD

Roxy Leisure Holdings Limited

Manchester www.roxyleisure.co.uk

Sector: Consumer & Leisure

Roxy Leisure ("Roxy") is a games bar group with venues across the UK. It offers a range of entertainment facilities including pool tables, ping-pong, bowling, shuffleboard, mini golf, arcade games and karaoke.

30 June 2024 update

Whilst macroeconomic headwinds remain, Roxy is outperforming its peers when measured against market data and industry metrics. Revenue growth has continued due to the opening of additional Roxy sites and strong performance from its sister brand King Pins, which focuses on the family bowling market. The second King Pins site saw strong initial trading in the first half of 2024. The site pipeline remains strong with additional openings planned for the second half of 2024 across both the Roxy and King Pins brands.

Initial investment	December 2019
Amount invested (£)	2,500,000
Accounting cost (£)	2,500,000
Valuation (£)	6,021,614
Basis of valuation	Discounted earnings multiple
Equity held (%)	5.6%

Top Ten Investments continued

By value as at 30 June 2024

4. HEXARAD RADIOLOGY

Hexarad Group Limited

London www.hexarad.com

Sector: Healthcare

Hexarad is a teleradiology company, supporting NHS and private healthcare providers with access to a diversified pool of radiologists in order to provide fast, accurate diagnoses and enable more timely and higher quality patient care.

30 June 2024 update

Hexarad continues to grow impressively, with strong revenues and EBITDA in the quarter ended 30 June 2024. Market demand remains high, driven by long UK NHS waiting lists and the critical role of imaging within diagnostic pathways, coupled with an ongoing radiologist shortage. A Series B funding round completed during the quarter, which included funding from a new third party.

Initial investment	June 2021
Amount invested (£)	2,300,034
Accounting cost (£)	2,300,034
Valuation (£)	5,500,497
Basis of valuation	Price of last funding round
Equity held (%)	11.2%

5. SPEKTRIX

Spektrix Limited

London www.spektrix.com

Sector: Technology, Media & Telecommunications

Spektrix is an enterprise software company, providing ticketing, customer relationship management, marketing and fundraising software in the performing arts sector across the UK and the US.

30 June 2024 update

Spektrix has benefited from its clients experiencing improved ticketing income in both the UK and Ireland as well as in the US and Canada. Spektrix remains focused on the integration of a bolt-on acquisition in Canada and has successfully onboarded several of the target's customers onto the Spektrix platform. The newly launched payments offering is also progressing well, with existing clients being onboarded at a steady pace.

Initial investment	December 2018
Amount invested (£)	2,998,350
Accounting cost (£)	2,267,477
Valuation (£)	4,966,190
Basis of valuation	Price of last funding round
Equity held (%)	5.0%

6. fourth wall creative

Fourth Wall Creative Limited

Wirral www.fourthwallcreative.com

Sector: Consumer & Leisure

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

30 June 2024 update

Revenue remains in line with that of the comparable period in the prior year, despite the company experiencing shipping delays due to the conflict in the Middle East. The company remains focused on delivering on its FY24 revenue and EBITDA targets.

Initial investment	April 2019
Amount invested (£)	2,900,000
Accounting cost (£)	2,900,000
Valuation (£)	4,528,559
Basis of valuation	Discounted revenue multiple
Equity held (%)	16.6%

Top Ten Investments continued

By value as at 30 June 2024



NorthWest EHealth Limited ("NWEH")

Manchester

www.nweh.co.uk

Sector: Healthcare

NWEH provides software and services to the clinical trials market, allowing pharmaceutical companies and contract research organisations to conduct feasibility studies, recruit patients and run real world drugs trials.

30 June 2024 update

NWEH's pipeline has three major trials with a total NWEH contract value of £65 million. However, the likely timeline of receipt of revenues from these trials will mean the business requires additional funding. Management has responded by preparing a further cost reduction plan as well as engaging in conversations with debt and equity funders.

Initial investment	June 2021
Amount invested (£)	3,999,999
Accounting cost (£)	3,999,999
Valuation (£)	4,008,145
Basis of valuation	Discounted revenue multiple
Equity held (%)	38.5%



Clubspark Group Ltd

London

www.clubspark.com

Sector: Technology, Media & Telecommunications

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

30 June 2024 update

Clubspark is trading well and continues to build on its key relationships in the global tennis software market with the LTA, USTA, Tennis Australia and the ITF. Each platform provides a unique point of entry to its respective market, given their relationships with the underlying tennis clubs.

Initial investment	January 2019
Amount invested (£)	2,460,000
Accounting cost (£)	2,460,000
Valuation (£)	3,803,131
Basis of valuation	Discounted revenue multiple
Equity held (%)	14.2%



PH Realisations 2020 Limited

Leicestershire

www.truelens.co.uk

Sector: Technology, Media & Telecommunications

PH Realisations 2020 is a specialist provider of lens manufacturing, refurbishment and servicing to the film and television markets.

30 June 2024 update

Sales and EBITDA have increased compared to the same period in the prior year. The company's impressive trading performance is reflective of the improvements made in the last 12 months in recruitment and trading and the larger premises. PH Realisations 2020 Limited continues to focus on future growth and on identifying new products and markets.

Initial investment	April 2013
Amount invested (£)	1,524,993
Accounting cost (£)	2,162,929
Valuation (£)	3,542,148
Basis of valuation	Discounted earnings multiple
Equity held (%)	42.5%

Top Ten Investments continued

By value as at 30 June 2024

10. **BIOFORTUNA**

Biofortuna Ltd

Deeside

www.biofortuna.com

Sector: Healthcare

Biofortuna, established in 2008, is a molecular diagnostics business based in the North West. The company has developed unique expertise in the development and manufacture of freeze-dried, stabilised assays. Biofortuna develops and contract manufactures on behalf of customers from the in vitro diagnostics and broader life sciences sector.

30 June 2024 update

Biofortuna continues to trade well, concluding FY24 ahead of the prior year and with this level of performance being maintained in FY25 to date. The company has recently signed a multi-year manufacturing agreement with a larger customer which is expected to be the first of several products for that specific customer with the pipeline consisting of similar opportunities for other customers. In May, Biofortuna completed the acquisition of a company that provides biological sample storage services at very low temperatures which expands the service offering and provides cross sell opportunities across existing customers.

Initial investment	April 2012
Amount invested (£)	3,517,537
Accounting cost (£)	3,517,537
Valuation (£)	3,471,725
Basis of valuation	Discounted revenue multiple
Equity held (%)	45.0%



Portfolio Overview

Investment by value	30 June 2024		Valuation methodology	31 December 2023	
	Accounting cost £	Valuation £		Accounting cost £	Valuation £
1. Hospital Services Group Limited ¹	1,200,000	8,017,666	Discounted earnings multiple	1,200,000	7,466,881
2. TLS HoldCo Limited ¹	100	7,765,719	Discounted earnings multiple	100	5,629,956
3. Roxy Leisure Holdings Limited ¹	2,500,000	6,021,614	Discounted earnings multiple	2,500,000	6,234,290
4. Hexarad Group Limited ¹	2,300,034	5,500,497	Price of last funding round	1,549,999	3,064,707
5. Spektrix Limited ¹	2,267,477	4,966,190	Price of last funding round	2,380,350	4,352,595
6. Fourth Wall Creative Limited ¹	2,900,000	4,528,559	Discounted revenue multiple	2,900,000	4,585,300
7. NorthWest EHealth Limited ¹	3,999,999	4,008,145	Discounted revenue multiple	3,999,999	4,443,784
8. Clubspark Group Ltd ¹	2,460,000	3,803,131	Discounted revenue multiple	2,460,000	3,881,892
9. PH Realisations 2020 Limited ¹	2,162,929	3,542,148	Discounted earnings multiple	2,162,929	3,353,430
10. Biofortuna Ltd ¹	3,517,537	3,471,725	Discounted revenue multiple	3,517,537	3,457,421
11. HomeLink Healthcare Limited	2,075,047	2,938,219	Price of last funding round	1,075,000	2,323,388
12. Titania Group Limited	1,250,000	2,820,231	Discounted revenue multiple	1,250,000	2,600,656
13. Ten Health & Fitness Limited	2,400,000	2,812,559	Discounted revenue multiple	2,400,000	2,829,283
14. Family Adventures Group Ltd	2,500,000	2,500,000	At cost	—	—
15. Mizaic Ltd	2,400,000	2,485,633	Discounted revenue multiple	2,400,000	2,454,209
16. Itad (2015) Limited	1,371,726	2,293,267	Discounted earnings multiple	1,371,726	1,830,432
17. Copptech UK Limited	2,455,000	2,087,557	Discounted revenue multiple	2,455,000	1,431,535
18. Strategic Software Applications Ltd	1,750,000	2,058,095	Discounted revenue multiple	1,750,000	2,082,367

1. Top Ten Investments by value shown on pages 17 to 20.

Key

Technology, Media & Telecommunications Industrials & Manufacturing Healthcare Business Services Consumer & Leisure Financial Services General

Portfolio Overview continued

Investment by value	30 June 2024		Valuation methodology	31 December 2023	
	Accounting cost £	Valuation £		Accounting cost £	Valuation £
19. Rovco Limited	1,476,880	2,034,385	Price of last funding round	1,476,880	1,942,141
20. Evolve Dynamics Limited	1,999,999	1,999,999	At cost	—	—
21. Red Flag Alert Limited	1,750,000	1,996,037	Discounted revenue multiple	1,750,000	1,799,643
22. Lepide Group Holding Company Limited	1,958,916	1,958,916	At cost	—	—
23. Steamforged Holdings Limited	1,600,000	1,901,435	Discounted revenue multiple	1,600,000	1,791,216
24. Sprintroom Limited	1,760,000	1,877,380	Discounted earnings multiple	1,000,000	1,213,592
25. Positive Response Corporation Ltd	684,195	1,831,962	Discounted revenue multiple	784,195	1,794,413
26. Firefish Software Limited	1,500,000	1,821,153	Discounted revenue multiple	1,500,000	1,915,420
27. I-Mist Group Limited	1,614,500	1,810,177	Discounted earnings multiple	1,614,500	1,733,192
28. Loopr Limited	1,750,000	1,750,000	At cost	1,750,000	1,750,000
29. Navitas Group Limited	1,500,000	1,720,386	Discounted revenue multiple	1,500,000	1,500,000
30. ABL Investments Limited	1,494,075	1,576,190	Discounted earnings multiple	1,494,075	1,535,050
31. Newsflare Limited	2,000,000	1,390,187	Discounted revenue multiple	2,000,000	1,980,632
32. Iphigenie Limited	100	1,264,290	Discounted earnings multiple	100	1,259,719
33. Aerospace Tooling Corporation Limited	415,255	1,098,450	Discounted earnings multiple	415,255	2,515,550
34. Live Group Holdings Limited	1,400,002	1,050,002	Discounted cost	1,400,002	1,400,002
35. Five Wealth Limited	712,500	981,954	Percentage of AUM	712,500	712,500
36. Kognitiv Spark Inc	1,000,000	967,361	Price of last funding round	1,000,000	992,198
37. Whitchurch PE 1 Limited	378,000	631,771	Discounted earnings multiple	378,000	632,099

Key

● Technology, Media & Telecommunications
 ● Industrials & Manufacturing
 ● Healthcare
 ● Business Services
 ● Consumer & Leisure
 ● Financial Services
 ● General

Portfolio Overview continued

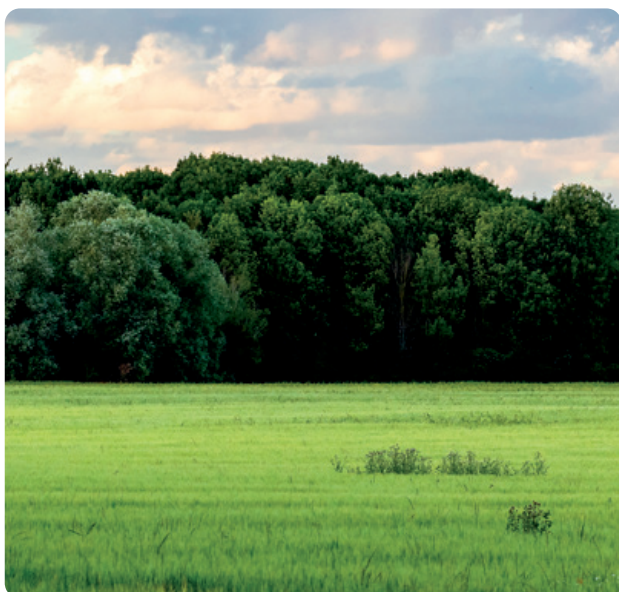
Investment by value	30 June 2024		Valuation methodology	31 December 2023	
	Accounting cost £	Valuation £		Accounting cost £	Valuation £
38. Weduc Holdings Limited	302,941	562,528	Discounted revenue multiple	302,941	621,776
39. Cole Henry PE 2 Limited	200,000	355,796	Discounted earnings multiple	200,000	356,122
40. The KSL Clinic Limited	1,000,000	280,000	Discounted earnings multiple	1,000,000	1,000,000
41. Kingsclere PE 3 Limited	100,000	202,428	Discounted earnings multiple	100,000	202,790
42. Additive Manufacturing Technologies Ltd	1,833,018	45,087	Price of last funding round	1,833,018	36,212
43. Sindicatum Carbon Capital Limited	544,538	—	Nil value	544,538	—
44. Vio Healthtech Limited	689,928	—	Nil value	689,928	—
45. Biotherapy Services Limited	2,250,000	—	Nil value	2,250,000	—
46. Callen-Lenz Associates Limited	—	—	Sold	4,875,000	17,551,767
47. Specac International Limited	—	—	Sold	2,054,761	10,851,677
48. Crosstown Dough Ltd	—	—	Sold	1,500,000	477,052
49. So-Sure Limited	—	—	Sold	1,600,000	—
Total	71,424,696	102,728,829		72,698,333	119,586,889

Key

● Technology, Media & Telecommunications
 ● Industrials & Manufacturing
 ● Healthcare
 ● Business Services
 ● Consumer & Leisure
 ● Financial Services
 ● General

Responsible Investment

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



Although the Company has no specific objective to invest in companies which have an ESG focus, in light of the aforementioned benefits of ‘responsible investment’, ESG values nonetheless form an integral part of the Manager’s day-to-day decision making, with all new investments made since May 2018 subject to ESG due diligence and ongoing ESG monitoring.

This accounts for c.71% of the current portfolio, with the view to reaching 100% as legacy investments are sold over time. Central to the Manager’s investment approach are five key areas which the Manager evaluates, monitors and seeks to improve: strategy and awareness, environmental, social, governance and third-party interactions. The evaluation of each area is supported by quantitative and qualitative data.

The potential for any individual investee company to improve in one of these areas is an important part of the evaluation on initial investment.

Overall, 100 individual key performance indicators are considered under the five principles. The responses give input to an ESG maturity score which is compared to a Foresight SME benchmark. The matrix is reported to the Investment Committee alongside narrative summary, proposed impact metrics and three actions against each of the five principles which form part of the 100-day review.

The Company invests in a wide range of sectors and the Manager’s approach covers the key tests that should be applied to assess a company’s ESG performance, throughout the life cycle of an investment. These key tests include:



Strategy and awareness

Does the business demonstrate a good awareness of corporate social responsibility?

Is this reflected in its processes and management structure?



Environmental

Does the company follow good practice for limiting or mitigating its environmental impact, in the context of its industry?

How does it encourage the responsible use of the world’s resources?



Social

What impact does the company have on its employees, customers and society as a whole?

Is it taking steps to improve the lives of others, either directly, such as through job creation, or indirectly?



Governance

Does the company and its leadership team demonstrate integrity?

Are the correct policies and structures in place to ensure it meets its legislative and regulatory requirements?



Third-party interaction

Is the principle of corporate responsibility evidenced in the company’s supply chain and customers?

How does it promote ESG values and share best practice?

Responsible Investment_{continued}

UN SDGs

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

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

Health

Quality Employment at Scale

Research and Innovation

Sustainable, Inclusive, Local Infrastructure and the Environment

These outcome-focused themes are aligned with the UN's SDGs. They help the Manager assess any opportunities in the business model, and by mapping the Company's investments to them the private equity team can identify the value and benefits for the companies, society and the environment and select metrics on which the portfolio companies will be measured over the life of the investment. This evaluation is coupled with an ongoing evaluation of the ESG progress of the Company's investments according to the five principles approach to allow progress to be tracked and to encourage continuous improvement.

The diagram opposite shows the specific SDGs that the Manager has scope to contribute to across all of its activities.

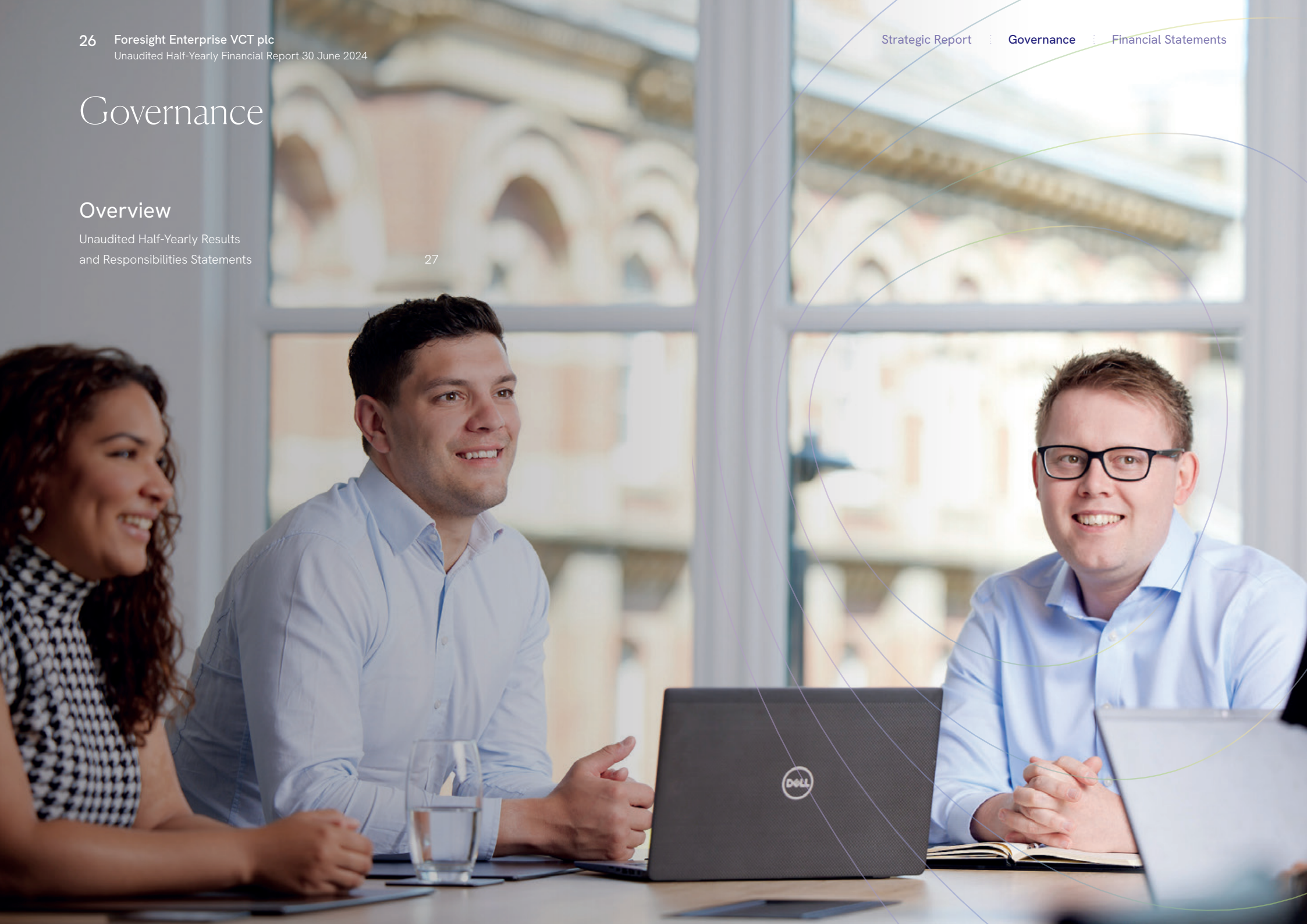


Governance

Overview

Unaudited Half-Yearly Results
and Responsibilities Statements

27



Unaudited Half-Yearly Results and Responsibilities Statements

Principal risks and uncertainties

The principal risks faced by the Company are as follows:

- Market risk
- Strategic and performance risk
- Internal control risk
- Legislative and regulatory risk
- VCT qualifying status risk
- Investment valuation and liquidity risk

The Board reported on the principal risks and uncertainties faced by the Company in the Annual Report and Accounts for the year ended 31 December 2023. A detailed explanation can be found on pages 47 to 49 of the Annual Report and Accounts, which is available on Foresight Enterprise VCT's website www.foresightenterprisevct.com or by writing to Foresight Group LLP at The Shard, 32 London Bridge Street, London SE1 9SG.

In the view of the Board, there have been no changes to the fundamental nature of these risks since the previous Annual Report and Accounts. The emerging risks identified in the previous report included those of climate change, inflationary pressures, interest rates, supply chain issues, energy prices and geopolitical tensions. These emerging risks continue to apply and be monitored. The Board and the Manager continue to follow all emerging risks closely with a view to identifying where changes affect the areas of the market in which portfolio companies operate. This enables the Manager to work closely with portfolio companies, preparing them so far as possible to ensure they are well positioned to endure potential volatility.

Directors' responsibility statement

The Disclosure and Transparency Rules ("DTR") of the UK Listing Authority require the Directors to confirm their responsibilities in relation to the preparation and publication of the Half-Yearly Financial Report.

The Directors confirm to the best of their knowledge that:

- a) The summarised set of financial statements has been prepared in accordance with FRS 104
- b) The Half-Yearly Financial Report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year)
- c) The summarised set of financial statements gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Company as required by DTR 4.2.4R
- d) The Half-Yearly Financial Report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein)

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report of the Annual Report. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are described in the Chair's Statement, Strategic Report and Notes to the Accounts of the 31 December 2023 Annual Report.

In addition, the Annual Report includes the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and 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.

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

The Half-Yearly Financial Report has not been audited nor reviewed by the auditors.

On behalf of the Board

Michael Gray

Chair

26 September 2024

Financial Statements

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Unaudited Income Statement

For the six months ended 30 June 2024

	Six months ended 30 June 2024 (Unaudited)			Six months ended 30 June 2023 (Unaudited)			Year ended 31 December 2023 (Audited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Realised gains on investments	—	25,300	25,300	—	3,411	3,411	—	5,366	5,366
Investment holding (losses)/gains	—	(13,044)	(13,044)	—	1,950	1,950	—	6,405	6,405
Income	1,750	—	1,750	1,048	—	1,048	2,683	—	2,683
Investment management fees	(434)	(2,614)	(3,048)	(373)	(1,573)	(1,946)	(759)	(3,845)	(4,604)
Other expenses	(420)	—	(420)	(417)	—	(417)	(790)	—	(790)
Return on ordinary activities before taxation	896	9,642	10,538	258	3,788	4,046	1,134	7,926	9,060
Taxation	(183)	183	—	—	—	—	(225)	225	—
Return on ordinary activities after taxation	713	9,825	10,538	258	3,788	4,046	909	8,151	9,060
Return per share	0.3p	3.6p	3.9p	0.1p	1.7p	1.8p	0.4p	3.5p	3.9p

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

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

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

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

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

Unaudited Reconciliation of Movements in Shareholders' Funds

For the six months ended 30 June 2024

	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Distributable reserve ¹ £'000	Capital reserve ¹ £'000	Revaluation reserve £'000	Total £'000
As at 1 January 2024	2,567	102,801	679	44,046	(31,047)	49,430	168,476
Share issues in the period	171	10,894	—	—	—	—	11,065
Expenses in relation to share issues	—	(348)	—	—	—	—	(348)
Repurchase of shares	(88)	—	88	(5,460)	—	—	(5,460)
Realised gains on disposal of investments	—	—	—	—	25,300	—	25,300
Investment holding losses	—	—	—	—	—	(13,044)	(13,044)
Dividends paid	—	—	—	(13,200)	—	—	(13,200)
Management fees charged to capital	—	—	—	—	(2,614)	—	(2,614)
Revenue return for the period before taxation	—	—	—	896	—	—	896
Taxation for the period	—	—	—	(183)	183	—	—
As at 30 June 2024	2,650	113,347	767	26,099	(8,178)	36,386	171,071

1. Reserve is available for distribution, total distributable reserves at 30 June 2024 are £17,921,000 (31 December 2023: £12,999,000).

Unaudited Balance Sheet

At 30 June 2024

Registered number: 03506579

	As at 30 June 2024 (Unaudited) £'000	As at 30 June 2023 (Unaudited) £'000	As at 31 December 2023 (Audited) £'000
Fixed assets			
Investments held at fair value through profit or loss	102,729	107,332	119,587
Current assets			
Debtors	5,418	3,341	2,726
Cash and cash equivalents	64,515	39,012	47,843
Total current assets	69,933	42,353	50,569
Creditors			
Amounts falling due within one year	(1,591)	(1,531)	(1,680)
Net current assets	68,342	40,822	48,889
Net assets	171,071	148,154	168,476
Capital and reserves			
Called-up share capital	2,650	2,337	2,567
Share premium account	113,347	83,327	102,801
Capital redemption reserve	767	606	679
Distributable reserve	26,099	47,864	44,046
Capital reserve	(8,178)	(30,955)	(31,047)
Revaluation reserve	36,386	44,975	49,430
Equity Shareholders' funds	171,071	148,154	168,476
Net Asset Value per share	64.5p	63.4p	65.6p

Unaudited Cash Flow Statement

For the six months ended 30 June 2024

	Six months ended 30 June 2024 (Unaudited) £'000	Six months ended 30 June 2023 (Unaudited) £'000	Year ended 31 December 2023 (Audited) £'000
Cash flow from operating activities			
Loan interest received from investments	401	636	1,238
Dividends received from investments	165	—	175
Other income received from investments	—	—	71
Deposit and similar interest received	979	412	1,190
Investment management fees paid	(1,747)	(1,485)	(3,029)
Performance incentive fee paid	(1,115)	—	(734)
Secretarial fees paid	(101)	(91)	(197)
Other cash payments	(240)	(288)	(549)
Net cash outflow from operating activities	(1,658)	(816)	(1,835)
Cash flow from investing activities			
Purchase of investments	(8,969)	(7,608)	(17,652)
Net proceeds on sale of investments	34,486	16,430	20,572
Net proceeds on deferred consideration	1,057	—	669
Net cash inflow from investing activities	26,574	8,822	3,589
Cash flow from financing activities			
Proceeds of fundraising	9,182	14,685	34,910
Expenses of fundraising	(535)	(360)	(474)
Repurchase of own shares	(5,432)	(1,448)	(6,504)
Equity dividends paid	(11,459)	(6,685)	(6,657)
Net cash (outflow)/inflow from financing activities	(8,244)	6,192	21,275
Net inflow of cash in the period	16,672	14,198	23,029

	Six months ended 30 June 2024 (Unaudited) £'000	Six months ended 30 June 2023 (Unaudited) £'000	Year ended 31 December 2023 (Audited) £'000
Reconciliation of net cash flow to movement in net funds			
Increase in cash and cash equivalents for the period	16,672	14,198	23,029
Net cash and cash equivalents at start of period	47,843	24,814	24,814
Net cash and cash equivalents at end of period	64,515	39,012	47,843

Analysis of changes in net debt

	At 1 January 2024 £'000	Cash flow £'000	At 30 June 2024 £'000
Cash and cash equivalents	47,843	16,672	64,515

Notes to the Unaudited Half-Yearly Results

For the six months ended 30 June 2024

1

The Unaudited Half-Yearly Financial Report has been prepared on the basis of the accounting policies set out in the statutory accounts of the Company for the year ended 31 December 2023. Unquoted investments have been valued in accordance with IPEV Valuation Guidelines (as updated in December 2022 including further COVID-19 guidance in March 2020).

2

These are not statutory accounts in accordance with S436 of the Companies Act 2006 and the financial information for the six months ended 30 June 2024 and 30 June 2023 has been neither audited nor formally reviewed. Statutory accounts in respect of the year ended 31 December 2023 have been audited and reported on by the Company's auditors and delivered to the Registrar of Companies and included the report of the auditors which was unqualified and did not contain a statement under S498(2) or S498(3) of the Companies Act 2006. No statutory accounts in respect of any period after 31 December 2023 have been reported on by the Company's auditors.

3

Copies of the Unaudited Half-Yearly Financial Report will be sent to Shareholders via their chosen method and will be available for inspection at the Registered Office of the Company at The Shard, 32 London Bridge Street, London SE1 9SG.

4 Net Asset Value per share

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

	Net assets	Number of shares in issue
30 June 2024	£171,071,000	265,024,186
30 June 2023	£148,154,000	233,691,676
31 December 2023	£168,476,000	256,728,468

5 Return per share

The weighted average number of shares used to calculate the respective returns are shown in the table below.

	Shares
Six months ended 30 June 2024	271,618,784
Six months ended 30 June 2023	225,472,482
Year ended 31 December 2023	230,692,970

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

6 Income

	Six months ended 30 June 2024 £'000	Six months ended 30 June 2023 £'000	Year ended 31 December 2023 £'000
Deposit and similar interest received	979	412	1,190
Loan stock interest	606	636	1,247
Dividends receivable	165	—	175
Other income	—	—	71
Total income	1,750	1,048	2,683

Notes to the Unaudited Half-Yearly Results continued

For the six months ended 30 June 2024

7 Investments at fair value through profit or loss

	£'000
Book cost as at 1 January 2024	72,698
Investment holding gains	46,889
Valuation at 1 January 2024	119,587
Movements in the period:	
Purchases	8,969
Disposal proceeds ¹	(34,486)
Realised gains ²	24,243
Investment holding losses ³	(15,584)
Valuation at 30 June 2024	102,729
Book cost at 30 June 2024	71,424
Investment holding gains	31,305
Valuation at 30 June 2024	102,729

1. The Company received £34,486,000 from the disposal of investments during the period. The book cost of these investments when they were purchased was £10,243,000. These investments have been revalued over time and until they were sold, any unrealised gains or losses were included in the fair value of the investments.
2. Realised gains in the Income Statement include deferred consideration receipts from Datapath Group Limited (£583,000), Codeplay Software Limited (£463,000) and Mologic Ltd (£11,000).
3. Investment holding losses in the Income Statement include the deferred consideration debtor increase of £2,540,000. The debtor movement reflects the recognition of amounts receivable from Callen-Lenz Associates Limited (£2,894,000), Specac International Limited (£704,000) and So-Sure Limited (£11,000) offset by receipts from Datapath Group Limited (£583,000), Codeplay Software Limited (£463,000) and Mologic Ltd (£11,000) and a provision made against the balance potentially due from Ixaris Systems Ltd (£12,000).

8 Related party transactions

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

9 Performance incentive fee

In order to incentivise the Manager to generate enhanced returns for Shareholders, the Manager is entitled to a performance incentive fee, designated a share-based payment due to its nature. This fee is equal to 15% of dividends paid to Shareholders, subject to the total return (Net Asset Value plus cumulative dividends paid per share on or after 11 January 2011) exceeding 100p ("High Watermark"), both immediately before and after the performance incentive fee is paid. After each distribution is made to Shareholders where a performance incentive is paid, the High Watermark required to be achieved by the Company to trigger a further performance incentive fee will be amended to take account of the dividend paid.

A £1,115,000 performance incentive fee was paid during the period (31 December 2023: £734,000) following the January 2024 dividend. The High Watermark as at 19 January 2024 was at 110.3p. The total return as at 19 January 2024 was 113.1p. As a result of performance incentive fee payments made in the current and previous years, the High Watermark as at 30 June 2024 was 112.7p (31 December 2023: 110.3p). The total return as at 30 June 2024 was 117.2p (31 December 2023: 113.1p). At 30 June 2024, the Company has accrued an amount of £1,312,000 in relation to future performance incentive fees as it is considered likely such payment will become due over the medium term (31 December 2023: £1,115,000).

10 Transactions with the Manager

Foresight Group LLP advises the Company on investments under an agreement dated 30 July 2004. During the period, Foresight Group LLP earned fees of £1,736,000 (30 June 2023: £1,492,000; 31 December 2023: £3,035,000). A performance incentive fee of £1,115,000 (30 June 2023: £nil; 31 December 2023: £734,000) was paid in the period with an additional provision of £1,312,000 (30 June 2023: £734,000; 31 December 2023: £1,115,000) recognised as at the period end.

During the period, administration services of a total cost of £101,000 (30 June 2023: £91,000; 31 December 2023: £197,000) were delivered to the Company by Foresight Group LLP, Company Secretary.

At 30 June 2024, the amount due from Foresight Group LLP was £46,000 (30 June 2023: £nil; 31 December 2023: (£8,000)).

Glossary of Terms

VCT	A Venture Capital Trust as defined in the Income Tax Act 2007.
Net Asset Value or NAV	The Net Asset Value ("NAV") is the amount by which total assets exceed total liabilities, i.e. the difference between what the Company owns and what it owes. It is equal to Shareholders' equity, sometimes referred to as Shareholders' funds.
Net Asset Value per share or NAV per share	Net Asset Value expressed as an amount per share.
NAV Total Return	The NAV per share at the end of the period of 64.5p (30 June 2023: 63.4p; 31 December 2023: 65.6p) plus all dividends paid per share during the period being 5.0p (30 June 2023: 3.3p; 31 December 2023: 3.3p). As such, NAV Total Return over the period was 69.5p (30 June 2023: 66.7p; 31 December 2023: 68.9p).
Movement in NAV Total Return	This is the movement in the NAV per share at the start of the period to the NAV per share at the end of the period plus all dividends paid per share in the period. The NAV per share at the start of the period was 65.6p (30 June 2023: 64.9p; 31 December 2023: 64.9p). Therefore, the movement in NAV Total Return in the period is 5.9% (30 June 2023: 2.8%; 31 December 2023: 6.2%).
Discount to NAV	A discount to NAV is the percentage by which the mid-market share price of the Company of 58.0p (30 June 2023: 58.5p; 31 December 2023: 57.5p) is lower than the Net Asset Value per share as at the period end of 64.5p (30 June 2023: 63.4p; 31 December 2023: 65.6p), giving a discount to NAV of 10.1% (30 June 2023: 7.7%; 31 December 2023: 12.3%).
Dividends paid in the period	The total dividends per share paid in the period of 5.0p (30 June 2023: 3.3p; 31 December 2023: 3.3p).
Dividend yield	The sum of dividends paid during the period of 5.0p (30 June 2023: 3.3p; 31 December 2023: 3.3p) expressed as a percentage of the mid-market share price at the period end date of 58.0p (30 June 2023: 58.5p; 31 December 2023: 57.5p), giving a dividend yield of 8.6% (30 June 2023: 5.6%; 31 December 2023: 5.7%).

Shares bought back in the period	The total number of shares which were bought back in the period, being 8,851,870 (30 June 2023: 3,304,720; 31 December 2023: 10,576,192).
Average discount on buybacks	The average of the percentage by which the buyback price is lower than the Net Asset Value per share at the point of the buyback.
Ongoing charges ratio	The sum of expenditure incurred in the ordinary course of business after adding back any performance incentive fees recognised to total expenses in the period being £2.1 million (30 June 2023: £1.9 million; 31 December 2023: £3.8 million), expressed as a percentage of the average of the quarterly net assets throughout the period in accordance with the AIC's recommended guidance, after adding back special dividends paid during the period being £185.4 million (30 June 2023: £148.2 million; 31 December 2023: £168.5 million), adjusted for the number of months in the period in order to give an annual figure.
Qualifying Company	A company satisfying certain conditions under the VCT legislation. The conditions are detailed but include that the company must be unquoted (companies listed on AIM or AQUIS can qualify), have a permanent establishment in the UK, apply the money raised for the purposes of growth and development of a qualifying trade within a certain time period and not be controlled by another company. There are additional restrictions relating to the size and stage of the company to focus investment into earlier-stage businesses, as well as maximum investment limits (certain of such restrictions and limits being more flexible for "knowledge intensive" companies). VCT funds cannot be used by a Qualifying Company to acquire shares in another company or a trade.
Qualifying investment	An investment which consists of shares or securities first issued to the VCT (and held by it ever since) by a Qualifying Company and satisfying certain conditions under the VCT legislation.
Manager	Foresight Group LLP.
Foresight	Foresight Group Holdings Limited and its subsidiary companies and undertakings (which includes the Manager).

Financial Conduct Authority

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



Beware of share fraud

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

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

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

How to avoid share fraud

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

Report a scam

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

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

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

In association with



Corporate Information

Company number

03506579

Directors

Michael Gray (Chair)
Gaynor Coley
Ian Harris
Kavita Patel (Deputy Chair)
Raymond Abbott (resigned 11 June 2024)

Company Secretary

Foresight Group LLP

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SE1 9SG

Manager

Foresight Group LLP

The Shard
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London
SE1 9SG

Auditor

Deloitte LLP

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Solicitors and VCT status advisers

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and

60 Gracechurch Street
London
EC3V 0HR

Registrar

Computershare Investor Services plc

The Pavilions
Bridgwater Road
Bristol
BS99 6ZZ

Market maker

Panmure Liberum Limited

One New Change
London
EC4M 9AF

Banker

Barclays Bank plc

1 Churchill Place
Leicester
LE87 2BB

Additional Information

Privacy policy

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

Share buyback dates

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

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

Trading shares

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

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

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

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

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

Important information

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

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

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

Shareholder Information

Foresight Enterprise VCT plc is a Venture Capital Trust aiming to provide investors with attractive returns from a portfolio of investments in fast-growing, unquoted UK companies.

For details on the Company's investment policy please refer to the Strategic Report in the 2023 Annual Report.

Enquiries

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

020 3667 8181

InvestorRelations@foresightgroup.eu

www.foresightenterprisevct.com

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

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

Dividends

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

- Receive your dividends in sterling via direct credit to a UK domiciled bank account
- Reinvest your dividends for additional shares in the Company through our dividend reinvestment scheme

Key dates

Annual results to 31 December 2024	April 2025
Annual General Meeting	June 2025
Interim results to 30 June 2025	September 2025

www.investorcentre.co.uk

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

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

Holding enquiry

Balances | Values history | Payments | Reinvestments

Payments enquiry

Dividends | Other payment types

Address change

Change registered address to which all communications are sent

Bank details update

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

Outstanding payments

Reissue payments using our online replacement service

Downloadable forms

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

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

Notes



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Foresight Enterprise VCT plc

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