

FORESIGHT SOLAR VCT PLC  
UNAUDITED HALF-YEARLY FINANCIAL REPORT  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2012





# Foresight Solar VCT plc

## 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. The key objective of Foresight Solar VCT plc is to distribute 130.0p per Ordinary Share through a combination of tax-free income, buy-backs and tender offers before the fifth anniversary of the closing date of the original offer.

## VCT Tax Benefit for Shareholders beyond 6 April 2006

To obtain VCT tax reliefs on subscriptions up to £200,000 per annum, a VCT investor must be a 'qualifying' individual over the age of 18 with UK taxable income. The tax reliefs for subscriptions 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 (including capital distributions of realised gains on investments) are not subject to income tax.
- Capital gains on disposal of VCT shares are tax free, whenever the disposal occurs.

**Website: [www.foresightgroup.eu](http://www.foresightgroup.eu)**

## Summary

- Net asset value total return per Ordinary Share in the six months to 31 December 2012 was 6.3%, representing an uplift in net asset value to 102.5p (30 June 2012: 98.8p).
- In line with original expectations, an interim dividend of 2.5p per Ordinary Share will be paid to shareholders on 12 April 2013. The dividend will have an ex dividend date of 20 March 2013 and a record date of 22 March 2013.
- A small further investment of £6,820 was made into Foresight Luxembourg Solar 2 S.à.r.l during the period 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 has decided to launch a "C" Shares fund 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).

## Financial Highlights

## Contents

Chairman's Statement	1
Investment Manager's Report	2
Investment Summary	3
Unaudited Half-Yearly Financial Report and Responsibility Statements	6
Unaudited Income Statement	7
Unaudited Balance Sheet	8
Unaudited Reconciliation of Movements in Shareholders' Funds	8
Unaudited Summary Cash Flow Statement	9
Notes to the Unaudited Half-Yearly Financial Report	10
Shareholder Information	12

	Six months ended 31 December 2012	Year ended 30 June 2012
Net asset value per Ordinary Share	102.5p	98.8p
Revenue return per Ordinary Share	3.2p	0.1p
Capital return per Ordinary Share	3.2p	5.1p
Total return per Ordinary Share	6.4p	5.2p
Share price per Ordinary Share	90.9p	93.0p

# Chairman's Statement

## Results

I am pleased to be able to report on a period of robust performance from the Company's portfolio of solar investments. Despite the recent wet weather in the UK, the plants are performing in line with or better than original expectations. This has resulted in a 3.8% increase in net asset value to 102.5p at 31 December 2012 from 98.8p at 30 June 2012. All of the investments are more fully described 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 will be paid to shareholders on 12 April 2013, making 5.0p per Ordinary Share in total. The dividend will have an ex-dividend date of 20 March 2013 and a record date of 22 March 2013.

## 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 has 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 will be launched as a separate "C" Share class whose assets and liabilities will be segregated from those of the Ordinary Shares fund, will be 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 is expected to be available during February 2013.

## 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. A refinancing of existing projects is being considered to release 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 is being proposed to shareholders 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

15 February 2013



## Investment Manager's Report

The six months to 31 December 2012 has been a period of consolidation following the new investment activity over the previous 12 months. Operational improvements have been made across a number of the portfolio companies contributing to the technical performance of the PV plants being some 5% better than anticipated. Cash generation across the portfolio is facilitating dividend distributions in line with expectations.

The UK photovoltaic ("PV") solar market has grown to more than 1.8 gigawatts and the Department of Energy and Climate Change (DECC) is now very supportive of the sector given that equipment prices have fallen significantly over the last 18-24 months. The larger scale ground based UK solar market is now focused on the ROC subsidy mechanism. This is a widely understood subsidy mechanism that has been in place for more than 10 years in the UK to support the wind sector. The ROC rate for UK solar PV is 2 ROCs per MW/hour for plants connected by 1 April 2013 and 1.6 ROCs for plants connected in the following 12 months. At these levels of subsidies, current and anticipated equipment pricing will facilitate investment returns that meet the VCT's criteria and, combined with a large pipeline of projects in development in the market, provide opportunities for further investment.

Returns to existing shareholders can be enhanced by refinancing part of the existing portfolio to release funds that can be re-invested in further projects under the ROC scheme. This should enhance the equity return on the existing portfolio and generate further yield on the new investments. As a result, we anticipate a progression in the dividend rate and expect that a larger portfolio should command a greater exit premium when the investments are sold. We are now actively exploring refinancing options with a view to finalising this in the quarter ending 30 June 2013.

The size of the available pipeline also justifies the issue of a "C" Share class which may invest together with the Ordinary Share class and other Foresight Group funds depending on availability of funding. A separate Circular will be issued to shareholders on the proposed new share issue.

### Portfolio Review

Output from the UK portfolio was 7% above expectation for the calendar year ended December 2012. Most of this over performance was due to better technical operation of the plant. For example, the high voltage cable has been relocated at the Kent Solar farm so that the VCT's portfolio companies benefit from lower losses of energy as the electricity travels from the point of generation to the grid connection point. Insurance and power purchase agreements are also being consolidated in order to improve commercial terms and/or efficiencies.

The better than expected performance of the UK portfolio has resulted in an associated uplift in valuation and an increase in net asset value. The Spanish project valuation has however been reduced by 25% reflecting unexpected regulatory changes in connection with tax and the level of indexation applied to the feed-in tariff revenues.

A small investment is expected to be completed after the period end, in Greensite Ltd which owns a fully FiT accredited 100 kilowatt roof top PV plant on a farm in Herefordshire.

### Outlook

UK solar PV installations are expected to grow rapidly at least until 1 April 2014 based on ROC subsidy support. The VCT can use this opportunity to enhance investment returns generated by the existing portfolio by using refinancing proceeds to build a bigger portfolio that should generate more yield and value on an exit. In the meantime we expect to maintain a minimum dividend rate of 5% per annum.

### Jamie Richards

Head of Infrastructure  
Foresight Group  
15 February 2013

# Investment Summary

Investment	31 December 2012			30 June 2012	
	Amount Invested £	Valuation £	Valuation Methodology	Amount Invested £	Valuation £
<b>Kent Solar Project</b>					
Umbriel Solar 07 Limited	1,000,000	1,161,686	Discounted cashflow	1,000,000	1,079,200
Miranda Solar 09 Limited	1,000,000	1,161,415	Discounted cashflow	1,000,000	1,079,200
Enceladus Solar 02 Limited	1,000,000	1,161,414	Discounted cashflow	1,000,000	1,079,200
Oberon Solar 05 Limited	1,000,000	1,161,414	Discounted cashflow	1,000,000	1,079,200
Ariel Solar 08 Limited	1,000,000	1,154,729	Discounted cashflow	1,000,000	1,079,200
Rugby Solar Limited	1,000,000	1,154,728	Discounted cashflow	1,000,000	1,079,200
Saturn Solar 04 Limited	1,000,000	1,154,728	Discounted cashflow	1,000,000	1,079,200
Tethys Solar 01 Limited	1,000,000	1,154,728	Discounted cashflow	1,000,000	1,079,200
Titania Solar 06 Limited	1,000,000	1,154,728	Discounted cashflow	1,000,000	1,079,200
Blyth Solar Limited	1,000,000	1,153,668	Discounted cashflow	1,000,000	1,079,200
	<b>10,000,000</b>	<b>11,573,238</b>		<b>10,000,000</b>	<b>10,792,000</b>
<b>Malmesbury Solar Project</b>					
Hull Solar Limited	1,000,000	1,189,671	Discounted cashflow	1,000,000	1,119,700
Sark Solar Limited	1,000,000	1,189,671	Discounted cashflow	1,000,000	1,119,700
Bude Solar Limited	1,000,000	1,189,670	Discounted cashflow	1,000,000	1,119,700
Kesh Solar Limited	1,000,000	1,182,834	Discounted cashflow	1,000,000	1,119,700
Liss Solar Limited	1,000,000	1,182,834	Discounted cashflow	1,000,000	1,119,700
Rhyl Solar Limited	1,000,000	1,182,832	Discounted cashflow	1,000,000	1,119,700
Looe Solar Limited	1,000,000	1,182,788	Discounted cashflow	1,000,000	1,119,700
Bute Solar Limited	500,000	557,042	Discounted cashflow	500,000	545,900
	<b>7,500,000</b>	<b>8,857,342</b>		<b>7,500,000</b>	<b>8,383,800</b>
<b>Puriton Solar Project</b>					
Puck Solar 10 Limited	1,000,000	1,094,052	Discounted cashflow	1,000,000	1,025,400
Proteus Solar 14 Limited	1,000,000	1,092,848	Discounted cashflow	1,000,000	1,025,400
Diss Solar Limited	1,000,000	1,008,554	Discounted cashflow	1,000,000	1,025,400
Triton Solar 13 Limited	1,000,000	1,008,554	Discounted cashflow	1,000,000	1,025,400
Uranus Solar 11 Limited	1,000,000	1,008,554	Discounted cashflow	1,000,000	1,025,400
Neried Solar 12 Limited	1,000,000	1,003,848	Discounted cashflow	1,000,000	1,025,400
Deal Solar Limited	1,000,000	1,003,805	Discounted cashflow	1,000,000	1,025,400
	<b>7,000,000</b>	<b>7,220,215</b>		<b>7,000,000</b>	<b>7,177,800</b>
<b>Italian Solar Project</b>					
Foresight VCT (Lux) 1 S.à.r.l	3,975,254	5,159,249	* Discounted cashflow	4,385,759	4,847,964
Foresight VCT (Lux) 2 S.à.r.l	10,854	10,854	Cost	10,854	10,854
	<b>3,986,108</b>	<b>5,170,103</b>		<b>4,396,613</b>	<b>4,858,818</b>
<b>Bridgewater Solar Project</b>					
Neptune Solar 15 Limited	1,000,000	1,088,912	Discounted cashflow	1,000,000	1,064,300
Bury Solar Limited	1,000,000	1,082,915	Discounted cashflow	1,000,000	1,064,300
Charon Solar 16 Limited	1,000,000	1,082,959	Discounted cashflow	1,000,000	1,064,300
	<b>3,000,000</b>	<b>3,254,786</b>		<b>3,000,000</b>	<b>3,192,900</b>
<b>Spanish Solar Project</b>					
Foresight Luxembourg Solar 2 S.à.r.l	2,325,786	1,598,542	* Cost less 25%	2,318,966	2,105,510
	<b>2,325,786</b>	<b>1,598,542</b>		<b>2,318,966</b>	<b>2,105,510</b>
	<b>33,811,894</b>	<b>37,674,226</b>		<b>34,215,579</b>	<b>36,510,828</b>

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 in current assets 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 in value 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.

Detail on the projects above listed by values are shown on pages 4 to 5.



## Investment Summary continued

Foresight Solar VCT plc has invested in the below projects via the investment vehicles listed on page 3.

### 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.

<b>First investment</b>	August 2011	
<b>Voting rights within each project investment vehicle</b>	49%	<b>No statutory accounts prepared since the investment was made</b>
<b>Income received and receivable in the period</b>	£698,013	
<b>Equity at cost</b>	£3,000,000	
<b>Loan stock at cost</b>	£7,000,000	

### 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.

<b>First investment</b>	December 2011	
<b>Voting rights within each project investment vehicle</b>	49%	<b>No statutory accounts prepared since the investment was made</b>
<b>Income received and receivable in the period</b>	£206,665	
<b>Equity at cost</b>	£2,250,000	
<b>Loan stock at cost</b>	£5,250,000	

### 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.

<b>First investment</b>	February 2012	
<b>Voting rights within each project investment vehicle</b>	49%	<b>No statutory accounts prepared since the investment was made</b>
<b>Income received and receivable in the period</b>	£171,701	
<b>Equity at cost</b>	£2,100,000	
<b>Loan stock at cost</b>	£4,900,000	

### 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 joint venture during the period.

			Year Ended 31 March 2012
<b>First investment</b>	June 2011		£'000
<b>% Equity/voting rights within each project investment vehicle</b>	7.8%	Income	196
<b>Income received and receivable in the period</b>	£250,112	Loss before Tax	(17)
<b>Equity at cost</b>	£63,131	Retained profit	-
<b>Loan stock at cost</b>	£3,922,977	Fixed assets	7,111

## Bridgewater Solar

Bridgewater Solar is a 1.9MW operational plant in Bridgewater, 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.

<b>First investment</b>	February 2012	
<b>Voting rights within each project investment vehicle</b>	49%	<b>No statutory accounts prepared since the investment was made</b>
<b>Income received and receivable in the period</b>	£69,771	
<b>Equity at cost</b>	£900,000	
<b>Loan stock at cost</b>	£2,100,000	

## 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. The project 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. Recent regulatory changes in connection with taxation and revenue indexation have impacted the carrying value of this project.

			Year Ended 31 March 2012
<b>First investment</b>	June 2011		£'000
<b>% Equity/voting rights within each project investment vehicle</b>	14%	Income	303
<b>Income received and receivable in the period</b>	£45,569	Profit before Tax	10
<b>Equity at cost</b>	£2,318,966	Retained profit	20
<b>Loan stock at cost</b>	—	Fixed assets	8,369

## 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 Limited, Foresight Environmental Fund LP, Foresight European Solar Fund LP, Foresight Solar EIS, Foresight Sustainable UK Investment Fund ('Foresight Sustainable') and UK Waste Resources and Energy Investments LP. There are no common investments between these funds and Foresight Solar VCT plc.



# Unaudited Half-Yearly Financial Report and Responsibility Statements

## Principal Risks and Uncertainties

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

- Performance
- Regulatory
- Operational; and
- Financial

The Board reported on the principal risks and uncertainties faced by the Company in the Annual Report and Accounts for the year ended 30 June 2012. A detailed explanation can be found on page 9 of the Annual Report and Accounts which is available at [www.foresightgroup.eu](http://www.foresightgroup.eu) or by writing to Foresight Group at ECA Court, 24–26 South Park, Sevenoaks, Kent, TN13 1DU.

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

## Directors' Responsibility Statement:

The Disclosure and Transparency Rules ('DTR') of the UK Listing Authority require the Directors to confirm their responsibilities in relation to the preparation and publication of the Unaudited Half-Yearly Financial Report for the six months ended 31 December 2012.

The Directors confirm to the best of their knowledge that:

- (a) the summarised set of financial statements has been prepared in accordance with the pronouncement on interim reporting issued by the Accounting Standards Board;
- (b) the Unaudited Half-Yearly Financial Report for the six months ended 31 December 2012 includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months of the year and a description of principal risks and uncertainties that the Company faces for the six months of the year);
- (c) the summarised set of financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company as required by DTR 4.2.4R; and
- (d) the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

## Going Concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review on page 8 of the 30 June 2012 Annual Report and Accounts. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are described in the Chairman's Statement, Business Review and Notes to the Accounts of the 30 June 2012 Annual Report and Accounts. In addition, the Annual Report and Accounts includes the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

The Company has considerable financial resources together with investments and income generated therefrom, which benefit from Feed-in-Tariffs guaranteed by the UK Government. 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 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.

The Half-Yearly Financial Report for the six months ended 31 December 2012 has not been audited or reviewed by the auditors.

On behalf of the Board

**David Hurst-Brown**

Chairman

15 February 2013





# Unaudited Balance Sheet

at 31 December 2012

Registered Number: 07289280

	<b>As at 31 December 2012 (unaudited) £'000</b>	As at 31 December 2011 (unaudited) £'000	As at 30 June 2012 (audited) £'000
<b>Fixed Assets</b>			
Investments held at fair value through profit and loss	<b>37,674</b>	29,646	36,511
<b>Current assets</b>			
Debtors	<b>891</b>	1,262	1,240
Money market securities and other deposits	<b>18</b>	5,026	336
Cash	<b>814</b>	139	58
	<b>1,723</b>	6,427	1,634
<b>Creditors</b>			
Amounts falling due within one year	<b>(64)</b>	(411)	(254)
<b>Net current assets</b>	<b>1,659</b>	6,016	1,380
<b>Net assets</b>	<b>39,333</b>	35,662	37,891
<b>Capital and reserves</b>			
Called-up share capital	<b>384</b>	384	384
Share premium account	—	35,929	—
Capital redemption reserve	<b>1</b>	1	1
Profit and loss account	<b>38,948</b>	(652)	37,506
<b>Equity shareholders' funds</b>	<b>39,333</b>	35,662	37,891
<b>Net asset value per Ordinary Share</b>	<b>102.5p</b>	92.9p	98.8p

# Unaudited Reconciliation of Movements in Shareholders' Funds

for the six months ended 31 December 2012

	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total £'000
As at 1 July 2012	384	—	1	37,506	37,891
Expenses in relation to share issues	—	—	—	(48)	(48)
Dividends	—	—	—	(959)	(959)
Capital return for the period	—	—	—	1,219	1,219
Revenue return for the period	—	—	—	1,230	1,230
<b>As at 31 December 2012</b>	<b>384</b>	<b>—</b>	<b>1</b>	<b>38,948</b>	<b>39,333</b>

# Unaudited Summary Cash Flow Statement

for the six months ended 31 December 2012

	<b>Six months ended 31 December 2012 £'000</b>	Six months ended 31 December 2011 £'000	Year ended 30 June 2012 £'000
<b>Cash flow from operating activities</b>			
Dividends received	707	—	—
Investment income received	935	26	36
Deposit and similar interest received	—	6	7
Investment management fees paid	(404)	(233)	(495)
Secretarial fees paid	(80)	(25)	(106)
Other cash payments	(117)	(768)	(232)
<b>Net cash inflow/(outflow) from operating activities and returns on investment</b>	<b>1,041</b>	<b>(994)</b>	<b>(790)</b>
<b>Returns on investment and servicing of finance</b>			
Purchase of investments	(7)	(20,712)	(32,190)
Net proceeds on sale of investments	411	—	7,108
Purchase of financial assets	—	—	(361)
<b>Net capital inflow/(outflow) from financial investment</b>	<b>404</b>	<b>(20,712)</b>	<b>(25,443)</b>
Equity dividends paid	(959)	—	—
<b>Financing</b>			
Proceeds of fund raising	—	5,612	5,577
Expenses of fund-raising	(48)	(219)	(408)
Repurchase of own shares	—	(78)	(98)
	<b>(48)</b>	<b>5,315</b>	<b>5,071</b>
<b>Increase/(decrease) in cash</b>	<b>438</b>	<b>(16,391)</b>	<b>(21,162)</b>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Increase/(decrease) in cash for the period	438	(16,391)	(21,162)
Net cash at start of year	394	21,556	21,556
<b>Net cash at end of year</b>	<b>832</b>	<b>5,165</b>	<b>394</b>

## Analysis of changes in net debt

	1 July 2012 £'000	Cash flow £'000	<b>31 December 2012 £'000</b>
Cash and cash equivalents	394	438	<b>832</b>



# Notes to the Unaudited Half-Yearly Financial Report

for the year six months ended 31 December 2012

- 1 The Unaudited Half-Yearly results have been prepared on the basis of accounting policies set out in the statutory accounts of the Company for the year ended 30 June 2012. Unquoted investments have been valued in accordance with IPEVC guidelines. Quoted investments are stated at bid prices in accordance with UK Generally Accepted Accounting Practice.
- 2 These are not statutory accounts in accordance with S436 of the Companies Act 2006 and the Unaudited Half-Yearly Financial Report for the six months ended 31 December 2012 and 31 December 2011 have been neither audited nor reviewed. Statutory accounts in respect of the period to 30 June 2012 have been audited and reported on by the Company's auditor and delivered to the Registrar of Companies and included the report of the auditor 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 30 June 2012 have been reported on by the Company's auditor or delivered to the Registrar of Companies.
- 3 Copies of the Unaudited Half-Yearly Financial Report for the six months ended 31 December 2012 have been sent to shareholders and are available for inspection at the Registered Office of the Company at ECA Court, 24-26 South Park, Sevenoaks, Kent, TN13 1DU.

Copies of the Unaudited Half-yearly Financial Report for the six months ended 31 December 2012 are also available electronically at [www.foresightgroup.eu](http://www.foresightgroup.eu).

## 4 Net asset value per Ordinary Share

The net asset value per Ordinary Share is based on net assets at the end of the period and the number of Ordinary Shares in issue at that date.

	Net assets £'000	Number of Shares in Issue
31 December 2012	39,333	38,366,252
31 December 2011	35,662	38,387,252
30 June 2012	37,891	38,366,252

## 5 Return per Ordinary Share

	Six months ended 31 December 2012 (unaudited) £'000	Six months ended 31 December 2011 (unaudited) £'000	Year ended 30 June 2012 (audited) £'000
Total return/(loss) after taxation	2,449	(319)	1,932
Total return/(loss) per Ordinary Share (note a)	6.4p	(0.8)p	5.2p
Revenue return from ordinary activities after taxation	1,230	128	19
Revenue return per Ordinary Share (note b)	3.2p	0.4p	0.1p
Capital return/(loss) from ordinary activities after taxation	1,219	(447)	1,913
Capital return/(loss) per Ordinary Share (note c)	3.2p	(1.2)p	5.1p
Weighted average number of shares in issue in the period	38,366,252	36,357,545	37,361,746

Notes:

- a) Total return per Ordinary Share is total return after taxation divided by the weighted average number of shares in issue during the period.
- b) Revenue return per Ordinary Share is revenue return after taxation divided by the weighted average number of shares in issue during the period.
- c) Capital return per Ordinary Share is capital return after taxation divided by the weighted average number of shares in issue during the period.

## 6 Income

	<b>Six months ended 31 December 2012 (unaudited) £'000</b>	Six months ended 31 December 2011 (unaudited) £'000	Year ended 30 June 2012 (audited) £'000
Bank interest	—	6	7
Overseas based Open Ended Investment Companies (OEICs)	—	29	37
Loan stock interest	<b>735</b>	340	444
Dividends received	<b>707</b>	—	—
	<b>1,442</b>	375	488

## 7 Investments held at fair value through profit or loss

	<b>Unquoted &amp; Total £'000</b>
Book cost as at 1 July 2012	34,215
Investment holding gains	2,296
Valuation at 1 July 2012	36,511
Movements in the period:	
Purchases at cost	7
Disposal proceeds	(411)
Investment holding gains	1,567
<b>Valuation at 31 December 2012</b>	<b>37,674</b>
Book cost at 31 December 2012	33,812
Investment holding gains	3,862
<b>Valuation at 31 December 2012</b>	<b>37,674</b>

## 8 Transactions with the manager

Details of arrangements of the Company with Foresight Group are given in the Annual Report and Accounts for the year ended 30 June 2012, 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 £275,000 in the six months ended 31 December 2012.

Foresight Group also provides administration services to the Company, and received fees of £54,000 during the six months ended 31 December 2012. 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).

At the balance sheet date there was £3,414 due to Foresight Group.

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. Foresight Group did not receive any fees of this nature in the six months ended 31 December 2012.

Foresight Group is also a party to the performance incentive agreement described in Note 13 of the Annual Report and Accounts for the year ended 30 June 2012.

Foresight Fund Managers are the Secretary of the Company and received £nil during the six months ended 31 December 2012 for their services.



# 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.

## Share price

The Company's Ordinary 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](http://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 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.

## Indicative financial calendar

October 2013	Announcement of annual results for the year ended 30 June 2013
October 2013	Posting of the Annual Report and Accounts for the year ended 30 June 2013
December 2013	Annual General Meeting
February 2014	Announcement of interim results for the six months ended 31 December 2013

## Open invitation to meet the Investment Manager

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

## Enquiries

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

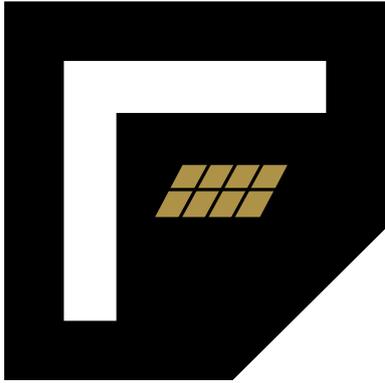
Telephone:	01732 471800
Fax:	01732 471810
e-mail:	<a href="mailto:info@foresightgroup.eu">info@foresightgroup.eu</a>
website:	<a href="http://www.foresightgroup.eu">www.foresightgroup.eu</a>

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.



This report has been printed on recycled offset paper and board.





## Corporate Information

### **Directors**

David Hurst-Brown (Chairman)  
Mike Liston  
Tim Dowlen

### **Investment Manager & Administration providers**

Foresight Group CI Limited  
PO Box 166  
La Plaiderie House  
La Plaiderie  
St Peter Port  
Guernsey  
GY1 4HE

### **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

### **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