



Annual Report and Accounts
31 March 2013



Foresight 4 VCT

Objective

Ordinary Shares

To provide private investors with attractive returns from a portfolio of investments in fast-growing unquoted companies in the United Kingdom. It is the intention to maximise tax-free income available to investors from a combination of dividends and interest received on investments and the distribution of capital gains arising from trade sales or flotations.

C Shares

To achieve capital gains and maximise UK tax-free income to its shareholders from dividends and capital distributions. It is intended that this objective will be achieved by investing the majority of the funds in a portfolio of qualifying investments.

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 from 6 April 2006 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.



For further information go to
www.foresightgroup.eu

Venture Capital Trust Status

Foresight 4 VCT plc (“the Company”) has been granted approval as a Venture Capital Trust (VCT) under S274-S280A of the Income Tax Act 2007 and the last complete review was carried out for the year ended 31 March 2012. It is intended that the business of the Company be carried on so as to maintain its VCT status.

Contents

Meet the Board	2
Highlights	3
Chairman's Statement	4
Investment Manager's Report	6
Investment Summary	13
Directors' Report	22
Directors' Remuneration Report	30
Statement of Directors' Responsibilities	32
Unaudited Non-Statutory Analysis between the Ordinary Shares and C Shares funds	33
Independent Auditor's Report	35
Income Statement	36
Reconciliation of Movements in Shareholders' Funds	37
Balance Sheet	38
Cash Flow Statement	39
Notes to the Accounts	40
Shareholder Information	55
Notice of Annual General Meeting	57

“Foresight 4 VCT plc has been managed by Foresight Group since 2004 and is one of the best performing VCT’s since that date. The Company offers two different types of investment to shareholders via Ordinary and ‘C’ Share portfolios and combined has assets of circa £51m.”

Philip Stephens Chairman



Meet the Board

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

Philip Stephens Chairman

Philip Henry Peter Stephens (71)

Chairman

Philip Stephens retired from Williams de Broe plc in 2002 where he was joint head of corporate finance. He was previously a Managing Director at UBS, which he joined in 1989. He was involved in corporate finance and corporate broking for over thirty-five years. He is currently Non-Executive Chairman of Egdon Resources PLC and Neptune-Calculus Income & Growth VCT plc. Philip is a member of the Audit, Nomination and Remuneration Committees.

Peter Frederick Dicks (70)

Peter Dicks was a founder Director of Abingworth plc in 1973, a successful venture capital company. He is currently a Director of a number of quoted and unquoted companies, including Private Equity Investor plc where he is Chairman, Polar Capital Technology Trust plc, Graphite Enterprise Trust plc and Mears Group plc. In addition, he has been a Director of Foresight VCT plc and Foresight 2 VCT plc since their respective launches in 1997 and 2004 and has been a Director of Foresight 3 VCT plc and Foresight 4 VCT plc since July 2004. He is also Chairman of Unicorn AIM VCT plc. Peter is a member of the Audit, Nomination and Remuneration Committees.

Raymond James Abbott (54)

Raymond Abbott is the former Managing Director of Alliance Trust Equity Partners (ATEP). He has over 20 years experience in private equity, including direct and fund investing. He has been responsible for strategy and investment for over fourteen years and has built and sold his own venture capital business. Raymond’s background encompasses fund investments, divestments, direct venture and development capital. He has also acted as non-executive director in public and private businesses and is currently non-executive director of The Scottish Building Society, Galleria Holdings Limited and Essex Services plc. Raymond is the Chairman of the Audit, Nomination and Remuneration Committees.

Summary and Financial Highlights

Ordinary Share Fund

- Net asset value per Ordinary Share as at 31 March 2013 decreased by 9.9% to 87.3p compared to 96.9p as at 31 March 2012.
- An interim dividend of 4.0p per Ordinary Share was paid on 26 April 2013
- The Ordinary Share Fund made twelve follow-on investments totalling £777,047 and one new investment totalling £200,000.
- The Ordinary Share Fund realised £2,428,115 from the sale of two investee companies and proceeds from three other investee companies.

C Share Fund

- Net asset value per C Share as at 31 March 2013 increased by 1.5% to 95.8p from 94.4p as at 31 March 2012.
- The C Share Fund made one follow-on investment totalling £2,003,145 and three new investments totalling £3,492,500.
- The C Share Fund realised £1,065,815 from three investee companies.

	Year ended 31 March 2013		Year ended 31 March 2012	
	Ordinary Shares	C Shares	Ordinary Shares	C Shares
Net asset value per Share	87.3p	95.8p	96.9p	94.4p
Net asset value per Share (including all dividends paid [†])	179.6p	95.8p	189.2p	94.4p
Share price per Share	82.6p	64.0p	91.5p	62.0p
Share price total return per Share (including all dividends paid [†])	174.9p	64.0p	183.8p	62.0p

[†] Since the date of the merger on 6 February 2012, for the C Shares Fund.



Chairman's Statement

“Despite the setbacks in the environmental sector, Foresight Group remains positive about the prospects for a number of the remaining investments in this portfolio.”

Philip Stephens Chairman

Roger Brooke

The board of Foresight 4 VCT plc was saddened by the death of Director, Roger Brooke in December 2012. The Board and Foresight Group would like to posthumously thank Roger for all of his wise counsel over the 14 years he was a Director of the Company.

Performance

The year under review continued to be overshadowed by the poor state of government finances in many parts of the World. In the UK, economic activity was patchy, giving rise to concerns about a triple dip recession (which ultimately was narrowly avoided) and bank lending to smaller businesses continued to be restricted. The US economy showed better performance but US Government spending remains constrained by the impact of the sequester cuts. This contributed to a delay in orders from the US for some portfolio companies.

The economic environment affected portfolio companies in a variety of ways. Some companies with longer established businesses were able to find growth opportunities in export markets. Others that needed to maintain or increase their borrowing to pursue development projects or to expand their activities had difficulty in doing so. This was particularly so for companies in the environmental sector.

Against this background, I can report that the net asset value of the Ordinary Share portfolio as at 31 March 2013, decreased by 9.9% to 87.3p (31 March 2012: 96.9p). The C Share portfolio net asset value as at 31 March 2013 increased by 1.5% to 95.8p (31 March 2012: 94.4p).

The Ordinary Share portfolio benefited from the good performance of investments in Datapath and Ixaris, both of which are traditional private equity investments and saw increases in valuation. There was also positive performances from Autologic Diagnostics and TFC Europe. Amongst other valuation adjustments, however, additional substantial provisions have been made in the case of O-Gen Acme Trek, O-Gen UK, Silvigen, i-Plas and Abacuswood all of which are in the environmental portfolio. Closed Loop Recycling, which is also part of the environmental portfolio, recently raised £12.8 million for a major plant expansion and is making good progress to achieving sustainable profitability.

Overall, valuation decreases outweighed portfolio gains despite a robust performance from the private equity portfolio companies. This has been largely because of the continued poor performance of the environmental investments in the portfolio. The disappointing performance has been caused in most cases by the difficulty in implementing technology and the much greater cost of bringing the businesses to the point where they are self sustaining. Where the

required additional funding has not been available from outside sources this has led to the need for the Investment Manager (“Foresight Group”) to make difficult judgements about whether to continue to support companies or to let them close. The Board and Foresight Group have concluded in the light of the experience in this sector that no new investments will be made in it, and that to the extent that funds for new investment become available they should be focused on more mature and established private equity businesses.

During the period, £2,168,058 was received from the sale of Adepra (£1,546,648) and Infrared Integrated Systems (£621,410) by the Ordinary Shares fund. A further £259,210 was received from Crumb Rubber (£25,000) and i-plas (£234,210). A disposal in Autologic Diagnostics Group generated £847 of proceeds.

The performance of the C Share fund during the year has been encouraging, with the legacy portfolio investments performing relatively well and the new investments performing strongly.

The C Shares fund received £450,970 from Factory Media and Hallmarq repaid their remaining loans, including redemption premium, totalling £600,000. Loseley, in administration, repaid £14,845.

Despite the setbacks in the environmental sector, Foresight Group remains positive about the prospects for a number of the remaining investments in the portfolios.

An interim dividend of 4.0p per Ordinary Share was paid on 26 April 2013.

Share Issues and Share Buy-backs

The Company launched a top-up offer on 3 December 2012. During the period ended 31 March 2013, 850,432 Ordinary Shares were allotted based on a net asset value of 92.6p per share and raising £0.8 million. The company also issued 193,264 C Shares raising gross proceeds of £0.2 million.

The previous top-up offer, which was launched on 29 March 2012 alongside its enhanced buyback offer to Shareholders was open between 1 April 2012 until 30 September 2012. 634,876 Ordinary Shares were allotted at prices ranging from 99.9p to 105.2p raising £0.6 million during that period.

It continues to be the Board's policy to consider repurchasing shares, at a discount, when they become available in order to provide a degree of liquidity for the sellers of the Company's shares. During the period, the Company repurchased 692,486 Ordinary Shares for cancellation at

a cost of £590,340.

To provide additional resources to support existing C Share investments, most notably The Fin Machine, and also invest in new investment opportunities from the strong deal flow currently being generated by Foresight, the Investment Manager and the board are actively considering raising funds from C Shareholders. Details of any fund-raising proposals will be sent to shareholders for approval in due course.

Enhanced Buyback

I am pleased to report that the take up by shareholders of the enhanced buyback offer to shareholders was significant with shareholders representing 5,587,587 Ordinary Shares and 4,847,443 C Shares taking up the offers between April 2012 and March 2013. During March 2013, Enhanced Buybacks were mentioned in the Chancellor's budget as an area that was not necessarily in the spirit of the VCT legislation and we expect a consultation paper to be published by HM Treasury during summer 2013. The outcome of this consultation will help shape the Boards' position with regards to the Company's ability to offer enhanced buybacks in the future.

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. Quoted investments and investments traded on AIM and ISDX Growth Market (formerly PLUS) are valued at the bid price as at 31 March 2013. The portfolio valuations are prepared by Foresight Group, reviewed and approved by the Board quarterly and subject to annual review by the auditors.

Annual General Meeting

The Company's Annual General Meeting will take place on 26 September 2013. I look forward to welcoming you to the Meeting, which will be held in London, details of which can be found on page 57 of the annual report and accounts.

Outlook

The Board remains cautious about the general outlook but is pleased by the strong performance of the C Share portfolio. The first priority is to support the existing portfolio where prospects justify further investment in order to optimise the potential for realisation at attractive prices. Over the medium term we are optimistic that realisations can be achieved at attractive prices and that this will facilitate distributions to shareholders. These realisations are likely to be achieved through trade sales as many large companies have significant cash resources available to them. Foresight Group recognises the Company's holding period for its portfolio companies is longer than originally anticipated, which has impacted distributions to shareholders, but we expect this to change as economic conditions improve.

Philip Stephens

Chairman
16 July 2013



Investment Manager's Report

The performances of both the "O" Share fund and "C" Share fund portfolios during the year to 31 March 2013 have been impacted by both positive and negative factors, resulting in a 9.9% decrease overall in the net asset value of the "O" Share fund and a 1.5% increase in the net asset value of the "C" Share fund. Both investment portfolios experienced mixed trading conditions during the year, with generally weak economic activity in the UK and Europe, restrictions on bank lending to UK SMEs and concerns about government finances across Europe. These factors affected portfolio companies in a variety of ways. Some more established businesses were able to expand and grow successfully, particularly those addressing overseas markets, while others pursuing development projects or expanding their activities had real difficulty in raising the necessary finance.

During the year, the private equity portfolio performed robustly overall in marked contrast to the environmental infrastructure portfolio, where most investee companies struggled in difficult market conditions. The private equity portfolio benefited from the strong performances of several investments, in particular Datapath Group, Autologic Diagnostics Group and TFC Europe, which all achieved record sales and profits, resulting in substantial increases in valuation. A total of £1,546,648 was received from the realisation of Adepra in September 2012 with up to a further £280,000 due in December 2013. The sale of the investment in Infrared Integrated Systems in May 2012 generated up to £900,000 for the Company, of which £621,410 was paid on completion and the balance is to be paid over the period to May 2014 subject to future performance. This compares to an original cost of £250,005. Overall, we expect the private equity investments to drive net asset value (NAV) performance and generate liquidity through realisations over the coming months.

The performance of the "C" Share fund during the year has been encouraging, with the legacy portfolio investments performing relatively well and the new investments performing strongly.

Foresight has carefully assessed and reviewed the environmental portfolio investments, all of which are in the "O" Share fund, to identify those with potential and so merit further support by the VCTs and those struggling to make progress. In consequence, decisions were made during the year not to continue to finance a number of such environmental investments, namely Abacuswood, i-plas Group and Silvigen, which have since been placed into administration. As the above conditions are expected to continue for some time, the Board and Investment Manager have agreed that no further environmental investments will be made, other than for possible small follow on investments where necessary to support those environmental investments considered to have potential. Reflecting the better risk adjusted returns from private equity investments, the Investment Manager will in future focus solely on making private equity investments where Foresight Group is currently experiencing a strong deal flow. The four remaining environmental investments now represent less than 21% of the net assets of the "O" Share fund.

The valuations of several of the portfolio companies have been impacted by applying lower multiples to earnings despite reasonably good trading performances and the Manager expects these valuations to reverse if underlying trading continues to be strong.

Foresight remains positive about the prospects for the portfolios overall and is focussed on achieving realisations from the existing investments to increase net asset value, facilitate shareholder distributions and provide additional funding for new investments. Although generally cautious about the economic outlook, Foresight is now seeing an increasing number of high quality private equity investment opportunities. Portfolio company highlights are summarised below.

Annual Portfolio Review: Ordinary Shares

1. Follow-on funding (excluding capitalised interest)

Company	£
Abacuswood	£150,000
AlwaysOn	£100,100
Amberfin	£13,669
AtFutsal	£196,346
Crumb Rubber	£35,000
i-plas	£66,666
Ixaris	£131,633
Silvigen	£8,334
Snell Corporation	£3,847
The Bunker	£52,229
Vertal	£13,190
Zoo Digital	£6,033
Total	£777,047

2. New Investments

Company	£
Flowrite Refrigeration	£200,000
Total	£200,000

3. Exits

Company	£
Adepra	£1,546,648
Infrared Integrated Systems	£621,410
Total	£2,168,058

4. Realisations

Company	£
Autologic Diagnostics Group	£847
Crumb Rubber	£25,000
i-plas	£234,210
Total	£260,057

5. Material Provisions to a level below cost

Company	£
Abacuswood	£874,134
AtFutsal	£233,767
Global Immersion	£418,438
i-plas	£112,758
O-Gen Acme Trek	£2,485,588
O-Gen UK	£144,678
Silvigen	£200,691
Trilogy	£1,069,615
Total	£5,539,669

6. Performance Summary

A number of companies in the "O" Share fund portfolio continued to perform well during the year, most notably Datapath, Autologic Diagnostics and TFC which all achieved record sales and profits, resulting in substantial increases in valuation totalling over £3 million. The Bunker also performed well, as did the new investment completed in May 2012 in Flowrite, a well established Kent based company offering refrigeration and air conditioning maintenance and services to leisure and commercial businesses nationally which is already trading well ahead of budget. A total of £1,546,648 million was received from the realisation of Adepra in September 2012 with up to a further £280,000 due in December 2013, and £621,410 from the sale of the investment in Infrared Integrated Systems in May 2012 with up to a further £280,000 due in May 2014. In February 2013, Closed Loop Recycling raised loans totalling £12.8 million to double its production capacity and good progress is now being made in installing new sorting and production equipment. Once this is fully installed and commissioned, the company's profitability is expected to be enhanced substantially.

As explained below and summarised in Table 5 above, material provisions were made against seven investments. As a result of delays at O-Gen Acme Trek in progressing alternative plans to redevelop the site as an 8MW power plant (nearly three times the output of the original plant), it was felt necessary to make a further provision against the cost of this investment. Despite good orders for its broadcast equipment, trading at Trilogy remained weaker than expected during 2012/2013 due to lower than expected US defence related sales which has necessitated further cost cuts and a further substantial downwards revaluation. Where provisions have been made against the value of underlying investments, we have also provided against the income due from such investments.

The present mixed trading conditions are expected to continue for some time while the general economic climate remains uncertain and a prolonged period of slow growth is considered likely.

Annual Portfolio Review: "C" Shares**1. Follow-on funding (excluding capitalised interest)**

Company	£
The Fin Machine Company	£2,003,145
Total	£2,003,145

2. New Investments

Company	£
Blackstar Amplification	£1,000,000
Flowrite Refrigeration	£492,500
Leisure Efficiency III	£2,000,000
Total	£3,492,500

3. Exits

No exits were made by the "C" Share fund during the period.

4. Realisations

Company	£
Factory Media	£450,970
Hallmarq	£600,000
Loseley Dairy	£14,845
Total	£1,065,815

5. Material Provisions to a level below cost

Company	£
Connect2 Media	£106,260
The Fin Machine Company	£666,137
Total	£772,397

6. Performance Summary

In February 2012, Acuity Growth VCT and Acuity VCT 3 (which had substantially common portfolios) were merged into a new separate "C" Share fund within the Company. The "C" Share fund will be managed separately to the existing "O" Share fund for approximately a further two years, at which point it is anticipated that the "C" Share fund will be merged with the "O" Share fund on a relative net asset value basis using the audited net asset values of each fund as at 31 March 2015. The NAV of the "C" Share fund increased 1.5% to 95.8p as at 31 March 2013, reflecting valuation increases in Blackstar (£290,000) and Defaqto (£285,613), offset by decreases in The Fin Machine (£666,137) and Connect2 Media (£106,260).

Overall, the performance of the "C" Share fund has been encouraging. The four legacy portfolio companies are now largely stabilised and showing promise while the new investments are trading particularly well.



Investment Manager's Report continued

During the year to 31 March 2013, follow-on investments totalling £2.0 million were made into The Fin Machine and three new investments were made totalling £3.5 million, namely Flowrite Refrigeration Holdings Limited (£492,500 in May 2012), Blackstar Amplification Holdings Limited (£1 million in July 2012) and a further acquisition vehicle preparing to trade, Leisure Efficiency III Limited (£2 million). The challenging turnaround at The Fin Machine has continued to progress, although more slowly than anticipated, and further senior management changes have been made. Both Flowrite and Blackstar are already performing well. The "C" Share portfolio is now becoming more diversified and now comprised of ten investments, with only four legacy Acuity investments remaining, namely Connect 2 Media, Defaqto, Hallmarq and The Fin Machine. Post the year end of 31 March 2013, the "C" Share fund invested £400,000 alongside other Foresight VCTs in a management buy-out of Battersea based Procam, one of the UK's leading broadcast hire companies, supplying equipment and crew for location TV production while a further £650,000 was invested in Connect2 Media as part of a funding round to support the new management team's change in strategy described below.

Portfolio Outlook

Weak UK economic conditions are expected to continue for the foreseeable future, resulting at best in a period of low growth. However, the private equity portfolios in the 'O' Share fund and 'C' Share fund are well positioned and are expected to continue to perform robustly overall, driving increased NAV and liquidity, whereas the environmental infrastructure portfolio in the 'O' Share fund is expected to face continuing difficult market conditions. As stated above, no further environmental investments will be made, other than for possible small follow on investments where considered necessary to support those environmental investments considered to have potential and the Investment Manager will focus solely in future on making private equity investments where Foresight Group is currently experiencing a strong deal flow.

Foresight remains positive about the prospects for the portfolios overall and is focussed on achieving realisations from the existing investments. Although generally cautious about the economic outlook, Foresight is now seeing an increasing number of high quality private equity investment opportunities.

The "C" Share portfolio comprises six investments made by Foresight and four legacy investments with a positive value, each of which is considered to have the potential to create value for shareholders in excess of its present carrying value. Of the legacy investments, Hallmarq continues to trade well and is expected to generate further shareholder value over time. Connect2 Media's strategy and business model is being changed to a recurring revenue model. Defaqto's trading is continuing to improve, thereby enabling an exit strategy to be considered at the appropriate time. The potential main value driver for the "C" Share fund continues to be achieving a turnaround of The Fin Machine, followed by a successful trade sale. Progress has been slower than anticipated but while considerable risks remain, particularly with regard to the volatility of cash flows, and there is still much to do before the turnaround is complete, the company continues to make progress. Although early days, developments and trading at Biofortuna, Flowrite and Blackstar give grounds for optimism.

In each case, Foresight is actively working to create and realise shareholder value.

Foresight is actively seeking suitable investment opportunities for the "C" Share fund in order to generate income and capital appreciation and broaden the portfolio while diversifying risk. Foresight is now seeing an increasing number of high quality private equity investment opportunities. However, as a small fund with finite cash resources, the "C" Share fund will soon have insufficient funds to pursue further investments actively alongside other Foresight funds. To provide additional resources to support existing investments, most notably The Fin Machine, and also invest in new investment opportunities from the strong deal flow currently being generated by Foresight, the Investment Manager and the Board are actively considering further fund-raising.

Portfolio Company Highlights

Abacuswood continued to incur small monthly EBITDA losses at the Bridgend plant during the year. Following a small fire in Autumn 2012, production was interrupted for several weeks but the resultant costs and business interruption were covered by insurance. Although demand for the plant's high quality wood pellets continued to exceed supply, overcapacity in the UK wood pellet market impacted on selling prices, with consequent pressure on margins. The new, highly experienced CEO who joined in April 2012 introduced various operational improvements and formulated a strategy with Foresight to develop the business by raising £5.5 million to double the production capacity at Bridgend and install a large biomass boiler to dry the waste wood before processing, thereby reducing energy costs substantially. To meet working capital requirements, short term loans totalling £150,000 were advanced in May and July 2012. Despite discussions with a number of potential funders over many months, no funding round could be concluded and Foresight decided not to provide further support to the company, which was placed into liquidation on 17th May 2013, necessitating a full provision of £874,134 being made against the cost of the investment. **Held in Ordinary Share fund.**

In September 2012, **Adeptr** was acquired by one of its longstanding US partners, the NYSE listed business analytics group, FICO, for £72 million. The Company received a total of £1.84 million for its investment, comprising an initial £1.55 million while a further £280,000 is held in escrow until December 2013. This compared with a valuation of £1,354,235 and original cost of £1,304,718. **Held in Ordinary Share fund.**

Following a change of management at **alwaysON**, the turnaround of this data VPN/VOIP service provider has continued to gather pace, such that for the year to 30 June 2012, the company achieved a breakeven operating profit on sales of £2.7 million. To meet working capital requirements, a loan of £100,100 was advanced in July 2012. Reflecting continuing investment in new systems and networks, a small operating loss is budgeted for the current year. A significant contract extension with a major customer and a growing sales pipeline are expected to underpin future profitability. The company is a Microsoft partner and one of the few focussing on their unified communications product, Lync. **Held in Ordinary Share fund.**

Amberfin, based in Basingstoke, is an internet content repurposing business (converting video for transmission over the internet), which has invested heavily in opening offices overseas and developing a diverse global customer base. As the final part of a £3 million round agreed in November 2010, the Company advanced £13,669 in September 2012 as the last tranche of a loan facility to finance the company's continuing strong growth. **Held in Ordinary Share fund.**

AtFutsal Group provides facilities for futsal, a fast growing type of indoor football with 30 million participants worldwide and the only type of indoor football recognised by the Football Association. Sales have built up steadily in the flagship super arena in Birmingham and the second super arena in Leeds which opened in August 2012 has made a promising start. The company has recently reached cash break even on a monthly basis. As part of a £762,500 funding round to finance the opening of the new super arena in Leeds, £196,346 was invested in equity and loans in April 2012. Educational activities are increasingly important with some 700 students now taking sports related courses with AtFutsal and a number of partnerships have been created with educational establishments, football clubs and training organisations. This number is lower than budgeted although nearly 2,000 students are planned to be recruited for the forthcoming academic year starting in September 2013 which is expected then to take the company into consistent EBITDA profitability. **Held in Ordinary Share fund.**

Following the successful £48 million secondary buy-out by ISIS Private Equity in January 2012, the "O" Share fund retained investments in equity and loan stock valued at £1.98 million in **Autologic Diagnostics Group**. For the year ended 31 December 2012, unaudited results show an operating profit of £6.0 million (pre exceptional deal costs) was achieved on sales of £17.2 million (£5.2 million on sales of £12.2 million in 2011). Autologic is continuing to grow sales and profits further, particularly in the USA. In March 2013, interest of £151,337 deferred under the terms of the loan agreement with Autologic was capitalised. In addition to this, a disposal also took place generating £847 of proceeds. **Held in Ordinary Share fund.**

Biofortuna, a molecular diagnostics business based in the Wirral, has developed unique expertise in the important area of enzyme stabilisation, effectively hi-tech freeze drying. Its first range of products, SSPGo, is a series of genetic compatibility tests for organ transplant recipients, although the breadth of application of the technology is extremely broad. Because of the company's stabilisation and freeze-drying technology, its products can be transported easily (in the post if needed) and stored at room temperature for up to two years. The company is making progress in a number of areas, including expanding into adjacent premises, broadening its product range, increasing manufacturing capacity and improving internal processes. FDA trials for its SSPGo product range, needed to make sales in the USA, were notably successful. The SSPGo product range continues to see repeat orders from Abbott. The freeze-dried kit manufacturing service shows promise, with contract discussions with a number of parties. **Held in the Ordinary Share and "C" Share fund.**

In July 2012, the "C" Share fund invested £1.0 million in **Blackstar Amplification Holdings** alongside £2.5 million from Foresight VCT to finance a management buy-out of and provide growth

capital to Blackstar Amplification Limited, founded in 2004 by four senior members of the new product development team at Marshall Amplification to design and manufacture a range of innovative guitar amplifiers. Following commercial launch in 2007, sales grew rapidly, reflecting new product launches and entry into new markets, and a global brand was soon established. As a result of supply chain issues in 2011/12, UK and international demand could not be met fully and so terms were agreed with new suppliers to facilitate multiple sourcing. Based in Northampton, the company achieved strong sales and profit growth in the year to 30 April 2013, driven by new product launches (such as the ID: Series, a new entry level digital amplifier which has been particularly well received in the market) and increased penetration in key markets, most notably the US. New staff have been recruited and a series of new products are planned. **Held in "C" Share fund.**

In February 2013, **Closed Loop Recycling** successfully raised £12.8m of loans to double the capacity of its Dagenham plant by investing in additional plastic sorting facilities and production lines. Following completion of this expansion in late 2013, annual sales are expected to double and profitability is expected to increase substantially. In April 2013, the first part of this new capacity came on stream, resulting in record monthly turnover. Although demand for the company's recycled PET and HDPE exceeds its current capacity, weak current PET prices and raw material quality issues (resulting in below target but now improving yields) have resulted in trading losses being incurred over the last few months. The company's main raw material supplier opened a new plastic sorting facility in late 2012 which experienced temporary quality issues which have now been substantially addressed. Performance is expected to improve further over the coming months with record monthly turnover being achieved in April, and the major focus for the management team is to improve yield while maintaining/increasing production volumes. **Held in Ordinary Share fund.**

Connect2 Holdings, based in Manchester and trading as **Connect2 Media**, develops and publishes digital media entertainment on a range of devices including mobile phones, portable games consoles, Blackberrys, PCs and interactive TVs. Against a difficult economic backdrop, the new management team appointed during 2012 are now moving the business model away from the structurally declining feature phone market, which has been adversely affected by the rapid growth of smartphones and the advent of 'Freemium' games (i.e. free to play with paid for upgrades). For the year to 31 December 2012, an unaudited small EBITDA loss was incurred on sales of £3.1 million despite further cost reductions. In May 2012, a new CEO was appointed whose experience includes founding and ultimately exiting two US software companies and migrating from a B2C to a B2B business model.

To generate recurring revenues, the new business model leverages the company's assets and skills base by developing a Cloud based game development and publishing technology platform to provide small and medium sized game developers with software tools that support their development, distribution and discovery requirements. These Cloud based tools will be provided as a highly scalable Platform as a Service (PaaS) with developers paying monthly subscriptions for access to infrastructure and services, thereby generating recurring revenues. In April 2013, post the year end, as part of a £1 million funding round



Investment Manager's Report continued

to support the new management team's change in strategy, the "C" Shares fund invested a further £650,000 in Connect2 Media. **Held in "C" Share fund.**

During the year, £35,000 was invested in **Crumb Rubber** to meet its urgent working capital requirements. However, extended customer decision making, lengthy sales cycles and much slower than expected growth in sales the company continued to incur losses and the decision was reluctantly made not to provide further funding. The investment was sold to the other shareholders in November 2012 in return for £25,000 of loans being repaid. **Held in Ordinary Share fund.**

Datapath Group is a world leading innovator in the field of computer graphics and video-wall display technology. For the year ended 31 March 2012, the combined unaudited pre and post re-capitalisation group company achieved an operating profit of £4.5 million on sales of £12.1 million (£3.1 million operating profit on sales of £10.3 million in 2011). The company continued its strong growth in the current year to 31 March 2013 with record profits and sales being achieved, supporting an increase in valuation of £2.65 million during the year. **Held in Ordinary Share fund.**

For the year to 31 March 2013, **Defaqto** returned to substantial profitability, achieving an unaudited EBITDA of over £750,000 on sales of £7.2 million, which contrasts with the previous year to 31 March 2012, when an operating loss of £937,000 was incurred on sales of £8.3 million, after heavy investment in new product development. In the current year, further growth in sales and profits is expected. A new Chairman has recently been appointed. Similarly, the new CEO has already improved operational efficiency by focussing on tangible and financial metrics. Engage v4 was launched in September 2012 and is hoped to reverse the long trend of declining revenues from financial intermediaries. **Held in "C" Share fund.**

Evance Wind Turbines, which manufactures 5kW tree sized (up to 50 feet) wind turbines, enjoyed strong sales growth during 2012, driven primarily by the introduction of the UK Feed in Tariff regime. For the year to 31 March 2012, the company achieved its first operating profit on sales of £7.25 million (over three times the level of sales in the previous year). Both sales and profits grew well in the year to 31 March 2013, with the company delivering its 1,500th machine. However the reduction in the Feed in Tariff from 1 October 2012, combined with a noticeable tightening and lengthening of the planning permission process nationally, has since adversely affected orders and sales. The company is increasing its sales efforts overseas and in the developing corporate market where it has won some initial orders. **Held in Ordinary Share fund.**

In May 2012, the "O" Share fund and the "C" Share fund invested £200,000 and £492,500 respectively in **Flowrite Refrigeration Holdings** alongside other Foresight VCTs to finance the £3.2 million management buyout of Flowrite Services Limited, a long established Kent based company which provides refrigeration and air conditioning maintenance and related services nationally, principally to leisure and commercial businesses, such as hotels, clubs, pubs and restaurants. The management team has accelerated sales efforts, already winning a number of significant new customers and contracts, and a number

of possible acquisitions are being considered to broaden the national coverage. Trading since May has been markedly ahead of budget. **Held in the Ordinary Share and "C" Share fund.**

Global Immersion, which designed, built and maintained visualisation systems for immersive theatres and planetariums worldwide, won several major orders in 2010 which led to a record operating profit of £0.5 million being achieved on sales of £8.0 million in the year to 30 June 2011. Reflecting prevailing difficult economic conditions, market demand subsequently fell materially with lengthening sales cycles and strong margin pressure, resulting in substantial trading losses being incurred. Administrators were appointed in December 2012 and so a full provision of £418,438 was made against this investment. **Held in Ordinary Share fund.**

Following a cost cutting programme, management reorganisation and price rises for its recycled plastic building products in late 2011, **i-plas Group's** trading improved in Spring 2012, break even EBITDA effectively being achieved in April 2012. To fund working capital, the Company invested a further £66,666 in May and June 2012. However, during Summer 2012, the company experienced a marked fall in demand from its customers in the construction industries and also significant margin pressure, resulting in growing losses. With little prospect of a sustained recovery in its markets, the decision was reluctantly made not to provide further funding, and an administrator was appointed in October. This necessitated a further provision of £112,758 being made against the original cost of investment to reduce it to nil. £234,210 was subsequently recovered from asset sales by the administrator. **Held in Ordinary Share fund.**

Guildford based **Hallmarq Veterinary Imaging** is the only manufacturer of MRI systems for the standing equine market, with over 50 MRI scanners in use at equine practices throughout the world. For the year ended 31 August 2012, the company achieved an EBITDA of £1.2 million on sales of £3.3 million, well ahead of budget and trading in the previous year. In the current year to 31 August 2013, sales growth continues to be strong but continuing investment in the PetVet scanner (an MRI scanner for the companion animal market (i.e. cats and dogs)) is expected to hold back EBITDA growth. Following the first PetVet sales, the company is now building a growing sales pipeline for this new scanner which addresses much larger worldwide markets than the company's equine scanner. On 31 August 2012, the Company repaid £745,784 to the "C" Share fund following the expiry of a five year loan, comprising a loan of £300,000, together with a redemption premium (£300,000) and interest (£145,784). **Held in "C" Share fund.**

Infrared Integrated Systems was acquired in June 2012 by a major US corporation, generating up to £900,000 for Foresight 4, of which £621,410 was paid on completion and the balance is to be paid over two years subject to future performance. This compares to an original cost of £250,005. **Sold.**

An investment of £131,633 was made in April 2012 in **Ixaris Systems** as part of a £1.35 million fund raising to finance the continuing development of its Opn platform. Ixaris, which develops and operates Entropay, a prepaid payment service using the VISA network, has also continued to develop and increase sales of Opn, its platform that

enables enterprises to develop custom applications for payments. This platform is being used by companies in the affiliate marketing and travel sectors. In the year to 31 December 2012, an unaudited operating loss of some £0.4 million was incurred on sales of £8.4 million, reflecting continuing investment in software and systems. Trading in the current year to date is ahead of budget and the management team has been strengthened by the appointment of a new Chief Operating Officer.

Held in Ordinary Share fund.

Leisure Efficiency II and III are acquisition vehicles preparing to trade. **Held in "C" Share fund.**

£14,845 was received from the administrators of **Loseley Dairy** following the sale of certain assets during the year, an investment previously written off. **Sold.**

O-Gen Acme Trek Following a detailed strategic review in December 2011 and in the light of the likely expenditure required to bring the advanced gasification 3MW waste wood to energy plant in Stoke into full production, the decision was made to mothball the plant until the similar 3.8MW plant in Plymouth built by MITIE validated this technology. Following a change in the ROC subsidy regime, O-Gen UK is currently working to redevelop the Stoke facility into an 8MW plant using alternative, well established standard gasification technology and discussions are taking place with the technology provider, a major EPC contractor and potential funders. A further provision of £2,485,588 was made against the cost of the investment, reflecting delays in progressing these plans. **Held in Ordinary Share fund.**

O-Gen UK is a leading developer of waste wood gasification facilities in the UK and is currently in advanced stages of developing a £40m project in Birmingham, for which planning permission has been obtained, and also developing a growing pipeline of opportunities at various stages of maturity. The company continues to develop relationships with a number of technology providers and major EPC contractors. The company has a partnership with MITIE, the major UK FTSE 250 outsourcing group, which has built a 3.8MW plant in Plymouth which is now being commissioned, with operations expected to commence in summer 2013. O-Gen UK will not finance the construction of these plants but will benefit from project management fees, equity shareholdings and fuel and operation and maintenance contracts. A provision of £144,678 was made against the cost of this investment. **Held in Ordinary Share fund.**

A further £8,334 was invested during the year in **Silvigen** to fund urgently needed working capital. Reflecting much slower than expected growth in sales and continuing losses, the decision was made not to provide further funding, resulting in the company going into administration in September 2012. A full provision of £200,691 was made against the cost of this investment. **Held in Ordinary Share fund.**

TFC Europe, a leading distributor of technical fasteners in the UK and Germany, continued to enjoy strong growth during the year to 31 March 2013, achieving record sales and profits, having reported an operating profit of £1.6 million on sales of £16.6 million for the year ended 31 March 2012. Trading continues to remain strong in the current year to

date with a growing order book. **Held in Ordinary Share fund.**

The Bunker Secure Hosting, which operates two ultra secure data centres, continues to win new orders, grow its annual revenues and generate substantial profits. For the year to 31 December 2012, unaudited results show an EBITDA of £1.77 million was achieved on sales of £8.5 million, at which date recurring annual revenues were running at £8.8 million. To strengthen sales efforts, additional sales resource has been recruited and a series of new Cloud based services is currently being launched. Growth has continued in the current year whilst investment in upgrading the existing infrastructure continues. In October 2012, the "O" Share fund purchased a small number of shares from a minority shareholder at a cost of £52,229. **Held in Ordinary Share fund.**

The Fin Machine ('Fin') designs, manufactures and distributes special purpose capital equipment that is used to manufacture heat exchangers for the automotive and air conditioning markets. Fin's global customer base includes a broad range of blue chip OEMs, automotive industry majors and Asian air conditioning companies. Fin has manufacturing facilities in Seaham, Co. Durham and in Tianjin, China, as well as an assembly/service centre in Indiana, USA.

In the year to 31 December 2011, the company incurred an EBITDA loss of £2.4 million on revenues of £16.4 million, but continued to enjoy strong order intake. The changed management team developed a comprehensive plan to restructure the business and improve profitability and working capital dynamics during 2012.

After a promising first quarter to 31 March 2012, a number of machine deliveries were subsequently delayed, which incurred significant additional costs, reducing overall gross margins. Improving machine gross margins and manufacturing efficiency are key to the turnaround succeeding. In March 2012, the CEO was removed, the Chairman assumed an executive role and the long serving, experienced Sales Director temporarily took the role of UK General Manager. Four senior managers were recruited immediately below board level, including a new Head of Operations. To provide much needed working capital and finance a cost reduction programme which reduced the UK workforce by 25%, the "C" Shares fund advanced further loans totalling £1.5 million in July 2012 while Clydesdale Bank provided an additional £300,000 in loans and extended their repayment dates into 2013. A further loan of £500,000 was advanced in October 2012. Although projecting significant EBITDA profits for the final quarter to 31 December 2012, machine deliveries were yet again delayed due to operational inefficiencies. In consequence, following a review by the new CFO in early 2013, an unaudited EBITDA loss of £1.2m was reported on sales of £26.2 million for the year to 31 December 2012, after charging exceptional costs of £2.3 million. New orders on more favourable cash payment terms have been negotiated with customers, giving good visibility on sales in 2013.

Break even EBITDA was achieved during the first quarter to 31 March 2013. Further management changes were made during the quarter with senior manager departures and the appointments of a new CEO and CFO. Post the year end, further loans totalling £750,000 were advanced to the company in April and May 2013. Foresight and the



Investment Manager's Report continued

management team continue to work hard on the turnaround, which is making slower than anticipated progress particularly with regards to improving working capital volatility. **Held in "C" Share fund.**

Trilogy Communications achieved strong trading results in the two years to 29 February 2012, following a number of contract wins in the defence sector with partners such as Northrop Grumman and Raytheon. Trading in the year to 28 February 2013, however, was adversely affected by the deferral of certain expected orders under long-term defence programmes, particularly from the US, reflecting uncertainties about reductions in US defence spending. Specified annual reductions in such spending are now in place (the so called 'Sequester'). These factors have resulted in Trilogy continuing to incur substantial trading losses and further major cost reductions have been made, although the broadcast division has continued to trade satisfactorily. Although there is some evidence that these deferred programme orders are recommencing, the valuation has been reduced by £1,069,615 to reflect these lower sales and losses. **Held in Ordinary Share fund.**

A total of £13,190 was invested in **Vertal** during the year to fund working capital requirements. As previously noted in the last Annual Report, reflecting various technical plant issues and much higher than expected disposal costs which resulted in substantial trading losses, Vertal went into administration on 21 June 2012. **Held in Ordinary Share fund.**

David Hughes
Foresight Group
Chief Investment Officer
16 July 2013

Investment Summary

Ordinary Shares Fund

Investment	31 March 2013		Valuation Methodology	31 March 2012	
	Amount invested £	Valuation £		Amount invested £	Valuation £
Datapath Group Limited	73,250	7,667,320 *	Discounted price/earnings multiple	73,250	5,016,599
Closed Loop Recycling Limited	4,025,053	3,774,128 *	Discounted cash flow	4,025,053	3,572,547
The Bunker Secure Hosting Limited	1,670,477	3,410,968 *	Discounted revenue multiple	1,618,248	3,365,633
Autologic Diagnostics Group Limited	2,132,305	2,940,100 *	Discounted price/earnings multiple	1,981,816	2,670,984
TFC Europe Limited	782,577	2,471,267 *	Discounted price/earnings multiple	782,577	2,298,698
Ixaris Systems Limited	881,633	1,653,116 *	Price of recent funding round	750,000	1,521,483
Evance Wind Turbines Limited	1,745,910	1,064,966 *	Discounted price/earnings multiple	1,745,910	872,955
Sindicatum Carbon Capital Limited	200,063	525,100 *	Price of recent funding round	200,063	525,100
Probability plc (AIM listed)	598,026	507,236 *	Bid price	598,026	578,289
ZOO Digital Group plc (AIM listed)	1,126,633	473,337 *	Bid price	1,120,601	508,476
O-Gen Acme Trek Limited	4,893,444	423,000	Asset basis	4,893,444	2,908,588
Trilogy Communications Limited	601,715	422,914	Discounted price/earnings multiple	601,715	1,492,529
O-Gen (UK) Limited	345,014	408,000	Discounted cash flow	345,014	552,678
AtFutsal	738,323	369,162	Cost less impairment	541,977	406,483
alwaysON Group Limited	370,190	355,702	Discounted revenue multiple	270,090	202,567
Biofortuna Limited	312,503	312,503	Cost	312,503	312,503
VectorCommand Limited	1,468,750	292,517	Discounted revenue multiple	1,468,750	307,645
Flowrite Refrigeration Holdings Limited	207,661	265,356	Discounted price/earnings multiple	—	—
Snell Corporation Limited	235,762	223,817	Cost less impairment	231,915	223,817
Amberfin Holdings Limited	115,583	89,665	Cost less impairment	101,914	75,996
Aigis Blast Protection Limited	347,226	33,720	Discounted revenue multiple	347,226	60,895
Abacuswood Limited	954,593	—	Nil value	804,593	724,134
Crumb Rubber Limited	372,500	—	Nil value	362,500	—
Global Immersion Limited	533,338	—	Nil value	533,338	418,438
i-plas Group Limited	953,665	—	Nil value	1,121,210	280,302
Silvigen Limited	777,763	—	Nil value	769,429	192,357
Vertal Limited	1,313,323	—	Nil value	1,300,133	—
Adepra Limited	—	—	Sold	1,304,718	1,354,235
Infrared Integrated Systems Limited	—	—	Sold	250,005	762,347
Signum Technologies Limited	—	—	Sold	1,254,000	—
SkillsMarket Limited	—	—	Dissolved	890,242	—
	27,777,280	27,683,894		30,600,260	31,206,278

* Top ten investments by value shown on pages 16 to 18.



Investment Summary

C Shares Fund

Investment	31 March 2013		Valuation Methodology	31 March 2012	
	Amount invested £	Valuation £		Amount invested £	Valuation £
The Fin Machine Company Limited	7,108,110	5,849,000 *	Discounted price/earnings multiple	5,104,965	4,511,992
Defaqto Group Limited	3,890,945	3,986,436 *	Discounted revenue multiple	3,890,945	3,700,823
Leisure Efficiency III Limited	2,000,000	2,000,000 *	Cost	—	—
Blackstar Amplification Limited	1,000,000	1,290,000 *	Cost	—	—
Wholesale Efficiency II Limited	1,000,000	1,000,000 *	Cost	1,000,000	1,000,000
Leisure Efficiency II Limited	675,150	675,150 *	Cost	675,150	675,150
Hallmarq Systems Limited	685,908	671,759 *	Discounted price of recent funding round	985,908	1,164,946
Flowrite Refrigeration Holdings Limited	511,365	653,437 *	Discounted price/earnings multiple	—	—
Connect 2 Media Limited	941,850	405,020 *	Discounted revenue multiple	941,850	511,280
Biofortuna Limited	312,503	312,503 *	Cost	312,503	312,503
Future Noise plc	—	—	Nil Value	—	—
Munro Global Limited	—	—	Nil Value	—	—
Red Reef Media Limited	—	—	Nil Value	—	—
Sport Media Group plc	—	—	Nil Value	—	—
Loseley Dairy Ice Cream Limited	—	—	Sold	—	—
	18,125,831	16,843,305		12,911,321	11,876,694

Amount invested refers to the valuation of these investments at acquisition and therefore the price paid by Foresight 4 VCT Plc, plus additions and disposals made under Foresight Group Management.

* All investments with a carrying value shown on pages 19 to 20.

Investment Summary Realisation Summary

Disposals

In the year ended 31 March 2013

Company	Detail	Original Cost/ Take-On Value £'000	Proceeds £'000	Gain/(loss) £'000	Exit Multiple	Valuation at 31 March 2012 £'000
Ordinary Shares Fund						
Adepra Limited	Full disposal	1,305	1,547	242	1.2	1,354
Infrared Integrated Systems Limited	Full disposal	250	621	371	2.5	762
Crumb Rubber Limited	Administration Proceeds	25	25	—	1.0	—
i-plas Group Limited	Administration Proceeds	234	234	—	1.0	234
Autologic Diagnostics Group Limited	Disposal	—	1	1	N/A	—
Total Ordinary disposals		1,814	2,428	614	1.3	2,375
C Shares fund						
Hallmarq Systems Limited	Loan repayment	300	600	300	2.0	300
Factory Media Limited	Deferred Consideration	—	451	451	2.1*	—
Loseley Dairy Ice Cream Limited	Administration Proceeds	—	15	15	N/A	—
Total C disposals		300	1,066	766	2.1*	300
Total disposals		2,114	3,494	1,380	1.9*	2,675

* Includes total proceeds from sale of Factory Media Limited in prior year



Investment Summary

Ordinary Shares Portfolio

Top ten investments by value as at 31 March 2013 are detailed below: The audited financials shown for each company below are the most recent accounts published per Companies House.

Datapath Group Limited



is a UK manufacturer of PC-based multi-screen computer graphics cards and video capture hardware, specialising in video wall and data wall technology. Established in 1982, it has provided solutions for wide-ranging and varied applications including control rooms, financial dealing rooms, CCTV, distance learning, digital signage and business presentations. Unaudited results for the year ended 31 March 2013 show an operating profit of £5.1 million on sales of £14.1 million.

First investment	September 2010	Year ended:	31 March 2012
			£'000
% Equity/Voting Rights	12.9%	Sales	2,234
Income received and receivable in the year	£—	Profit before Tax	413
Equity at cost	£73,250	Retained Profit	310
Loan stock at cost	£—	Net Assets	12,515

Closed Loop Recycling Limited



is the only company in the UK to recycle both PET and HDPE plastic bottles into food grade packaging material. Following a series of investment rounds, the 35,000 tonne capacity plant in Dagenham (East London) is now fully operational. The company is enjoying strong market demand and is pursuing its expansion plans. The company is processing 100 tonnes per day of plastic bottles and supplying product to a range of customers including Nampak, Alpla, M&S and Britvic for the manufacture of food packaging, drinks bottles and milk bottles. Unaudited results for the year ended 30 June 2012 show revenues of £14.9 million and an operating loss of £5.8 million. Management accounts for the first three quarters of the current financial year show revenues of £10.9 million and an operating loss of £1.6 million.

First investment	February 2007	Year ended:	30 June 2011
			£'000
% Equity/Voting Rights	13.1%	Sales	11,234
Income received and receivable in the year	£—	Loss before Tax	(3,873)
Equity at cost	£583,333	Retained Loss	(3,873)
Loan stock at cost	£3,441,720	Net Liabilities	(15,291)

The Bunker Secure Hosting Limited



provides ultra secure IT data centre and managed services to companies from owned and leased facilities totalling 41,500 square feet in bunkers previously constructed for military use at Ash, Kent and Greenham Common, Berkshire. With particular expertise in Open Source and Microsoft software and systems, web and digital security, The Bunker builds, hosts and manages ultra secure, high availability IT infrastructure platforms for its customers and provides secure co-location services to host customers' servers or back-up servers. The Bunker is highly regarded for its technical skills by its customers, which include top financial, telecoms and web-based businesses, concerned which data security who have made the decision to outsource their mission critical IT systems. The Bunker continues to make good progress in increasing revenues from existing customers and winning new customers under term contracts which generate high visibility of future revenues. In the year to December 2012, an EBITDA of £1.77 million was achieved on sales of £8.8 million of which date recurring annual revenues were running at £8.8 million. The Bunker had recently been accredited within the G Cloud framework to provide its services to public sector organisations, opening a large potential market. To meet growing customer demand, a range of new ultra secure cloud services are now being launched.

First investment	May 2006	Year ended:	31 December 2011
			£'000
% Equity/Voting Rights	10.7%	Sales	7,427
Income received and receivable in the year	£95,857	Profit before Tax	142
Equity at cost	£456,787	Retained Profit	142
Loan stock at cost	£1,213,690	Net Assets	5,600

Investment Summary continued

Autologic Diagnostics Group Limited



was founded in 1999 and develops and sells sophisticated automotive diagnostic software and hardware that enables independent mechanics, dealerships and garages to service and repair vehicles. As cars have become increasingly sophisticated and more reliant on electronic systems, mechanics need to be able to communicate to the in-car computer running the process or system, which in turn requires a diagnostic tool. Autologic Diagnostics supplies its 'Autologic' product for use with well-known car brands including Land Rover, BMW, Mercedes, Jaguar, VAG (VW, Audi, Skoda) and Porsche.

A secondary buy-out of Autologic was completed on 20 January 2012, realising proceeds of £2,789,576 for Foresight 4 VCT plc. Foresight 4 VCT plc retains a loan and share investment in the company.

First investment	February 2009	Year ended:	31 December 2011
			£'000
% Equity/Voting Rights	4.9%	Sales	12,231
Income received and receivable in the year	£107,595	Profit before Tax	7,068
Equity at cost	£24,716	Retained Profit	6,646
Loan stock at cost	£2,107,589	Net Assets	6,416

TFC Europe Limited



is one of Europe's leading technically based suppliers of fixing and fastening products. It supplies injection moulded technical fasteners and ring and spring products to customers across a wide range of industries, including aerospace, automotive, hydraulics and petrochemicals and works with some of the leading manufacturers of technical products such as Smalley® Steel Ring Company. Unaudited results for the year to 31 March 2013 show an operation profit of £2.5 million on sales of £18.1 million.

First investment	March 2007	Year ended:	31 March 2012
			£'000
% Equity/Voting Rights	17.8%	Sales	16,635
Income received and receivable in the year	£50,236	Profit before Tax	1,174
Equity at cost	£156,370	Retained Profit	706
Loan stock at cost	£626,207	Net Assets	2,304

Ixaris Systems Limited



operates a prepaid electronic payment service integrated with the Visa network. Consumers deposit funds by credit card, cash at payment points or via normal bank transfers. The company has made inroads into the affiliates payment market, enabling affiliate networks to make payments to their members cost-effectively wherever they are in the world, and also into the online travel agency market. The company has launched its OPN platform that enables developers to create and run their own global payment applications under the Visa and MasterCard schemes. Unaudited results for the year to 31 December 2012 show an operating loss of £380,000 on sales of £8.4 million.

First investment	March 2006	Year ended:	31 December 2011
			£'000
% Equity/Voting Rights	8.1%	Sales	9,062
Income received and receivable in the year	£—	Profit before Tax	(318)
Equity at cost	£881,633	Retained Profit	(281)
Loan stock at cost	£—	Net Assets	935

Evance Wind Turbines Limited



is a manufacturer of high efficiency tree-sized wind turbines, suitable for volume manufacture, which have the best price/performance combination of any tree-sized turbine currently commercially available. The company continues to expand its distribution network but the reduction in the feed-in tariff by 25%, from 1 October 2012 has had a major impact on the small wind turbine market.

First investment	March 2007	Year ended:	31 March 2012
			£'000
% Equity/Voting Rights	10.3%	Sales	Not disclosed
Income received in the year	£—	Loss before Tax	Not disclosed
Equity at cost	£197,060	Retained Profit	Not disclosed
Loan stock at cost	£1,548,850	Net Liabilities	(3,459)



Investment Summary continued

Sindicatum Carbon Capital Limited

Sindicatum
carbon capital

develops, owns and operates clean energy projects worldwide and a producer of sustainable products from natural resources and waste. Sindicatum was founded in London in 2005 and in 2009 moved its headquarters to Singapore. It currently employs approximately 280 people in 7 offices across Asia and North America, and produced revenues of USD 30.2m in the year to 31 December 2012. Sindicatum's principal investment vehicle is the International Sindicatum Climate Change Partnership, a USD 237.2 million co-investment vehicle. Sindicatum itself funded 20% of the ISCCP as a Limited Partner. Other investors include top-tier US university endowment funds, foundations, fund-of-funds groups and other institutional asset managers.

First investment	January 2007	Year ended:	31 December 2012
			\$'000
% Equity/Voting Rights	0.4%	Sales	39,816
Income received in the year	—	Loss before Tax	(28,852)
Equity at cost	£200,063	Retained Loss	(24,964)
Loan stock at cost	—	Net Assets	93,279

Probability plc (Aim listed)

Probability plc

operates a gambling service for mobile phone users. The company has a gambling licence, it has developed its own software systems and it operates its own payment platform with FCA approval as a small e-money issuer. Probability is a publicly traded company on the AIM market of the London Stock Exchange with headquarters in London, and offices in Gibraltar and Lugano, Switzerland. The company generates revenue through consumers playing games for real money on their platforms and in addition to its direct customer offering, has a strong B2B division which sells into many of the UK's largest gambling operators.

First investment	August 2006	Year ended:	31 March 2012
			£'000
% Equity/Voting Rights	2.0%	Sales	7,175
Income received in the year	—	Loss before Tax	(545)
Equity at cost	£598,026	Retained Loss	(545)
Loan stock at cost	—	Net Assets	2,230

Zoo Digital (Aim listed)

supplies software and services for the creative media industries. Zoo's workflow solutions allow organisations such as film studios, video game developers and book publishers to simplify the production of creative materials, creating localised packaging, marketing campaigns and DVD, Blu-ray, iTunes and eBook products

First investment	September 2006	Year ended:	31 March 2012
			£'000
% Equity/Voting Rights	8.7%	Sales	11,816
Income received in the year	—	Loss before Tax	(1,966)
Equity at cost	893,383	Retained Loss	(2,026)
Loan stock at cost	233,250	Net Assets	8,147

Investment Summary

C Shares Portfolio

All investments with carrying value at 31 March 2013 are detailed below:

The Fin Machine Company Limited



designs, manufactures and distributes special purpose capital equipment that is used to manufacture heat exchangers for the automotive and air-conditioning markets worldwide. The company is headquartered in Durham with factories in Tianjin (China) and Indiana (USA).

First investment	February 2012*	Year ended:	31 December 2011
			£'000
% Equity/Voting Rights	55%	Sales	16,351
Income received in the year	£—	Loss before Tax	(4,192)
Equity at cost	£2,595,000	Retained Loss	(4,371)
Loan stock at cost	£4,513,110	Net Liabilities	(7,276)

Defaqto Group Limited



an independent financial research company specialising in rating, comparing and analysing consumer financial products. The company analyses the level of cover or benefits offered within a financial product and awards a Star Rating from 1 to 5. Defaqto Star Ratings help consumers and their advisers decide which product suits their specific needs, rather than comparing purely on price. The company sells access to this data to government agencies, financial product providers, financial intermediaries and data aggregators through a number of subscription-based online software products and data feeds.

First investment	February 2012	Year ended:	31 March 2012
			£'000
% Equity/Voting Rights	33.5%	Sales	8,272
Income received in the year	£—	Loss before Tax	(2,758)
Equity at cost	£710,016	Retained Loss	(2,770)
Loan stock at cost	£3,180,929	Net Liabilities	(13,104)

Leisure Efficiency III Limited

an acquisition vehicle preparing to trade.

First investment	March 2012		
% Equity/Voting Rights	49.9%	No accounts filed since the	
Income received in the year	£—	investment was made	
Equity at cost	£200,000		
Loan stock at cost	£1,800,000		

Blackstar Amplification Limited



designs and manufactures innovative guitar amplifiers and associated products for the UK and international music instrument market. Based in Northampton, Blackstar has established a global brand on a catalogue of 50+ products, each of which has received industry acclaim.

First investment	July 2012	Year ended:	30 April 2011
			£'000
% Equity/Voting Rights	11.4%	Sales	5,122
Income received in the year	—	Loss before Tax	(60)
Equity at cost	£100,000	Retained Loss	(33)
Loan stock at cost	£900,000	Net Assets	507

Wholesale Efficiency II Limited

an acquisition vehicle preparing to trade.

First investment	March 2012		
% Equity/Voting Rights	49.9%	No accounts filed since the	
Income received in the year	£—	investment was made	
Equity at cost	£100,000		
Loan stock at cost	£900,000		



Investment Summary continued

Leisure Efficiency II Limited

an acquisition vehicle preparing to trade.

First investment March 2012

% Equity/Voting Rights	49.9%	No accounts filed since the
Income received in the year	£—	investment was made
Equity at cost	£67,510	
Loan stock at cost	£607,640	

Hallmarq Systems Limited



manufacturer of MRI systems for the standing equine market. The company's head office and factory is located in Guildford, where the systems are designed and manufactured. Hallmarq also has a sales and service office in Acton, Massachusetts in the United States and field service engineers based in other locations around the world. The team behind the development of the standing equine MRI system have man-decades of experience in the design and manufacture of clinical, research and industrial MRI systems and have installed over 150 systems worldwide.

First investment	February 2012*	Year ended:	31 August 2012
			£'000
% Equity/Voting Rights	7.8%	Sales	3,304
Income received in the year	£—	Profit before Tax	289
Equity at cost	£597,000	Retained Profit	295
Loan stock at cost	£88,908	Net Assets	3,289

Flowrite Refrigeration Holdings Limited



is a refrigeration and air conditioning service, maintenance and installation company, specialising in the leisure, commercial and retail industries across the UK. The company provides emergency reactive repairs, planned maintenance and installation for commercial refrigeration and air conditioning equipment. Flowrite is headquartered in Maidstone, Kent with a small logistics centre in Lichfield, Staffordshire. The company employs uniformed engineers driving branded vehicles throughout the UK. Flowrite prides itself on the quality of service and level of information it provides to its customers, in a fragmented industry where there are a large number of second tier, regional operators providing a relatively low quality alternatives to customers.

First investment May 2012

% Equity/Voting Rights	12.4%	No accounts filed since
Income received in the year	£79,561	investment was made
Equity at cost	£49,783	
Loan stock at cost	£461,582	

Connect 2 Media Limited



a developer, publisher and distributor of digital media entertainment on a range of devices including mobile phones, portable games consoles, tablets, Blackberry's, iPhone's, PCs and interactive TVs. The company is headquartered in Manchester and has offices in Europe and America.

First investment	February 2012*	Year ended:	31 December 2011
			£'000
% Equity/Voting Rights	34.0%	Sales	4,259
Income received in the year	£—	Loss before Tax	(495)
Equity at cost	£941,850	Retained Loss	(233)
Loan stock at cost	£—	Net Assets	1,314

Biofortuna Limited



is a molecular diagnostics business with particular expertise in the development of stabilised, freeze dried tests. Biofortuna's user friendly tests can be transported and stored at ambient temperature, rather than frozen or chilled as is the case with competing products, and only require a simple one-step protocol to use. Biofortuna's first range of products is a series of genetic compatibility tests for organ transplantation, distributed through global partner Abbott Molecular

First investment	March 2012	Year ended:	31 March 2012
			£'000
% Equity/Voting Rights	0.2%	Sales	205
Income received in the year	£—	Loss before Tax	(1,314)
Equity at cost	£31,265	Retained Loss	(1,245)
Loan stock at cost	£281,238	Net Assets	1,969

* The first investment date is the date of the merger on 6 February 2012.

Investment Summary continued

at 31 March 2013

Co-investing funds

Foresight Group also manage or advice Foresight VCT plc, Foresight 2 VCT plc, Foresight 4 VCT plc, Foresight Solar VCT plc, Albany Ventures Fund III Limited, Foresight Environmental Fund LP, Foresight European Solar Fund LP, Foresight Solar EIS, Foresight Solar EIS 2, Foresight Solar EIS 3, Foresight Inheritance Tax Solutions, UK Waste Resources and Energy Investments LP and Foresight Sustainable UK Investment Fund ('Foresight Sustainable'). Investments have been made by the funds that Foresight Group manages at cost, as follows:

Investments have been made at cost by the funds that Foresight Group manages, as follows:

	Foresight VCT O, PE & Infra Shares £	Foresight VCT 2 O, PE & Infra Shares £	Foresight 3 £	Foresight 4 O & C Shares £	Foresight Sustainable £	Foresight Environmental Fund	Total held by Foresight %
Aigis Blast Protection Limited	860,325	1,262,636	—	347,226	—	—	25.8
AlwaysON Limited	555,456	1,600,198	—	370,190	—	—	79.3
AtFutsal Group Limited	369,161	2,166,693	738,323	738,323	—	—	44.1
Autologic Diagnostics Group Limited	1,599,882	2,129,545	2,130,199	2,132,305	—	—	18.4
Biofortuna Limited	312,531	—	312,531	625,034	—	—	19.6
Blackstar Amplification Holdings Limited	2,500,000	—	—	1,000,000	—	—	40.0
Closed Loop Recycling Limited	2,502,986	5,423,334	5,848,628	4,025,053	2,944,127	6,000,000	58.1
Datapath Group Limited	—	73,250	73,250	73,250	—	—	38.8
E Vance Wind Turbines Limited	—	1,513,123	1,396,728	1,745,910	603,448	—	34.6
Flowrite Refrigeration Holdings Limited	511,365	—	207,635	719,026	—	—	35.0
Ixaris Systems Limited	—	822,858	646,533	881,633	—	—	22.4
Leisure Efficiency II Limited (SPV)	675,150	—	—	675,150	—	—	99.9
Leisure Efficiency III Limited (SPV)	2,000,000	—	—	2,000,000	—	—	99.9
O-Gen Acme Trek Limited	—	2,070,652	4,425,873	4,893,444	1,291,667	—	64.3
O-Gen UK Limited	—	530,007	310,012	345,014	1,315,000	—	69.3
Probability plc	—	—	583,066	598,026	—	—	4.7
Sindicatum Carbon Capital Limited	—	125,006	174,993	200,063	—	—	1.0
Snell Corporation Limited	—	—	—	235,762	—	—	0.3
TFC Europe Limited	—	939,092	626,061	782,577	—	—	53.5
The Bunker Secure Hosting Limited	—	1,380,249	1,629,848	1,670,477	—	—	28.1
Trilogy Communications Limited	1,551,715	1,953,431	—	601,715	—	—	48.7
Vectorcommand Limited	—	—	—	1,468,750	—	—	30.3
Wholesale Efficiency II Limited (SPV)	1,000,000	—	—	1,000,000	—	—	99.9
Zoo Digital Group plc	—	196,190	1,422,823	1,126,634	—	—	20.6

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

Where Foresight Group controls over 50% of an investment by virtue of its discretionary management of one or more VCTs, decisions either have to be taken by the individual Boards of the VCTs or voting is limited to 50%.



Directors' Report

The Directors present their report together with the audited financial statements of the Company for the year ended 31 March 2013.

Principal activity and status

The principal activity of the Company is the making of investments in unquoted or AIM-listed companies in the UK. The Company is not an investment company within the meaning of Section 833 of the Companies Act 2006. It has satisfied the requirements as a Venture Capital Trust under sections 274–280A of the Income Tax Act 2007. Confirmation of the Company's compliance has been received up to 31 March 2012 as a Venture Capital Trust and the Directors have managed and intend to continue to manage the Company's affairs in such a manner as to comply with these regulations.

Business review

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

Nature of the Company

Foresight 4 VCT plc is a Venture Capital Trust listed on The London Stock Exchange.

Investment objective

The investment objective of the Company is to provide private investors with attractive returns from a portfolio of investments in fast-growing, unquoted companies in the United Kingdom.

A proportion of realised gains will normally be retained for reinvestment and to meet future costs. Subject to this, the Company will endeavour to maintain a regular dividend payment of the order of 5p per share, although a greater or lesser sum may be paid in any year. It is the intention to maximise tax-free income available to investors from a combination of dividends and interest received on investments and the distribution of capital gains arising from trade sales or flotations.

Investment policy

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

Investment securities

The Company invests in a range of securities including, but not limited to, ordinary and preference shares, loan stock, convertible securities, and fixed-interest securities as well as cash. Unquoted investments are usually structured as a combination of ordinary shares and loan stock, while AIM investments are primarily held in ordinary shares. Pending investment in unquoted and AIM-listed securities, cash is primarily held in interest bearing money market open ended investment companies (OEICs), as well as in a range of non-qualifying companies.

Non-qualifying investments may include holdings in money-market instruments, short-dated bonds, unit trusts, OEICs, structured products, guarantees to banks or third parties providing loans or other investments into investee companies and other assets where it is believed that the risk/return portfolio is consistent with the overall investment objectives of the portfolio.

UK companies

Investments are primarily made in companies which are substantially based in the UK, although many will trade overseas. The companies in which investments are made must have no more than £7 million of gross assets at the time of investment (or £15 million, depending on applicable HMRC rules) to be classed as a VCT qualifying holding.

Asset mix

The Company aims to be significantly invested in growth businesses subject always to the quality of investment opportunities and the timing of realisations. Any uninvested funds are held in cash, interest bearing securities and a range of non-qualifying investments. It is intended that the significant majority (no less than 70%) of any funds raised by the Company will ultimately be invested in VCT qualifying investments.

Risk diversification and maximum exposures

Risk is spread by investing in a number of different businesses within different industry sectors using a mixture of securities. The maximum amount invested in any one company, including any guarantees to banks or third parties providing loans or other investment into investee companies, is limited to 15% of the portfolio at the time of investment.

Investment style

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

Borrowing powers

The Company has a borrowing limit of an amount not exceeding an amount equal to the adjusted capital and reserves (being the aggregate of the amount paid up on the issued share capital of the Company and the amount standing to the credit of its reserves). Whilst the Company does not currently borrow, its policy allows it to do so.

Management

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

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

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

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

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

Principal risks, risk management and regulatory environment

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

- Economic risk — events such as an economic recession and movement in interest rates could affect smaller companies' performance and valuations.
- Loss of approval as a Venture Capital Trust — the Company must comply with Section 274 of the Income Tax Act 2007 which allows it to be exempted from capital gains tax on investment gains. Any breach of these rules may lead to: the Company losing its approval as a VCT; qualifying shareholders who have not held their shares for the designated holding period having to repay the income tax relief they obtained; and future dividends paid by the Company becoming subject to tax. The Company would also lose its exemption from corporation tax on capital gains.
- Investment and strategic — inappropriate strategy, poor asset allocation or consistent weak stock selection might lead to under performance and poor returns to shareholders.
- Regulatory — the Company is required to comply with the Companies Act 2006, the rules of the UK Listing Authority and United Kingdom Accounting Standards. Breach of any of these might lead to suspension of the Company's Stock Exchange listing, financial penalties or a qualified audit report.

- Reputational — inadequate or failed controls might result in breaches of regulations or loss of shareholder trust.
- Operational — failure of the Manager's or Company Secretary's accounting systems or disruption to its business might lead to an inability to provide accurate reporting and monitoring.
- Financial — inadequate controls might lead to misappropriation of assets. Inappropriate accounting policies might lead to misreporting or breaches of regulations. Additional financial risks, including interest rate, credit, market price and currency, are detailed in note 15 to the accounts.
- Market risk — investment in AIM traded, ISDX Growth Market traded and unquoted companies by its nature involves a higher degree of risk than investment in companies traded on the main market. In particular, smaller companies often have limited product lines, markets or financial resources and may be dependent for their management on a smaller number of key individuals. In addition, the market for stock in smaller companies is often less liquid than that for stock in larger companies, bringing with it potential difficulties in acquiring, valuing and disposing of such stock.
- Liquidity risk — the Company's investments, both unquoted and quoted, may be difficult to realise. Furthermore, the fact that a share is traded on AIM or ISDX Growth Market does not guarantee its liquidity. The spread between the buying and selling price of such shares may be wide and thus the price used for valuation may not be achievable.

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

Performance and key performance indicators (KPIs)

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

A record of some of these indicators is contained on page 3 entitled 'Summary and Financial Highlights'. Additional comments are provided in the Chairman's Statement discussing the performance of the Company over the current year. The total expense ratio in the year was less than 3.5%. Share buy-backs have been completed at discounts ranging from 10.1% to 10.6%. Combined, these KPIs compare favourably with the wider VCT marketplace based on independently published information.



Directors' Report continued

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

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

Clearly, some investments in unquoted companies at an early stage of their development are likely to disappoint, but investing the funds raised in high growth companies with the potential to become market leaders creates an opportunity for enhanced returns to shareholders. The growth of some of these companies is, however, largely dependent on the continuing level of expenditure on relevant products and services by larger corporations.

Foresight 4 VCT is a venture capital trust and has three Non-Executive Directors but no employees and, contracts-out its investment activities to its investment manager, Foresight Group. The Manager is currently enjoying strong dealflow in sectors which fit well with the Company's investment policy.

The Company's investment in clean energy and environmental infrastructure projects have clear environmental benefits and include projects concentrating on reducing the amount of carbon emissions polluting the atmosphere, clean generation of electricity and efficient recycling of waste materials.

Results

	Year ended 31 March 2013		Year ended 31 March 2012	
	Ordinary Shares	C Shares	Ordinary Shares	C Shares
(Loss)/return on ordinary activities after taxation	(3,617)	205	(3,549)	(1,064)
Dividend paid	—	—	(1,901)	—
	(3,617)	205	(5,450)	(1,064)

Dividend

No dividends have been paid in the year. (24 February 2012: 5.0p per Ordinary Share). A 4.0p per Ordinary Share dividend was paid on 26 April 2013.

Share Issues and Share Buybacks

During the year 1,485,308 Ordinary Shares were allotted at prices ranging from 92.6p to 105.2p.

During the year, the Company purchased for cancellation 692,486 shares for a total cost of £590,340. A total of 5,587,587 Ordinary Shares were repurchased by the Company for 101.99p per Share as part of the enhanced buyback scheme.

As part of the transaction, 5,423,011 new Ordinary Shares were issued at 105.2p per share

A total of 4,847,443 C Shares were repurchased by the Company for 97.26p per share as part of the enhanced buy back scheme. As part of the transaction, 4,705,821 new C Shares were issued at 100.3p per share.

At 31 March 2013 the Company had 38,384,591 Ordinary Shares and 18,744,740 C Shares in issue.

CREST

The Company entered CREST, a paperless settlement system, on 27 September 2001.

CREST is a voluntary system and those Shareholders who wish to retain their certificates may do so. Shareholders should be aware of the fact that a disposal of their Ordinary Shares before the fifth anniversary (third anniversary if bought between 6 April 2004 and 5 April 2006) of their allotment may lead to a loss of tax relief obtained by their investment in the Company.

Directors

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

	Year ended 31 March 2013		Year ended 31 March 2012	
	Ordinary Shares	C Shares	Ordinary Shares	C Shares
Philip Stephens	14,930	—	14,893	—
Peter Dicks	34,050	—	34,552	—
Raymond Abbott	10,744	—	—	—
Roger Brooke (Died 11/12/2012)			202,005	11,512

In accordance with the Articles of Association and the requirements of the Combined Code, Mr Stephens, Mr Dicks and Mr Abbott retire through rotation and, being eligible, offer themselves for re-election. Biographical notes on the Directors are given on page 2. The Board believes that Mr Stephens, Mr Dicks' and Mr Abbott's balance of skills, experience and knowledge continue to complement each other and add value to the Company and recommends their re-election to the Board.

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

Management

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

Since the end of the year, the Remuneration Committee has reviewed the appropriateness of the Manager's appointment. In carrying out its review, the Remuneration Committee considered the investment performance of the Company and the ability of the Manager to produce satisfactory investment performance in the future. It also considered the length of the notice period of the investment management contract and fees payable to the Manager, together with the standard of other services provided which include Company Secretarial services. Following this review, it is the Directors' opinion that the continuing appointment of the Manager on the terms agreed is in the interests of Shareholders as a whole.

Foresight Fund Managers Limited is the Secretary of the Company. The principal terms of the investment management and secretarial services agreement are set out in Note 13 of the accounts.

No Director has an interest in any contract to which the Company is a party. Foresight Group acts as investment manager to the Company in respect of its venture capital investments and earned fees of £1,294,000 during the year period including carried interest of £nil (2012: £1,128,000 including carried interest of £285,000). Foresight Fund Managers Limited, Company Secretary, received fees of £154,562 plus VAT (2012: £116,731 plus VAT) during the period. Foresight Group, received from investee companies arrangement fees of £126,429 (2012: £226,487) and Directors' fees of £222,349 (2012: £166,557). Foresight Group is also a party to the performance incentive agreement described in Note 13 to the financial statements.

VCT status monitoring

SGH Martineau LLP advise the Company on compliance with legislative requirements relating to VCTs. SGH Martineau LLP review investment activity as appropriate and carry out regular reviews of the Company's investment portfolio. SGH Martineau LLP work closely with Foresight Fund Managers Ltd, but report directly to the Board.

Merger Costs

Expenses incurred during the previous financial years in connection with the merger of the Company with Foresight 5 VCT plc, Acuity VCT 3 plc and Foresight Clearwater VCT plc amounted to £368,000 (net of applicable VAT) and were within the budget estimate of £398,000 (net of applicable VAT).

Substantial shareholdings

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

Financial instruments

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

Purchase of own shares

It is the Company's policy to consider repurchasing shares when they become available in order to provide liquidity for the Company's shares.

Payment to suppliers

It is the Company's payment policy to obtain the best possible terms for all business and therefore there is no consistent policy as to the terms used. The Company contracts with its suppliers the terms on which business will take place and seeks to abide by such terms. The number of creditor days at 31 March 2013 was 18 days (2012: 10 days).

Directors' and Officers' liability insurance

The Company maintains a Directors' and Officers' liability insurance policy.

Alternative Investment Fund Managers Directive (AIFMD)

The AIFMD comes into force on 22 July 2013 and sets out the rules for the authorisation and on-going regulation of managers (AIFMs) that manage alternative investment funds (AIFs) in the EU. The Company qualifies as an AIF and so will be required to comply, although additional cost and administration requirements are not expected to be material. Transitional provisions for existing AIFs are such that an extra year is allowed (until 22 July 2014) before the regulatory provisions become mandatory.

Annual General Meeting

A formal notice convening the Annual General Meeting to be held on 26 September 2013 can be found on pages 57 to 59. Resolutions 1 to 7 will be proposed as ordinary resolutions meaning that for each resolution to be passed more than half of the votes cast at the meeting must be in favour of the resolution. Resolutions 8 and 9 will be proposed as special resolutions meaning that for each resolution to be passed at least 75% of the votes cast at the meeting must be in favour of the resolution. Resolutions 7 and 8 will be in addition to existing authorities and Resolution 9 will be substitution for existing authorities. Further explanation of these resolutions is set out below.

Resolution 7

Resolution 7 will authorise the Directors to allot relevant securities generally, in accordance with Section 551 of the Companies Act 2006, up to a nominal amount of £260,000 (representing 45.5% of the current



Directors' Report continued

issued share capital of the Company) for the purposes listed under the authority requested under Resolution 8. This includes authority to issue shares pursuant to performance incentive fee arrangements with Foresight Group and top-up offers for subscription to raise new funds for the Company if the Board believes this to be in the best interests of the Company. Any offer is intended to be at an offer price linked to NAV. The authority and power conferred by Resolution 7 will expire on the fifth anniversary of the passing of the resolution.

Resolution 8

Resolution 8 will sanction, in a limited manner, the disapplication of pre-emption rights in respect of the allotment of equity securities (i) with an aggregate nominal value of up to £100,000 in each class of share in the Company pursuant to offer(s) for subscription, (ii) with an aggregate nominal value of up to 10% of the issued Ordinary Share capital in the Company pursuant to performance incentive arrangements with Foresight Group and (iii) with an aggregate nominal value of up to 10% of the issued share capital in each class of share in the Company, for general purposes, in each case where the proceeds of such issue may in whole or part be used to purchase the Company's shares. This authority will expire at the conclusion of the Annual General Meeting to be held in 2014.

Resolution 9

It is proposed by Resolution 9 that the Company be authorised to make market purchases of the Company's own shares. Under this authority the Directors may purchase up to 5,804,040 Ordinary Shares and/or 2,800,267 C Shares (representing approximately 14.99% of the Company's shares in issue in each share class as at 31 March 2013) or, if lower, such number of Ordinary Shares and/or C Shares (rounded down to the nearest whole Ordinary Shares or C Share, as applicable) as shall equal 14.99% of the Ordinary Share or C Shares (as applicable) in issue at the date the resolution is passed. When buying shares, the Company cannot pay a price per share which is more than 105% of the average of the middle market quotation for the relevant class of share, taken from the London Stock Exchange daily official list for the five business days immediately before the day on which shares are purchased or, if greater, the amount stipulated by Article 5(i) of the Buyback and Stabilisation Regulation 2003. This authority will expire at the conclusion of the Annual General Meeting to be held in 2014.

Whilst, generally, the Company does not expect shareholders will want to sell their shares within five years of acquiring them because this may lead to a loss of tax relief, the Directors anticipate that from time to time a shareholder may need to sell shares within this period. Front end VCT income tax relief is only obtainable by an investor who makes an investment in the new shares issued by the Company. This means that an investor may be willing to pay more for new shares issued by the Company than he would pay to buy shares from an existing shareholder. Therefore, in the interests of shareholders who may need to sell shares from time to time, the Company proposes to renew the authority to buy-in shares for the benefit of new as well as existing shareholders. This authority, when coupled with the ability to issue

new shares for the purposes of financing a purchase of shares in the market, enables the Company to purchase shares from a shareholder and effectively to sell on those shares through the Company to a new investor with the potential benefit of full VCT tax relief. In making purchases the Company will deal only with member firms of the London Stock Exchange at a discount to the then prevailing net asset value, per share of the Company's shares to ensure that existing shareholders' interests are protected.

Audit Information

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

Section 992 of the Companies Act

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

Capital structure

The Company has issued share capital of 38,384,591 Ordinary Shares and 18,744,740 C Shares at 31 March 2013.

Voting rights in the Company's shares

Details of the voting rights in the Company's shares at the date of this report are given in note 5 in the Notice of Annual General Meeting on page 59.

Notifiable Interests in the Company's voting rights

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

Auditors

The Company's independent auditor, KPMG Audit plc, has instigated an orderly wind-down of business. The Directors have decided to propose the appointment of KPMG LLP as auditor in succession to KPMG Audit plc and a resolution concerning this will be proposed at the Annual General Meeting.

Corporate Governance

The Directors of Foresight 4 VCT plc confirm that the Company has taken the appropriate steps to enable it to comply with the Principles set out in Section 1 of the UK Corporate Governance Code on Corporate Governance ("UK Corporate Governance Code") issued by the Financial Reporting Council in June 2010, as appropriate for a Venture Capital Trust. As a Venture Capital Trust, most of the Company's day-to-day responsibilities are delegated to third parties

and the Directors are all non-executive. Thus not all the procedures of the UK Corporate Governance Code are directly applicable to the Company. Unless noted as an exception below, the requirements of the UK Corporate Governance Code were complied with throughout the year ended 31 March 2013.

The Board

The Company has a Board of three Non-Executive Directors, all of whom (other than Peter Dicks who is considered non-independent under the listing rules by virtue of being a director of several Foresight VCTs which are all managed by Foresight Group) are considered to be independent. Peter Dicks is also a Director of Foresight VCT plc, Foresight 2 VCT plc and Foresight 3 VCT plc. The Board believes, having regard to the specialist nature of VCTs and the fact that the Manager advises a number of VCTs, that it is in the best interests of shareholders if, on each of the boards of the VCTs advised by the Manager, there are certain Directors who are common. That is to say, a common Director is able to assess how the Manager performs in respect of one fund with the valuable background knowledge of how well or badly the Manager is performing in relation to other funds for which he also has responsibility as a Director. Where conflicts of interest arise between the different funds then the common Director would seek to act fairly and equitably between different groups of shareholders. Where this is difficult or others might perceive that it was so, then decisions would be taken by the Directors who are not common Directors. The most likely source of potential conflicts would normally be the allocation of investment opportunities but as these are allocated by the Manager pro rata to the cash raised by each fund, subject to the availability of funds, in practice such conflicts do not arise. Additionally, 'specialist funds' may be allocated investments specific to their investment policy in priority to more generalist funds.

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

Individual Directors may, at the expense of the Company, seek independent professional advice on any matter that concerns them in the furtherance of their duties. In view of its non-executive nature and the requirements of the Articles of Association that all Directors retire by rotation at the Annual General Meeting, the Board considers that it is not appropriate for the Directors to be appointed for a specific term as recommended by provision B.23 of the UK Corporate Governance

Code. However, the Board has agreed that each Director will retire and, if appropriate, may seek re-election after three years' service and annually after serving on the Board for more than nine years. Non independent Directors are required to retire annually.

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

Meeting attendance during the year

The Board has access to a Company Secretary who also attends all Board meetings. The Manager attends all formal Board Meetings although the Directors may meet without the manager being present. Informal meetings with management are also held between Board Meetings as required. The Company Secretary provides full information on the Company's assets, liabilities and other relevant information to the Board in advance of each Board Meeting.

Roger Brooke ceased to be a Director as at 11 December 2012

	Board	Audit	Nomination	Remuneration
Philip Stephens	4/4	2/2	1/1	1/1
Peter Dicks	3/4	2/2	1/1	1/1
Raymond Abbott	4/4	2/2	1/1	1/1
Roger Brooke	1/3	1/2	1/1	1/1

In the light of the responsibilities retained by the Board and its committees and of the responsibilities delegated to Foresight Group, Foresight Fund Managers Limited, SGH Martineau LLP and the Company Secretary, the Company has not appointed a Chief Executive Officer, deputy Chairman or a senior independent Non-Executive Director as recommended by provision A.4.1 of the UK Corporate Governance Code. The provisions of the UK Corporate Governance Code which relate to the division of responsibilities between a chairman and a Chief Executive Officer are, accordingly, not applicable to the Company.

Directors indemnification and insurance

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

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

Board committees

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



Directors' Report continued

The Audit Committee comprises, Peter Dicks, Philip Stephens and Raymond Abbott (Chairman), all of whom are considered to have sufficient recent and relevant financial experience to discharge the role, and meets at least twice a year to, amongst other things, consider the following:

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

As a result of a tender process carried out in October 2010, the Board appointed KPMG Audit Plc.

KPMG Audit Plc provides taxation services in addition to undertaking the Company's external audit. The Audit Committee is of the opinion that KPMG are best placed to provide these taxation services. These non-audit services are less in value than the audit, and the Audit Committee believes that they do not compromise the objectivity or independence of the external auditor.

The Nomination Committee comprises Raymond Abbott (Chairman), Peter Dicks and Philip Stephens and meets at least annually to consider the composition and balance of skills, knowledge and experience of the Board and would make nominations to the Board in the event of a vacancy. New Directors are required to resign at the Annual General Meeting following appointment and then every three years.

The Remuneration Committee (which has responsibility for reviewing the remuneration of the Directors) comprises Raymond Abbott (Chairman), Peter Dicks and Philip Stephens and meets at least annually to consider the levels of remuneration of the Directors, specifically reflecting the time commitment and responsibilities of the role. The Committee also undertakes external comparisons and reviews to ensure that the levels of remuneration paid are broadly in line with industry standards.

The Remuneration Committee also reviews the appointment of the Manager.

Board Evaluation

The Board undertakes a formal evaluation of its own performance and that of its committees and individual Directors on a rolling three year basis. This methodology is a departure from principal B.6 of the UK Corporate Governance Code, which requires annual evaluation. Initially, the evaluation takes the form of a questionnaire for the Board (and its committees) and individual Directors. The Chairman then discusses the

results with the Board (and its committees) as a whole and Directors individually. Following completion of this second stage of the evaluation, the Chairman will take appropriate action to address any issues arising from the process.

Relations with Shareholders

The Company communicates with shareholders and solicits their views where it is appropriate to do so. Individual shareholders are made welcome at the Annual General Meeting where they have the opportunity to ask questions of the Directors, including the Chairman, as well as the Chairman of the Audit, Remuneration and Nomination Committees. The Board may from time to time also seek feedback through shareholder questionnaires, workshops and an open invitation for shareholders to meet the investment manager. The Company is not aware of any institutional shareholders in the capital of the Company.

Internal control

The Directors of Foresight 4 VCT plc have overall responsibility for the Company's system of internal control and for reviewing its effectiveness.

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

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

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

Foresight Fund Managers Limited was appointed by the Board as Company Secretary with responsibilities relating to the administration of the non-financial systems of internal control. All Directors have access to the advice and services of the Company Secretary, who is responsible to the Board for ensuring that Board procedures and applicable rules and regulations are complied with. Pursuant to the terms of their appointment, Foresight Group advise the Company on venture capital investments. Foresight Fund Managers Limited, in their capacity as Company Secretary, have physical custody of documents of title relating to equity investments.

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

The Audit Committee has carried out a review of the effectiveness of the system of internal control, together with a review of the operational and compliance controls and risk management, as it operated during the year and reported its conclusions to the Board which was satisfied with the outcome of the review. The Board has concluded that, given the appointment of Foresight Fund Managers Limited as Company accountants and the role of the Audit Committee, it is not necessary to establish an internal audit function at the current time but this policy will be kept under review.

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

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

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 within the Directors report on page 22. 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. In addition, the financial statements include the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

The Company has considerable financial resources together with investments and income generated therefrom across a variety of industries and sectors. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

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

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

By order of the Board

Foresight Fund Managers Limited

Company Secretary
16 July 2013



Directors' Remuneration Report

Introduction

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

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

Consideration by the Directors of matters relating to Directors' Remuneration

The Remuneration Committee comprises three Directors: Raymond Abbott (Chairman), Philip Stephens and Peter Dicks.

The Remuneration Committee has responsibility for reviewing the remuneration of the Directors, specifically reflecting the time commitment and responsibilities of the role, and meets at least annually. The Remuneration Committee also undertakes external comparisons and reviews to ensure that the levels of remuneration paid are broadly in line with industry standards and members have access to independent advice where they consider it appropriate. During the year neither the Board nor the Remuneration Committee has been provided with advice or services by any person in respect of its consideration of the Directors' remuneration.

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

No Director is involved in deciding their own remuneration.

Remuneration policy

The Board's policy is that the remuneration of non-executive Directors should reflect time spent and the responsibilities borne by the Directors on the Company's affairs and should be sufficient to enable candidates of high calibre to be recruited. The levels of Directors' fees paid by the Company for the period ended 31 March 2013 were agreed during the year.

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

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

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

Service contracts

None of the Directors has a service contract and a Director may resign at any time by notice in writing to the Board. There are no set minimum notice periods but all Directors are subject to retirement by rotation. No compensation is payable to Directors on leaving office. As the Directors are not appointed for a fixed length of time there is no unexpired term to their appointment. However, the Directors will retire by rotation as follows:

P Stephens, P Dicks, R Abbott	AGM 2013
P Stephens, P Dicks	AGM 2014
P Stephens, P Dicks	AGM 2015

Details of individual emoluments and compensation

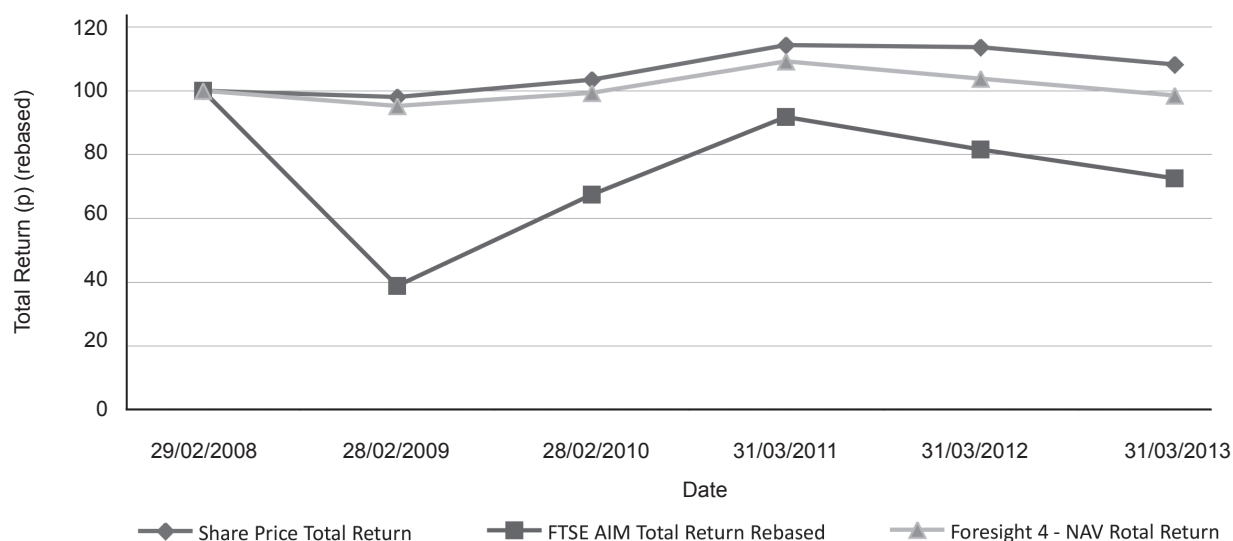
The emoluments in respect of qualifying services and compensation of each person who served as a Director during the year were as shown on page 31. No Director has waived or agreed to waive any emoluments from the Company in either the current year or previous period.

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

Total shareholder return

The graph on the following page charts the total shareholder return to 31 March 2013, on the hypothetical value of £100 invested by a Shareholder. The return is compared to the total shareholder return on a notional investment of £100 in the FTSE AIM All-Share Index, which is considered by the Board an appropriate index against which to measure the Company's performance both given that the profile of many AIM companies are similar to those held by Foresight 4 VCT plc.

Total Shareholder return



Audited Information

Only the information below has been audited. See the Independent Auditors' Report on page 35.

	Directors' fees (£) year ended 31 March 2013	Directors' fees (£) year ended 31 March 2012
Philip Stephens	27,500	25,000
Peter Dicks	22,000	20,000
Roger Brooke	15,174	20,000
Raymond Abbott (14 months)	23,667	—
Total	88,341	65,000

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

Approval of report

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

This Directors' Remuneration Report was approved by the Board on July 2013 and is signed on its behalf by Raymond Abbott (Director).

On behalf of the Board

Raymond Abbott
Director

16 July 2013



Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements, in accordance with applicable United Kingdom law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

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

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

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website, www.foresightgroup.eu. Visitors to the website should be aware that legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

We confirm that to the best of our knowledge:

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

On behalf of the Board

Philip Stephens

Chairman

16 July 2013

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

Income Statements

for the year ended 31 March 2013

	Ordinary Shares Fund			C Shares Fund		
	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Investment holding losses	—	(859)	(859)	—	(248)	(248)
Realised (losses)/gains on investments	—	(1,439)	(1,439)	—	765	765
Income	16	—	16	202	—	202
Investment management fees	(239)	(717)	(956)	(85)	(253)	(338)
Other expenses	(379)	—	(379)	(176)	—	(176)
(Loss)/Profit on ordinary activities before taxation	(602)	(3,015)	(3,617)	(59)	264	205
Taxation	—	—	—	—	—	—
(Loss)/Profit on ordinary activities after taxation	(602)	(3,015)	(3,617)	(59)	264	205
Return per share	(1.6)p	(7.9)p	(9.5)p	(0.3)p	1.4p	1.1p

Balance Sheets

at 31 March 2013

	Ordinary Shares Fund	C Shares Fund
	£'000	£'000
Fixed Assets		
Investments held at fair value through profit or loss	27,684	16,843
Current assets		
Debtors	2,283	499
Money market securities and other deposits	536	—
Cash	3,160	835
	5,979	1,334
Creditors		
Amounts falling due within one year	(158)	(213)
Net current assets	5,821	1,121
Net Assets	33,505	17,964
Capital and reserves		
Called-up share capital	384	187
Share premium account	8,076	23,442
Capital redemption reserve	1,914	49
Profit and loss account	23,131	(5,714)
Equity shareholders' funds	33,505	17,964
Number of shares in issue	38,384,591	18,744,740
Net asset value per share	87.3p	95.8p

At 31 March 2013 there was an inter-share debtor/creditor of £36,000 which has been eliminated on aggregation.



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

Reconciliations of Movements in Shareholders' Funds

for the year ended 31 March 2013

	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total £'000
Ordinary Shares					
As at 1 April 2012	378	1,417	1,851	32,921	36,567
Share issues in the year	69	7,085	—	—	7,154
Expenses in relation to share issues	—	(426)	—	—	(426)
Repurchase of shares	(63)	—	63	(6,173)	(6,173)
Loss for the year	—	—	—	(3,617)	(3,617)
As at 31 March 2013	384	8,076	1,914	23,131	33,505

	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total £'000
C Shares					
As at 1 April 2012	187	18,532	—	(1,064)	17,655
Share issues in the year	49	4,864	—	—	4,913
Expenses in relation to share issues	—	46	—	—	46
Repurchase of shares	(49)	—	49	(4,855)	(4,855)
Profit for the year	—	—	—	205	205
As at 31 March 2013	187	23,442	49	(5,714)	17,964

Independent Auditor's Report

to the Members of Foresight 4 VCT plc

We have audited the financial statements of Foresight 4 VCT plc for the year ended 31 March 2013 which comprise the Income Statement, the Reconciliation of Movements in Shareholders' Funds, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

Respective responsibilities of Directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 32, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2013 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules we are required to review:

- the Directors' statement, set out on page 29, in relation to going concern;
- the part of the Corporate Governance Statement on page 26 relating to the Company's compliance with the nine provisions of the June 2010 UK Corporate Governance Code for our review; and
- certain elements of the report to shareholders by the Board on directors' remuneration.

Gareth Horner (Senior Statutory Auditor)

for and on behalf of
KPMG Audit Plc
 Statutory Auditor
 Chartered Accountants
 Edinburgh
 16 July 2013



Income Statement

for the year ended 31 March 2013

	Notes	Year ended 31 March 2013			Year ended 31 March 2012		
		Revenue	Capital	Total	Revenue	Capital	Total
		£'000	£'000	£'000	£'000	£'000	£'000
Investment holding losses	8	—	(1,107)	(1,107)	—	(8,888)	(8,888)
Realised (losses)/gains on investments	8	—	(674)	(674)	—	5,617	5,617
Income	2	218	—	218	222	—	222
Investment management fees	3	(324)	(970)	(1,294)	(211)	(917)	(1,128)
Other expenses	4	(555)	—	(555)	(436)	—	(436)
Loss on ordinary activities before taxation		(661)	(2,751)	(3,412)	(425)	(4,188)	(4,613)
Taxation	5	—	—	—	—	—	—
Loss on ordinary activities after taxation		(661)	(2,751)	(3,412)	(425)	(4,188)	(4,613)
Return per share:							
Ordinary Share	7	(1.6)p	(7.9)p	(9.5)p	(1.0)p	(8.7)p	(9.7)p
C Share	7	(0.3)p	1.4p	1.1p	(0.3)p	(5.4)p	(5.7)p

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

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

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

The notes on pages 40 to 54 form part of these financial statements.

Reconciliation of Movements in Shareholders' Funds

	Called-up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total
Year ended 31 March 2012	£'000	£'000	£'000	£'000	£'000
Company					
As at 1 April 2011	359	25,137	1,844	12,823	40,163
Share issues in the year	213	21,345	—	—	21,558
Expenses in relation to share issues	—	(274)	—	—	(274)
Repurchase of shares	(7)	—	7	(711)	(711)
Cancellation of share premium*	—	(26,259)	—	26,259	—
Dividends	—	—	—	(1,901)	(1,901)
Loss for the year	—	—	—	(4,613)	(4,613)
As at 31 March 2012	565	19,949	1,851	31,857	54,222

* The share premium of the Company was cancelled by order of the High Court of Justice, Chancery Division, on 23 November 2011 and registered at Companies House on 23 November 2011. This enabled the Company to increase its distributable reserve to which, amongst other things, losses can be written off, providing the Company greater flexibility when considering dividend payments to shareholders and from which share buybacks can be financed.

	Called-up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total
Year ended 31 March 2013	£'000	£'000	£'000	£'000	£'000
Company					
As at 1 April 2012	565	19,949	1,851	31,857	54,222
Share issues in the year	118	11,949	—	—	12,067
Expenses in relation to share issues	—	(380)	—	—	(380)
Repurchase of shares	(112)	—	112	(11,028)	(11,028)
Loss for the year	—	—	—	(3,412)	(3,412)
As at 31 March 2013	571	31,518	1,963	17,417	51,469

The notes on pages 40 to 54 form part of these financial statements.



Balance Sheet

at 31 March 2013

Registered Number: 03506579

	Notes	As at 31 March 2013 £'000	As at 31 March 2012 £'000
Fixed assets			
Investments held at fair value through profit or loss	8	44,527	43,083
Current assets			
Debtors	9	2,746	3,525
Money market securities and other deposits		536	1,539
Cash		3,995	7,774
		7,277	12,838
Creditors			
Amounts falling due within one year	10	(335)	(1,699)
Net current assets		6,942	11,139
Net assets		51,469	54,222
Capital and reserves			
Called-up share capital	11	571	565
Share premium account		31,518	19,949
Capital redemption reserve		1,963	1,851
Profit and loss account		17,417	31,857
Equity shareholders' funds		51,469	54,222
Net asset value per share:			
Ordinary Share		87.3p	96.9p
C Share		95.8p	94.4p

The financial statements were approved by the Board of Directors and authorised for issue on 16 July 2013 and were signed on its behalf by:

Raymond Abbott
Director

The notes on pages 40 to 54 form part of these financial statements.

Cash Flow Statement

for the year ended 31 March 2013

	Year ended 31 March 2013 £'000	Year ended 31 March 2012 £'000
Cash flow from operating activities		
Investment income received	311	245
Deposit and similar interest received	7	23
Investment management fees paid	(1,674)	(1,217)
Secretarial fees paid	(155)	(82)
Other cash receipts/payments	65	(394)
Net cash outflow from operating activities and returns on investment	(1,446)	(1,425)
Taxation	—	—
Investing activities		
Purchase of unquoted investments and investments quoted on AIM	(6,673)	(9,158)
Net proceeds on sale of unquoted investments	3,040	4,589
Net proceeds on deferred consideration	451	592
Net capital outflow from investing activities	(3,182)	(3,977)
Equity dividends paid	—	(1,901)
Net cash outflow before financing and liquid resource management	(4,628)	(7,303)
Management of liquid resources		
Movement in money market funds	1,003	1,829
	1,003	1,829
Financing		
Proceeds of fund raising	836	179
Acquisition issue shares	—	10,956
Expenses of fund raising	(114)	(155)
Repurchase of own shares	(876)	(1,133)
Net cash (outflow)/inflow from financing activities	(154)	9,847
(Decrease)/Increase in cash	(3,779)	4,373
Reconciliation of net cash flow to movement in net cash		
(Decrease)/Increase in cash for the year	(3,779)	4,373
Net cash at start of year	7,774	3,401
Net cash at end of year	3,995	7,774

Analysis of changes in net debt

	At 1 April 2012 £'000	Cash flow £'000	At 31 March 2013 £'000
Cash and cash equivalents	7,774	(3,779)	3,995

The notes on page 40 to 54 form part of these accounts.



Notes to the Accounts

for the year ended 31 March 2013

1 Accounting policies

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

a) Basis of accounting

The financial statements have been prepared under the Companies Act 2006, and in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice (SORP): Financial Statements of Investment Trust Companies and Venture Capital Trusts issued in January 2009.

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

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

All investments held by the Company are classified as “fair value through profit and loss”. The Directors fair value investments in accordance with the International Private Equity and Venture Capital Valuation (“IPEVCV”) guidelines, as updated in August 2010. This classification is followed as the Company’s business is to invest in financial assets with a view to profiting from their total return in the form of capital growth and income.

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

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

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

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

1 Accounting policies (continued)

c) Income

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

d) Expenses

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

Performance incentive payments will relate predominantly to the capital performance of the portfolio and will therefore be charged 100% to capital.

e) Financial Instruments

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

f) Taxation

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

g) Deferred Taxation

Provision is made for corporation tax at the current rates on the excess of taxable income over allowable expenses. In accordance with FRS 19 'Deferred Tax', a provision is made on all material timing differences arising from the different treatment of items for accounting and tax purposes. A deferred tax asset is recognised only to the extent that there will be taxable profits in the future against which the asset can be offset. It is considered too uncertain that this will occur and, therefore, no deferred tax asset has been recognised.

h) Investment recognition and derecognition

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



Notes to the Accounts continued

for the year ended 31 March 2013

2 Income

	Year ended 31 March 2013 £'000	Year ended 31 March 2012 £'000
Loan Stock interest	216	199
Overseas based Open Ended Investments Companies ("OEICs")	2	21
Bank deposits	—	2
	218	222

3 Investment management fees

	Year ended 31 March 2013 £'000	Year ended 31 March 2012 £'000
Investment management fees charged to the revenue account	324	211
— Gross	324	211
Investment management fees charged to the capital account		
— Gross	970	632
— Performance-related incentive on dividend payment	—	285
	970	917
	1,294	1,128

Foresight Group provide investment management services to the Company under an agreement dated 30 July 2004 (and novated to Foresight Group CI Limited on 19 December 2011) and receive management fees, paid quarterly in advance, of 2.5% of net assets per annum. If the annual expenses of the Company exceed 3.5% of the Company's total assets less current liabilities, the Company is entitled to reduce the fees paid to the Manager by the amount of the excess.

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

Foresight Fund Managers Limited is the Secretary of the Company and receives annual fees, paid quarterly in advance, for the services provided of £154,562 (2012: £116,731). The annual secretarial fee (which is payable together with any applicable VAT) is adjusted annually in line with the UK Retail Prices Index.

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 common 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.

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

4 Other expenses

	Year ended 31 March 2013 £'000	Year ended 31 March 2012 £'000
Secretarial services excluding VAT	155	117
Directors' remuneration including employer's National Insurance contributions	88	68
Auditors' remuneration including VAT		
— audit services	27	26
— taxation services	6	7
Other	279	218
	555	436

5 Tax on ordinary activities

	Year ended 31 March 2013 £'000	Year ended 31 March 2012 £'000
a) Analysis of charge in the year:		
Corporation tax	—	—
Total tax for the year	—	—

b) Factors affecting current tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for a venture capital fund (24%).

The differences are explained below:

	Year ended 31 March 2013 £'000	Year ended 31 March 2012 £'000
Net income before taxation	(3,412)	(4,613)
Corporation tax at 24% (2012: 26%)	(819)	(1,199)
Effect of:		
Realised losses/(gains) not deductible	162	(1,460)
Net unrealised losses not taxable	265	2,311
Non-taxable dividend income	—	(5)
Utilisation of brought forward excess expenses	22	353
Movement in unutilised management expenses	370	—
Current tax charge for the period	—	—

c) There is an unrecognised deferred tax asset of approximately £1,502,000 (2012: £1,197,000). The deferred tax asset relates to the current and prior year unutilised expenses. It is considered too uncertain that there will be taxable profits in the future against which the deferred tax assets can be offset and, therefore, in accordance with FRS 19, the asset has not been recognised.



Notes to the Accounts continued

for the year ended 31 March 2012

6 Dividends

	Year ended 31 March 2013 £'000	Year ended 31 March 2012 £'000
Ordinary Shares		
Dividends — paid in the year — nil (2012: 5.0p)	—	1,901
C Shares		
Dividends — paid in the year	—	—

The Board is not recommending a final dividend on the Ordinary Shares or C Shares for the year ended 31 March 2013 (2012: £nil)

An interim dividend of 4.0p per Ordinary Share was paid on 26 April 2013.

Set out below are the total income dividends payable in respect of the financial year, which is the basis on which the requirements of section 274 of The Income Tax Act 2009 are considered.

	Year ended 31 March 2013 £'000	Year ended 31 March 2012 £'000
Income available for distribution by way of dividends for the year	—	—
Interim revenue dividend for the year ended 31 March 2013	—	—

As there was no net income available for distribution, a dividend was not required to fulfil the requirements of Section 259 and Section 274 of the Income Tax Act 2007 (2012: 5.0p)

7 Return per share

	Year ended 31 March 2013		Year ended 31 March 2012	
	Ordinary Shares £'000	C Shares £'000	Ordinary Shares £'000	C Shares £'000
Total (loss)/return after taxation	(3,617)	205	(3,549)	(1,064)
Total (loss)/return per share (note a)	(9.5)p	1.1p	(9.7)p	(5.7)p
Revenue (loss)/return from ordinary activities after taxation	(602)	(59)	(365)	(60)
Revenue (loss)/return per share (note b)	(1.6)p	(0.3)p	(1.0)p	(0.3)p
Capital (loss)/return from ordinary activities after taxation	(3,015)	264	(3,184)	(1,004)
Capital (loss)/return per share (note c)	(7.9)p	1.4p	(8.7)p	(5.4)p
Weighted average number of shares in issue in the period	37,965,547	18,730,684	36,604,335	18,693,098

Notes:

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

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

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

8 Investments held at fair value through profit or loss

	2013 £'000	2012 £'000
Quoted investments	981	1,087
Unquoted investments	43,546	41,996
	44,527	43,083

	Quoted £'000	Unquoted £'000	Total £'000
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Company

Book cost as at 1 April 2012	1,719	41,793	43,512
Investment holding losses	(632)	203	(429)
Book cost as at 1 April 2012	1,087	41,996	43,083

Movements in the period:

Purchases at cost	6	6,646	6,652
Disposal proceeds	—	(3,494)	(3,494)
Realised losses	—	(767)	(767)
Investment holding losses	(112)	(835)	(947)

Valuation at 31 March 2013	981	43,546	44,527
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Book cost at 31 March 2013	1,725	44,178	45,903
Investment holding losses	(744)	(632)	(1,376)

Valuation at 31 March 2013	981	43,546	44,527
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Investment holding losses in the income statement include a write down of £300,000 relating to a bank overdraft Guarantee Facility provided by the Ordinary Shares Fund, which is not reflected above.

Deferred consideration of £141,000 and £92,000 was also recognised by the Ordinary Shares Fund in the period through investment holding losses and realised losses, respectively, and is included in debtors.

Capitalised interest of £179,000 was recognised by the Ordinary Shares fund and C Shares fund in the year, and is included within purchases at cost.

	Quoted £'000	Unquoted £'000	Total £'000
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Ordinary Shares

Book cost as at 1 April 2012	1,719	28,881	30,600
Investment holding (losses)/gains	(632)	1,238	606
Valuation at 1 April 2012	1,087	30,119	31,206

Movements in the period:

Purchases at cost	6	1,131	1,137
Disposal proceeds	—	(2,428)	(2,428)
Realised losses	—	(1,532)	(1,532)
Investment holding losses	(112)	(587)	(699)

Valuation at 31 March 2013	981	26,703	27,684
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Book cost at 31 March 2013	1,725	26,052	27,777
Investment holding (losses)/gains	(744)	651	(93)

Valuation at 31 March 2013	981	26,703	27,684
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Investment holding losses in the income statement include a write down of £300,000 relating to a bank overdraft Guarantee Facility provided by the Ordinary Shares Fund, which is not reflected above.

Deferred consideration of £141,000 and £92,000 was also recognised by the Ordinary Shares Fund in the period through investment holding losses and realised losses, respectively, and is included in debtors.

Capitalised interest of £160,000 was recognised by the Ordinary Shares fund in the year, and is included within purchases at cost.



Notes to the Accounts continued

for the year ended 31 March 2013

8 Investments held at fair value through profit or loss (continued)

C Shares	Quoted £'000	Unquoted £'000	Total £'000
Book cost as at 1 April 2012	—	12,912	12,912
Investment holding losses	—	(1,035)	(1,035)
Valuation at 1 April 2012	—	11,877	11,877
Movements in the period:			
Purchases at cost	—	5,515	5,515
Disposal proceeds	—	(1,066)	(1,066)
Realised gains	—	765	765
Investment holding losses	—	(248)	(248)
Valuation at 31 March 2013	—	16,843	16,843
Book cost at 31 March 2013	—	18,126	18,126
Investment holding losses	—	(1,283)	(1,283)
Valuation at 31 March 2013	—	16,843	16,843

Capitalised interest of £19,000 was recognised by the C Shares fund in the year, and is included within purchases at cost.

9 Debtors

	2013 £'000	2012 £'000
Deferred consideration	642	862
Prepayments	19	525
Accrued income	1,153	1,428
Enhanced buy back debtor	—	500
Other debtors	932	210
	2,746	3,525

10 Creditors: amounts falling due within one year

	2013 £'000	2012 £'000
Trade creditors	89	358
Accruals	47	83
Amounts owed to Foresight 3 VCT plc - as a result of the linked fundraising	—	4
Trail commission	191	219
Other creditors	8	1,035
	335	1,699

11 Called-up share capital

	2013 £'000	2012 £'000
Allotted, called up and fully paid:		
38,384,591 Ordinary Shares of 1p each (2012: 37,756,345)	384	378
18,744,740 C Shares of 1p each (2012: 18,693,098)	187	187

During the year the Company issued 1,485,308 Ordinary Shares (2012: 1,110,690) raising gross proceeds of £1.4 million (2012: £1.3 million). The Company also issued 193,264 C Shares (2012:nil) raising gross proceeds of £0.2 million (2012:nil). Where appropriate these funds will be used to make follow-on investments in existing portfolio companies as well as making investments in new investment opportunities.

The Ordinary Shares fund purchased 692,486 (2012:722,708) shares for cancellation at a cost £590,340 (2012: £711,000).

A total of 5,587,587 Ordinary Shares were repurchased by the Company for 101.99p per Share as part of the enhanced buyback scheme. As part of the transaction, 5,423,011 new Ordinary Shares were issued at 105.2p per share

A total of 4,847,443 C Shares were repurchased by the Company for 97.26p per share as part of the enhanced buy back scheme. As part of the transaction, 4,705,821 new C Shares were issued at 100.3p per share.

	2013 Ordinary Shares No.	2013 C Shares No.	2012 Ordinary Shares No.	2012 C Shares No.
At 1 April 2012/2011	37,756,345	18,693,098	35,864,981	—
Allotments	6,908,319	4,899,085	2,614,072	18,693,098
Repurchase of own shares	(6,280,073)	(4,847,443)	(722,708)	—
At 31 March 2013/ 2012	38,384,591	18,744,740	37,756,345	18,693,098

12 Net asset value per share

Net asset value per Ordinary Share is based on net assets at the year end of £33,505,000 (2012: £36,567,000) and on 38,384,591 (2012: 37,756,345) Ordinary Shares, being the number of Ordinary Shares in issue at that date.

Net asset value per C Share is based on net assets at the year end of £17,964,000 (2012: £17,655,000) and on 18,744,740 (2012: 18,693,098) C Shares, being the number of C Shares in issue at that date.

13 Performance-related incentive

Foresight Group is entitled to a payment equal to 15% of dividends paid to Ordinary Shareholders, subject to the net asset value plus cumulative dividends paid per Ordinary Share following the date of the Extraordinary General Meeting exceeding 100.0p per Share ("High Watermark"), both immediately before and immediately after the performance related incentive fee is paid.

After each distribution is made to Ordinary Shareholders where a performance incentive is paid to Foresight Group, the High Watermark required to be achieved by the Company to trigger a further performance incentive fee increases by a per Ordinary Share amount equivalent to the aggregate amount of the dividend paid less the 15% performance fee paid to Foresight Group.

The performance incentive fee may be satisfied by either a cash payment or the issue of Ordinary Shares (or by a combination of both) ultimately at the Board's discretion. Any new Ordinary Shares to be issued to Foresight Group would be calculated by dividing the performance fee cash equivalent amount by the latest net asset value per Ordinary Share after adding the cumulative dividends to be paid.

No performance incentive was paid in the year (2012: £285,000 paid).



Notes to the Accounts continued

for the year ended 31 March 2013

14 Capital commitments and contingent liabilities

The Company had no capital commitments and contingent liabilities at 31 March 2013 (31 March 2012: £nil).

The Ordinary Shares Fund Guaranteed a bank loan of £300,000 during the year, which has now been written to zero.

15 Financial instrument risk management

The Company's financial instruments comprise:

- Equity shares, debt securities and fixed interest securities that are held in accordance with the Company's investment objective as set out in the Directors' Report.
- Cash, liquid resources, short-term debtors, creditors and derivatives that arise directly from the Company's operations.

Classification of financial instruments

The Company held the following categories of financial instruments, all of which are included in the balance sheet at fair value, at 31 March 2013:

	Company	
	2013	2012
	(Fair value)	(Fair value)
	£'000	£'000
Assets at fair value through profit and loss		
Investment portfolio	44,527	43,083
Current asset investments (money market funds)	536	1,539
Cash at bank	3,995	7,774
	49,058	52,396
Receivables		
Deferred consideration	642	862
Prepayments and other debtors	2,104	2,663
Liabilities at amortised cost or equivalent		
Creditors	(335)	(1,699)
	51,469	54,222

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

The investment portfolio principally consists of unquoted investments, AIM quoted investments and qualifying loan stock valued at fair value. AIM quoted investments are valued at bid price. Current asset investments are money market funds, discussed under credit risk management below.

The investment portfolio has a high concentration of risk towards small UK-based companies, the majority being unquoted sterling denominated equity and loan stock holdings (84.6% of net assets for the Company, or quoted on the sterling denominated UK AIM market (1.9% of net assets for the Company).

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

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

Detailed below is a summary of the financial risks to which the Company is exposed.

Interest rate risk

The fair value of the Company's fixed rate securities and the net revenue generated from the Company's floating rate securities may be affected by interest rate movements. Investments are often in early stage businesses, which are relatively high risk investments sensitive to interest rate fluctuations. Due to the short time to maturity of some of the Company's fixed rate investments, it may not be possible to reinvest in assets which provide the same rates as those currently held. When making investments of an equity and debt nature, consideration is given during the structuring process to the potential implications of interest rate risk and the resulting investment is structured accordingly. The maximum exposure to interest rate risk for the Company was £27,068,000 at 31 March 2013 (31 March 2012: £32,802,000).

15 Financial instrument risk management (continued)

Company Portfolio	Total portfolio		Weighted average interest rate		Weighted average time for which rate is fixed	
	31 March	31 March	31 March	31 March	31 March	31 March
	2013	2012	2013	2012	2013	2012
	£'000	£'000	%	%	Days	Days
Short-term fixed interest securities						
— exposed to cash flow interest rate risk	536	1,539	0.4%	0.6%	—	—
Loan stock						
— exposed to fixed interest risk	17,100	17,682	11.0%	11.2%	319	615
Loan stock						
— exposed to variable interest rate risk	5,437	5,749	4.1%	3.7%	—	—
Cash	3,995	7,774	—	—	—	—
Total exposed to interest rate risk	27,068	32,744				
Loan stock						
— not exposed to interest rate risk	64	58	—	—	—	—
Total	27,132	32,802				

Maturity analysis:	Total portfolio	
	31 March	31 March
	2013	2012
	£'000	£'000
— in one year or less	16,346	19,844
— in more than one year but no more than two years	878	3,174
— in more than two years but no more than three years	1,187	2,173
— in more than three years but no more than four years	5,011	2,581
— in more than four years but no more than five years	3,710	5,030
Total	27,132	32,802



Notes to the Accounts continued

for the year ended 31 March 2013

15 Financial instrument risk management (continued)

During the course of the year the Company also held cash balances. The benchmark rate, which determines the interest payments received on cash and loan balances held, is the bank base rate which was 0.5% at 31 March 2013 (0.5% at 31 March 2012).

Credit risk

Credit risk is the risk of failure by counterparties to deliver securities which the Company has paid for, or the failure by counterparties to pay for securities which the Company has delivered. The Company has exposure to credit risk in respect of the loan stock investments it has made into investee companies, most of which have no security attached to them, and where they do, such security ranks beneath any bank debt that an investee company may owe. The Board manages credit risk in respect of the current asset investments and cash by ensuring a spread of such investments in separate money market funds such that none exceed 15% of the Company's total investment assets. These money market funds are all triple A rated funds, and so credit risk is considered to be low. The Manager receives management accounts from portfolio companies, and members of the investment management team often sit on the boards of unquoted portfolio companies; this enables the close identification, monitoring and management of investment-specific credit risk. The maximum exposure to credit risk at 31 March 2013 was £29,878,000 (31 March 2012: £36,327,000) for the Company based on cash, money market funds and other receivables (amounts due on investments, dividends and interest). The majority of the Company's assets are held in its own name in certificated form and therefore custodian default risk is negligible. AIM holdings held by a third party custodian in CREST are ring fenced from the assets of the custodian or other client companies.

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

	Company	
	2013	2012
	£'000	£'000
Loan stocks	22,601	23,489
Current asset investments (money market funds)	536	1,539
Deferred consideration	642	862
Prepayments and other debtors	2,104	2,663
Cash at Bank	3,995	7,774
Total	29,878	36,327

Market price risk

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

The investments in equity and fixed interest stocks of unquoted companies are rarely traded (and AIM listed companies which the Company holds are thinly traded) and as such the prices are more volatile than those of more widely traded securities. In addition, the ability of the Company to realise the investments at their carrying value may at times not be possible if there are no willing purchasers. The ability of the Company to purchase or sell investments is also constrained by the requirements set down for Venture Capital Trusts. The potential maximum exposure to market price risk, being the value of the investment portfolio as at 31 March 2013 is: £44,527,000 for the Company (31 March 2012: £43,083,000).

Liquidity risk

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

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

15 Financial instrument risk management (continued)

Sensitivity analysis

Equity price sensitivity

The Board believes the Company's assets are mainly exposed to equity price risk, as the Company holds most of its assets in the form of sterling denominated investments in small companies.

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

The Board considers that even the loan stocks are 'quasi-equity' in nature, as the value of the loan stocks is determined by reference to the enterprise value of the investee company. Such value is considered to be sensitive to changes in quoted share prices, in so far as such changes eventually affect the enterprise value of unquoted companies. The table below shows the impact on profit and net assets if there were to be a 15% (2012: 15%) movement in overall share prices, which might in part be caused by changes in interest rate levels, but it is not considered practical to evaluate separately the impact of changes in interest rates upon the value of the Company's portfolios of investments in small, unquoted companies.

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

	2013 Return and net assets	2012 Return and net assets
Company		
If overall share prices fell by 15% (2012: 15%), with all other variables held constant — decrease (£'000)	(6,679)	(6,462)
Decrease in earnings, and net asset value, per share (in pence)	(11.69)p	(11.45)p
	2013 Return and net assets	2012 Return and net assets
If overall share prices Increased by 15% (2012: 15%), with all other variables held constant — increase (£'000)	6,679	6,462
Increase in earnings, and net asset value, per share (in pence)	11.69p	11.45p

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



Notes to the Accounts continued

for the year ended 31 March 2013

15 Financial instrument risk management (continued)

Interest rate sensitivity

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

	2013 Return and net assets	2012 Return and net assets
Company		
If interest rates were 1% lower, with all other variables held constant — decrease (£'000)	(54)	(98)
Decrease in earnings, and net asset value, per Share (in pence)	(0.10)p	(0.17)p
If interest rates were 1% higher, with all other variables held constant — increase (£'000)	54	98
Increase in earnings, and net asset value, per Share (in pence)	0.10p	0.17p

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

Fair value hierarchy

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

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

Company

As at 31 March 2013

	Level 1 £'000	Level 2 £'000	Level 3 £'000s	Total £'000
Quoted investments	981	—	—	981
Unquoted investments	—	—	43,546	43,546
Current asset investments (money market funds)	536	—	—	536
Financial assets	1,517	—	43,546	45,063

As at 31 March 2012

	Level 1 £'000	Level 2 £'000	Level 3 £'000s	Total £'000
Quoted investments	1,087	—	—	1,087
Unquoted investments	—	—	41,996	41,996
Current asset investments (money market funds)	1,539	—	—	1,539
Financial assets	2,626	—	41,996	44,622

Notes to the Accounts continued

for the year ended 31 March 2013

15 Financial instrument risk management (continued)

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

The (losses)/gains on level 3 investments are included within investment holding losses and realised (losses)/gains on investments in the Income Statement.

Year ended 31 March 2013

	Company Shares fund Level 3 £'000
Valuation brought forward at 1 April 2012	41,996
Purchases	6,646
Disposal proceeds	(3,494)
Realised losses	(766)
Investment holding losses	(836)
Valuation carried forward at 31 March 2013	43,546

Transfers

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

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

If unquoted Company investments moved by 15%, this would create an increase or decrease in investments of £6.5 million.

16 Management of Capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and to provide an adequate return to shareholders by allocating its capital to assets commensurately with the level of risk. The Company's capital is invested in quoted and unquoted investments, cash and near cash as well as current assets.

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

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

The Company has no external imposed capital requirements.



Notes to the Accounts continued

for the year ended 31 March 2013

17 Post-balance sheet events

In accordance with the top up offer, dated 3 December 2012, 401,724 Ordinary Shares were issued post year end at prices ranging from 84.0p to 92.6p.

18 Transactions with the manager

Foresight Group LLP, Foresight Fund Managers Limited and Foresight Group GI Limited are considered to be related parties of the Company. Details of arrangements with these parties are given in the Directors' Report and Note 3.

Foresight Group, which acts as investment manager to the Company in respect of its venture capital investments earned fees of £1,294,000 during the year (2012: £1,128,000), including a performance incentive of £nil (2012: £285,000).

Foresight Fund Managers Limited is the Secretary of the Company and received fees of £154,562 (2012: £116,731) during the year. The annual secretarial fee (which is payable together with any applicable VAT) is adjusted annually in line with the UK Retail Prices Index.

Foresight Group, received from investee companies arrangement fees of £126,429 (2012: £226,487) and Directors' fees of £222,349 (2012: £166,557).

At the balance sheet date there was £5,432 (2012: £110,000) due from Foresight Group and £nil (2012: £35,000) due to Foresight Fund Managers Limited. No amounts have been written off in the year in respect of debts due to or from related parties.

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 common 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 is also a party to the performance incentive agreement described in note 13.

Shareholder Information

Dividends

Interim dividends are ordinarily paid to shareholders in December. Final dividends are ordinarily paid to shareholders in July. 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 (see over for details).

Share price

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

Investor Centre

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

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

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

Notification of change of address

Communications with shareholders are mailed to the registered address held on the share register. In the event of a change of address or other amendment this should be notified to the Company's registrar, Computershare Investor Services, under the signature of the registered holder.

Trading shares

The Company's Ordinary Shares and C Shares can be bought and sold in the same way as any other quoted company on the London Stock Exchange via a stockbroker. The primary market maker for Foresight 4 VCT plc is Panmure Gordon & Co.

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

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

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

Indicative financial calendar

November 2013	Announcement of interim results for the six months to 30 September 2013
July 2014	Announcement of annual results for the year ended 31 March 2014
July 2014	Posting of the Annual Report for the year ended 31 March 2014
September 2014	Annual General Meeting



Shareholder Information continued

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

Contact: Please contact Foresight Group, for any queries regarding Foresight 4 VCT plc

Telephone: 01732 471800

Fax: 01732 471810

e-mail: info@foresightgroup.eu

website: www.foresightgroup.eu

Foresight 4 VCT plc is managed by Foresight Group CI which is authorised and regulated 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.

Foresight Group was appointed manager of Advent 2 VCT plc on 1 August 2004 and the fund was renamed Foresight 4 VCT plc.

Foresight Group was appointed manager of Acuity Growth VCT (formerly Acuity VCT plc) (previously Electra Kingsway VCT plc) and Acuity VCT 2 plc (previously Electra Kingsway VCT 2 plc) on 24 February 2011 and the company was renamed Foresight 5 VCT plc. Foresight Group was also appointed manager of Acuity VCT 3 plc (formerly Electra Kingsway VCT 3 plc) on 1 April 2011. Foresight 4 VCT plc acquired the assets and liabilities of both Foresight 5 VCT plc and Acuity VCT 3 plc on 6 February 2012 and the companies were merged into Foresight 4 VCT plc as a separate C Share class.

Foresight 4 VCT plc also acquired the assets and liabilities of Foresight Clearwater VCT plc on 6 February 2012 and the Foresight Clearwater VCT plc Ordinary Shares became Foresight 4 VCT plc Ordinary Shares.

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Foresight 4 VCT plc ("the Company") will be held on 26 September 2013 at 1.00 pm at the offices of SGH Martineau LLP, One America Square, Crosswall, London EC3N 2SG for the purpose of considering and, if thought fit, passing the following resolutions, of which resolutions 1 to 7 will be proposed as ordinary resolutions and resolutions 8 and 9 will be proposed as special resolutions.

- | | |
|--------------|--|
| Resolution 1 | To receive the Report and Accounts for the year ended 31 March 2013. |
| Resolution 2 | To approve the Directors' Remuneration Report. |
| Resolution 3 | To re-elect Philip Stephens as a director. |
| Resolution 4 | To re-elect Peter Dicks as a director. |
| Resolution 5 | To re-elect Raymond Abbott as a director |
| Resolution 6 | To appoint KPMG LLP (replacing KPMG Audit plc) as auditors and to authorise the directors to fix the auditors' remuneration. |
| Resolution 7 | That, in addition to all existing authorities, the directors be and they are generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company ("Rights") up to an aggregate nominal amount of £260 000 provided that this authority shall expire on the fifth anniversary of the date of passing of this resolution, save that the Company shall be entitled to make offers or agreements before the expiry of such authority which would or might require shares to be allotted or Rights to be granted after such expiry and the directors shall be entitled to allot shares and grant Rights pursuant to any such offer or agreement as if this authority had not expired. |
| Resolution 8 | That, in addition to all existing authorities, the directors be and they are empowered pursuant to section 570 and section 573 of the Companies Act 2006 to allot equity securities (within the meaning of section 560 of that Act) for cash either pursuant to the authority conferred by Resolution 7 above or by way of a sale of treasury shares as if section 561(1) of that Act did not apply to any such allotment, provided that this power shall be limited to: <ul style="list-style-type: none"> (a) the allotment of equity securities with an aggregate nominal amount of up to but not exceeding £100,000 by way of issue of ordinary shares of 1p each ("Ordinary Shares") and/or £100,000 by way of issue of C ordinary shares of 1p each ("C Shares"), in each case pursuant to offer(s) for subscription; (b) the allotment of equity securities with an aggregate nominal amount of up to but not exceeding an amount equal to 10% of the issued share capital from time to time by way of an issue of Ordinary Shares pursuant to performance incentive arrangements with Foresight Group, such shares to be issued at nominal value; and (c) the allotment (otherwise than pursuant to sub-paragraphs (a) and (b) of this resolution) to any person or persons of equity securities with an aggregate nominal amount of up to but not exceeding an amount equal to 10% of the issued Ordinary Share capital from time to time and/or 10% of the issued C Share capital from time to time |

in each case where the proceeds may be used in whole or part to purchase shares in the capital of the Company, such authority to expire on the conclusion of the annual general meeting of the Company to be held in the year 2014, save that the Company shall be entitled to make offers or agreements before the expiry of such authority which would or might require equity securities to be allotted after such expiry and the directors shall be entitled to allot equity securities pursuant to any such offers or agreements as if the authority conferred hereby had not expired.



Notice of Annual General Meeting continued

Resolution 9 That, in substitution for all existing authorities, the Company be empowered to make market purchases (within the meaning of Section 693(4) of the Companies Act 2006) of its own shares on such terms and in such manner as the directors shall from time to time determine provided that:

- (i) the aggregate number of shares to be purchased shall not exceed 5,804,040 Ordinary Shares or, if lower, such number of Ordinary Shares (rounded down to the nearest whole Ordinary Share) as shall equal 14.99% of the Ordinary Shares in issue at the date of passing of this resolution and/or 2,800,267 C Shares or, if lower, such number of C Shares (rounded down to the nearest whole C share) as shall equal 14.99% of the C Shares in issue at the date of passing of this resolution;
- (ii) the minimum price which may be paid for a share is 1 pence (the nominal value thereof);
- (iii) the maximum price which may be paid for Ordinary Shares or C Shares (as the case may be) is the higher of (1) an amount equal to 105% of the average of the middle market quotation for Ordinary Shares or C Shares (as the case may be) taken from the London Stock Exchange daily official list for the five business days immediately preceding the day on which the Ordinary Shares or C Shares (as the case may be) are purchased, and (2) the amount stipulated by Article 5(1) of the BuyBack and Stabilisation Regulation 2003;
- (iv) the authority conferred by this resolution shall expire on the conclusion of the annual general meeting of the Company to be held in the year 2014 unless such authority is renewed prior to such time; and
- (v) the Company may make a contract to purchase Ordinary Shares or C Shares (as the case may be) under the authority conferred by this resolution prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary Shares or C Shares (as the case may be) pursuant to such contract.

By order of the Board

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

Foresight Fund Managers Limited
Company Secretary
16 July 2013

Notes:

1. No Director has a service contract with the Company. Directors' appointment letters with the Company will be available for inspection at the registered office of the Company until the time of the meeting and from 15 minutes before the meeting at the location of the meeting, as well as at the meeting.
2. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, entitlement to attend and vote at the meeting and the number of votes that may be cast thereat will be determined by reference to the Register of Members of the Company at the close of business on the day which is two days (excluding non-working days) before the end of the meeting or adjourned meeting. Changes to the Register of Members of the Company after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
3. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend, speak and vote on his or her behalf. A proxy need not also be a member but must attend the meeting to represent you. Details of how to appoint the chairman of the meeting or another person as your proxy using the form of proxy are set out in the notes on the form of proxy which is enclosed. If you wish your proxy to speak on your behalf at the meeting, you will need to appoint your own choice of proxy (not the chairman) and give your instructions directly to them.
4. You may appoint more than one proxy, provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, (an) additional form(s) of proxy may be obtained by contacting Computershare Investor Services plc on 0870 703 6385. Please indicate in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and returned together in the same envelope.
5. As at 15 July 2013 (being the last business day prior to the publication of this notice), the Company's issued share capital was 38,719,418 Ordinary Shares and 18,680,904 C Shares, carrying one vote each. Therefore, the total voting rights in the Company as at 15 July 2013 was 57,400,322.
6. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a 'Nominated Person') may, under an agreement between him/her and the member by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
7. The statement of the rights of members in relation to the appointment of proxies in paragraphs 3 to 4 above does not apply to Nominated Persons. The rights described in those paragraphs can only be exercised by members of the Company.
8. Appointment of a proxy will not preclude a member from subsequently attending and voting at the meeting should he or she subsequently decide to do so. You can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy.
9. The Register of Directors' Interests will be available for inspection at the meeting.
10. Information regarding the meeting, including the information required by section 311A of the Companies Act 2006, is available from www.foresightgroup.eu.
11. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If you either select the "Discretionary" option or if no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
12. A form of proxy and reply paid envelope is enclosed. To be valid, it should be lodged with the Company's Registrar, Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZY or the proxy must be registered electronically at www.investorcentre.co.uk/eproxy, in each case, so as to be received no later than 48 hours before the time appointed for holding the meeting or any adjourned meeting. To vote electronically, you will be asked to provide your Control Number, Shareholder Reference Number and PIN which are detailed on your proxy form. This is the only acceptable means by which proxy instructions may be submitted electronically.
13. Under section 319A of the Companies Act 2006, the Company must answer any question you ask relating to the business being dealt with at the meeting unless answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information or the answer has already been given on a website in the form of an answer to a question or it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
14. Pursuant to Chapter 5 of Part 16 of the Companies Act 2006 (sections 527 to 531), where requested by a member or members meeting the qualification criteria the Company must publish on its website, a statement setting out any matter that such members propose to raise at the meeting relating to the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the meeting. Where the Company is required to publish such a statement on its website it may not require the members making the request to pay any expenses incurred by the Company in complying with the request, it must forward the statement to the Company's auditors no later than the time the statement is made available on the Company's website and the statement may be dealt with as part of the business of the meeting.



Notice of Separate Meeting of Ordinary Shareholders

Notice is hereby given that a separate meeting of the holders of ordinary shares of 1p each in the capital of Foresight 4 VCT plc ("the Company") will be held on 26 September at 1.10 pm (or as soon thereafter as the annual general meeting of the Company convened for 1.00 pm on that day has been concluded or adjourned) at the offices of SGH Martineau LLP, One America Square, Crosswall, London EC3N 2SG for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as a special resolution.

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

a) the passing and carrying into effect of resolutions 7 and 9 (as ordinary and special resolutions of the Company, as applicable) set out in the notice of annual general meeting of the Company convened for 1.00 pm on 26 September 2013 (a copy of which is produced to the meeting and signed by the Chairman for the purposes of identification); and

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

By order of the Board

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

Foresight Fund Managers Limited

Company Secretary
16 July 2013

Notes:

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, entitlement to attend and vote at the meeting and the number of votes which may be cast thereat will be determined by reference to the Register of Members of the Company at close of business on the day which is two days (excluding non-working days) before the day of the meeting or adjourned meeting. Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend, speak and vote on his or her behalf. A proxy need not also be a member but must attend the meeting to represent you. Details of how to appoint the chairman of the meeting or another person as your proxy using the form of proxy are set out in the notes on the form of proxy which is enclosed. If you wish your proxy to speak on your behalf at the meeting, you will need to appoint your own choice of proxy (not the chairman) and give your instructions directly to them.
3. You may appoint more than one proxy, provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, (an) additional form(s) of proxy may be obtained by contacting Computershare Investor Services PLC on 0870 703 6385. Please indicate in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and returned together in the same envelope.
4. A reply-paid form of proxy for your use is enclosed (Form of Proxy — Separate Meeting of Ordinary Shareholders). To be valid it should be completed, signed and sent, together with a power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority, to the Company's Registrars, Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZY or the proxy must be registered electronically at www.investorcentre.co.uk/eproxy, in each case, so as to be received not later than 1.10pm on the day which is two days (excluding non-working days) before the date of the meeting or 9.00 am on the day which is two days (excluding non-working days) before the date of the adjourned meeting or (in the case of a poll taken subsequently to the date of the meeting or adjourned meeting) so as to be received no later than 24 hours before the time appointed for taking the poll. To vote electronically, you will be asked to provide your Control Number, Shareholder Reference Number and PIN which are detailed on your proxy form. This is the only acceptable means by which proxy instructions may be submitted electronically.

Notice of Separate Meeting of Ordinary Shareholders

5. As at 15 July 2013 (being the last business day prior to the publication of this notice), the issued share capital of the Ordinary Shares fund was 38,719,418 shares, carrying one vote each. Therefore, the total voting rights in the Ordinary Shares fund as at 15 July 2013 was 38,719,418 Ordinary Shares.
6. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a 'Nominated Person') may, under an agreement between him/her and the member by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
7. The statement of the rights of members in relation to the appointment of proxies in paragraphs 2 to 4 above does not apply to Nominated Persons. The rights described in those paragraphs can only be exercised by members of the Company.
8. Appointment of a proxy will not preclude a member from subsequently attending and voting at the meeting should he or she subsequently decide to do so. You can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy.
9. Notice is hereby further given that the necessary quorum for the above meeting shall be holders of Ordinary Shares present in person or by proxy holding not less than one-third of the paid up Ordinary Share capital and that if within half an hour from the time appointed for the above meeting a quorum is not present it shall be adjourned to 27 September 2013 at 9.00 am at the offices of Foresight Group LLP, ECA Court, 24-26 South Park, Sevenoaks, Kent, TN13 1DU or as soon thereafter as may be arranged and at such adjourned meeting the holders of Ordinary Shares present in person or by proxy shall be a quorum regardless of the number of Ordinary Shares held.



Notice of Separate Meeting of C Shareholders

Notice is hereby given that a separate meeting of the holders of C shares of 1p each in the capital of Foresight 4 VCT plc ("the Company") will be held on 26 September 2013 at 1.15 pm (or as soon thereafter as the separate meeting of the holders of ordinary shares of 1p each in the capital of the Company convened for 1.10 pm on that day has been concluded or adjourned) at the offices of SGH Martineau LLP, One America Square, Crosswall, London EC3N 2SG for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as a special resolution.

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

- a) the passing and carrying into effect of resolutions 7 and 9 (as ordinary and special resolutions of the Company, as applicable) set out in the notice of annual general meeting of the Company convened for 1.00 pm on 26 September 2013 (a copy of which is produced to the meeting and signed by the Chairman for the purposes of identification); and
- b) any effect on, variation, abrogation, dealing with and/or deemed variation or abrogation of the rights and privileges attached to the C Shares which will, or may, result from the passing and carrying into effect of the said resolutions and notwithstanding that the passing and carrying into effect of such resolutions may affect the rights and privileges attached to such C Shares.

By order of the Board

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

Foresight Fund Managers Limited
Company Secretary
16 July 2013

Notes:

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, entitlement to attend and vote at the meeting and the number of votes which may be cast thereat will be determined by reference to the Register of Members of the Company at close of business on the day which is two days (excluding non-working days) before the day of the meeting or adjourned meeting. Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend, speak and vote on his or her behalf. A proxy need not also be a member but must attend the meeting to represent you. Details of how to appoint the chairman of the meeting or another person as your proxy using the form of proxy are set out in the notes on the form of proxy which is enclosed. If you wish your proxy to speak on your behalf at the meeting, you will need to appoint your own choice of proxy (not the chairman) and give your instructions directly to them.
3. You may appoint more than one proxy, provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, (an) additional form(s) of proxy may be obtained by contacting Computershare Investor Services PLC on 0870 703 6385. Please indicate in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and returned together in the same envelope.
4. A reply paid form of proxy for your use is enclosed (Form of Proxy — Separate Meeting of C Shareholders). To be valid it should be completed, signed and sent, together with a power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority, to the Company's Registrars, Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZY or the proxy must be registered electronically at www.investorcentre.co.uk/eproxy, in each case, so as to be received not later than 1.15pm on the day which is two days (excluding non-working days) before the date of the meeting or 9.05 am on the day which is two days (excluding non-working days) before the date of the adjourned meeting or (in the case of a poll taken subsequently to the date of the meeting or adjourned meeting) so as to be received no later than 24 hours before the time appointed for taking a poll. To vote electronically, you will be asked to provide your Control Number, Shareholder Reference Number and PIN which are detailed on your proxy form. This is the only acceptable means by which proxy instructions may be submitted electronically.

Notice of Separate Meeting of C Shareholders

5. As at 15 July 2013 (being the last business day prior to the publication of this notice), the issued share capital of the C Shares fund was 18,680,604 shares, carrying one vote each. Therefore, the total voting rights in the C Shares fund as at 15 July 2013 was 18,680,604 C Shares.
6. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a 'Nominated Person') may, under an agreement between him/her and the member by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
7. The statement of the rights of members in relation to the appointment of proxies in paragraphs 2 to 4 above does not apply to Nominated Persons. The rights described in those paragraphs can only be exercised by members of the Company.
8. Appointment of a proxy will not preclude a member from subsequently attending and voting at the meeting should he or she subsequently decide to do so. You can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy.
9. Notice is hereby further given that the necessary quorum for the above meeting shall be holders of C Shares present in person or by proxy holding not less than one-third of the paid up C Share capital and that if within half an hour from the time appointed for the above meeting a quorum is not present it shall be adjourned to 27 September 2013 at 9.05 am at the offices of Foresight Group LLP, ECA Court, 24-26 South Park, Sevenoaks, Kent, TN13 1DU or as soon thereafter as may be arranged and at such adjourned meeting the holders of C Shares present in person or by proxy shall be a quorum regardless of the number of C Shares held.



Corporate Information

Directors

Philip Stephens (Chairman)
Peter Dicks
Raymond Abbott

Company Secretary

Foresight Fund Managers Limited
ECA Court
24-26 South Park
Sevenoaks
Kent
TN13 1DU

Investment Manager

Foresight Group CI Limited
PO Box 156
Frances House
Sir William Place
St Peter Port
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GY1 4EU

Auditors and Tax Advisers

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Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

Contact Numbers

Registrar's Shareholder Helpline
— Computershare (0870 703 6385)
General and Portfolio Queries
— Foresight Group (01732 471800)

Solicitors and VCT Status Advisers

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B4 6AA

Registrar

Computershare Investor Services plc
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