Foresight VCT plc

Foresight 4 VCT plc
Company number: 03506579

Unaudited Half-Yearly Financial Report
for the six month period ended 30 September 2014

Contents

Important information: the Company currently conducts its affairs so that the shares issued by Foresight 4 VCT plc can be recommended by IFAs to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream pooled investment products and intends to continue to do so for the foreseeable future.

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

Foresight 4 VCT plc

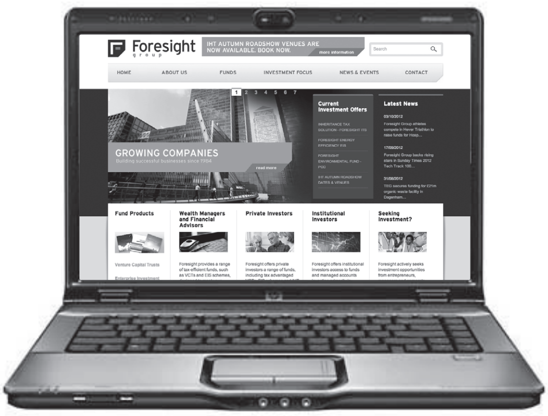
Investment Objectives

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.



For further information go to

www.foresightgroup.eu

Summary Financial Highlights

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.

Summary

Ordinary Share Fund

- Net asset value per Ordinary Share at 30 September 2014 decreased by 0.8% to 86.0p compared to 86.7p as at 31 March 2014.
- The fund made five follow-on investments totalling £669,226.
- Proceeds of £920,115 were received from five investments.

C Share Fund

- Net asset value per C Share at 30 September 2014 increased by 24.8% to 82.5p compared to 66.1p at 31 March 2014.
- The fund made two follow-on investments totalling £54,876.
- Proceeds of £1,064,800 were received from two investments.

Chairman's Statement

"The Board remains cautious about the general outlook, although it is encouraged by the recent signs of improvement in the UK economy and the performance of the private equity portfolio"

Philip Stephens Chairman

Performance

During the period, our private equity investments, which account for the majority of the current portfolio, benefited from the recent economic upturn both in the UK and traditional export markets such that the performance of the private equity investments across both the Ordinary and C Share portfolios was positive in both instances and provides some evidence of the Board's strategy to focus new investments in this area only, as announced some two years ago.

Ordinary Shares Fund

This performance was comprised of both positive and negative movements across the entire private equity portfolio: in the ordinary shares portfolio the largest fall in valuation was Datapath Group which reduced by some £0.4 million as a result of a fall in comparable price/earnings ratios being the basis used for valuations despite increasing profits beyond the £7 million announced in the year to 31 March 2014. The largest gain in the portfolio was £1.0 million in Aerospace Tooling (ATL), which increased profits by 58% in its last financial year with further solid progress being made in its current financial year. Additionally, ATL repaid the Fund's entire £600,000 cost of investment by way of loan repayment and dividend in September 2014 as a result of this performance, effectively meaning that any future exit proceeds will be profit.

The environmental investments, which the Company's exposure is limited to just three remaining investments, namely Closed Loop Recycling, O-Gen Acme Trek and O-Gen UK remain stable although a further reduction in valuation of £0.4 million was taken in the period. A great deal of effort is being invested in these companies to secure a return for the Ordinary Shares fund.

Against this background, I can report that the net asset value of the Ordinary Share fund as at 30 September 2014, after expenses, decreased by 0.8% to 86.0p (31 March 2014: 86.7p).

C Shares Fund

The C Shares fund is comprised solely of private equity investments, with a number of newer investments such as Aerospace Tooling, Thermotech Solutions (formerly Fire and Air Services), Flowrite Refrigeration Holdings and Procam Television, all of which are showing progress. The majority of the portfolio increased in valuation during the period with the largest increases being ATL (£1.5 million) and Defaqto (£1.3 million). ATL increased profits by 58% in its last financial year and continues to make further progress in its current financial year. It repaid the entire £900,000 cost of investment by way of loan repayment and dividend in September 2014 as a result of solid performance, effectively meaning that any exit proceeds will be profit. Defaqto Group has continued to trade strongly following cost cutting and strategic refocus in 2012, with revenues growing to £8.0 million and EBITDA to £1.3 million in the year to March 2014. In August 2014 Defaqto Group repaid £0.4 million of loans and accrued interest to the Fund out of cash reserves.

Against this background, I am pleased to report that the C Share fund net asset value as at 30 September 2014 increased by 24.8% to 82.5p (31 March 2014: 66.1p).

For a detailed review of the Company's investments I refer you to the Manager's Report that starts on page 5.

Share buy-backs

It continues to be the Board's policy to consider repurchasing existing shares 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 200,000 Ordinary Shares for cancellation at a cost of £118,000.

Alternative Investment Fund Management Registration

The Board has considered the impact on the Company of an EU directive regulating Alternative Investment Fund Managers (AIFM) which applies to most UK investment funds including the Company. To minimise the regulatory and financial cost of compliance as a 'full scope UK AIFM', with this legislation the Board decided that the Company would register as a 'small registered UK AIFM' directly with the Financial Conduct Authority as permitted by the rules. The application process was completed in June 2014 and approval confirmed in early August 2014. This will not affect the current arrangements with the Manager which will continue to report to the Board and manage the Company's investments on a discretionary basis.

Chairman's Statement continued

Valuation Policy

Investments held by the Company have been valued in accordance with the International Private Equity and Venture Capital Valuation ("IPEVCV") guidelines (December 2012) developed by the British Venture Capital Association and other organisations. Through these guidelines, investments are valued as defined at 'fair value'. Ordinarily, unquoted investments will be valued at cost for a limited period following the date of acquisition, being the most suitable approximation of fair value unless there is an impairment or significant accretion in value during the period. Quoted investments and investments traded on AiM and ISDX Growth Market are valued at the bid price as at 30 September 2014. The portfolio valuations are prepared by Foresight Group, reviewed and approved by the Board quarterly and subject to annual review by the auditors.

Directorate Changes

The Board announced on 3 October 2014 that Raymond Abbott, Director, had retired from the Board with immediate effect. Raymond was then appointed to the position of Director of Foresight 3 VCT plc. On behalf of the Board I would like to thank Raymond for all of his hard work in the past two and a half years and wish him well in his new role on the Board of Foresight 3 VCT plc.

The Board of Foresight 4 VCT plc also announced on 3 October 2014 the appointment of Simon Jamieson. Simon was formerly a Director of IBIS Media VCT 1 plc and FF&P Asset Management Ltd. Simon is currently a director of UPM Holding SA, Morocco and Blue Bird Ltd, British Virgin Islands.

Ordinary and C Share merger

As part of the merger of Acuity Growth VCT plc (Foresight 5 VCT plc) and Acuity VCT 3 plc with Foresight 4 VCT plc in February 2012, by virtue of the issue of C Shares, Shareholders also approved the conversion of C shares into Ordinary Shares. This Conversion is due to take place in 2015 on the tenth business day following the publication of the audited results of the Company for the year ending 31 March 2015.

Outlook

The Board remains cautious about the general outlook, although it is encouraged by the recent signs of improvement in the UK economy and the performance of the private equity portfolio. The first priority is to support the existing portfolio where prospects justify further investment but at the same time optimise the realisation of gains from the disposal of successful investments. Over the medium term we are optimistic that realisations can be achieved, possibly through trade sales as many large companies currently have significant cash resources, paving the way to make further distributions to shareholders.

Philip Stephens
Chairman
28 November 2014

Investment Manager's Report

For the half year to 30 September 2014, the economic climate remained relatively benign, supported by continuing low levels of interest rates although there are currently signs of volatility returning. Business confidence remains generally positive, as demonstrated by the volume of new issues during the period and signs that the major banks are beginning to lend selectively to small companies. At the same time merger and acquisition activity has been increasing. These conditions look set to continue for the time being, although significant macroeconomic risks and uncertainties remain, particularly in major overseas markets.

During the period to 30 September 2014, the net asset value per Ordinary Share decreased slightly by 0.8% to 86.0p from 86.7p at 31 March 2014. Many investments continue to perform well, particularly Aerospace Tooling Corporation, Procam Television, TFC Europe and The Bunker Secure Hosting which generated an increase in net asset value of £1.2 million.

During the period, the net asset value per C Share increased by 24.8% to 82.5p from 66.1p per C Share at 31 March 2014, principally reflecting the strong performances by Aerospace Tooling Corporation and Defaqto, which generated an increase in net asset value of £2.8 million. The C Share fund, created through the merger of Acuity Growth VCT and Acuity VCT 3 in February 2012, will be managed separately to the Ordinary Share fund until Summer 2015 when the C Share fund will be merged with the Ordinary Share fund on a relative net asset value basis using the audited net asset values of each fund as at 31 March 2015.

A review of the portfolio investments in the Ordinary Shares fund and C Shares fund is set out below.

Portfolio Review: Ordinary Shares fund

1. New investments

No new investments were made in the period.

2. Follow-on funding

Company	£
alwaysON Group Limited	130,000
Biofortuna Limited	50,930
Total	**180,930**

Capitalised interest of £488,296 was recognised during the period for Closed Loop Recycling (£437,363), Autologic Diagnostics Group (£49,330) and Flowrite Refrigeration Holdings (£1,603).

3. Exits and realisations

Company	£
Aerospace Tooling Corporation Limited	540,000
Amberfin Holdings Limited	54,148
Total	**594,148**

Following a period of particularly strong trading and cash generation, Aerospace Tooling Corporation effected a recapitalisation and dividend distribution in September 2014, returning the entire £3.5 million cost of the Foresight VCTs' investments made only 15 months previously. The Ordinary Shares fund received full repayment of its £540,000 loan and a dividend of £60,000 being equal to the cost of its equity investment, while retaining its original 9.21% equity shareholding in the company. The C Shares fund received repayment of its £810,000 loan and a dividend of £90,000 also equal to the cost of its equity investment, retaining its original 13.81% equity shareholding in the company.

A final payment of £84,030 of deferred consideration was received in July 2014 relating to the sale of Infrared Integrated Systems, completed in 2012. A loan repayment of £196,491 was received in September 2014 from the administrator of Evance Wind Turbines. Similarly, a loan repayment of £45,446 was received in September 2014 from the administrator of Abacuswood.

4. Material provisions to a level below cost

Company	£
AtFutsal Group Limited	184,581
Trilogy Communications Limited	255,611
Total	**440,192**

Portfolio Review: C Shares fund

1. New investments

No new investments were made in the period.

2. Follow-on funding

Company	£
Biofortuna Limited	50,930
Total	**50,930**

Capitalised interest of £3,946 was recognised during the period for Flowrite Refrigeration Holdings.

3. Exits and realisations

Company	£
Aerospace Tooling Corporation Limited	810,000
Defaqto Group Limited	254,800
Total	**1,064,800**

4. Material provisions to a level below cost

No provisions were made during the period.

Outlook for the Portfolios

Foresight Group remains positive about the overall prospects for both investment portfolios, particularly the C Shares fund at the current time and remains focussed on achieving increases in net asset value and realisations from the existing investments to facilitate shareholder distributions and provide additional funding for new investments. The

Investment Manager's Report continued

improvement in business confidence continues to be reflected in the trading of a number of companies across the portfolios and Foresight considers that the portfolios are well positioned for growth.

Although Foresight is now seeing a number of high quality investment opportunities, the O Share fund, at present, has limited cash resources with which to make new investments. Foresight is, however, actively seeking suitable investment opportunities for the C Share fund with the aim of broadening the portfolio while diversifying risk.

Portfolio Review

In June 2013, the Ordinary Share fund invested £600,000 and the C Shares fund £900,000 alongside other Foresight VCTs in a £3.5 million investment in Dundee based **Aerospace Tooling Corporation (ATL)**, a well-established specialist engineering company. ATL provides repair, refurbishment and remanufacturing services to large international companies in high-specification aerospace and turbine engines. With a heavy focus on quality assurance, the company enjoys strong relationships with companies serving the aerospace, military, marine and industrial markets. In the year to 30 June 2014, a number of significant orders underpinned growth, with turnover doubling and profits increasing significantly. Further progress is being made in winning more orders and new customers in the current year, supporting an increase in valuation of £1,019,053 in the Ordinary Shares fund and £1,528,580 in the C Share fund during the period. Reflecting particularly strong cash generation, the company effected a recapitalisation and dividend distribution in September 2014, returning the entire £3.5 million cost of the Foresight VCTs' investments made only 15 months previously. The Ordinary Shares fund retains its original 9.21% equity shareholding in the company effectively at nil cost. Similarly, also at nil cost, the C Shares fund retains its original 13.81% equity shareholding in the company. **Held in the Ordinary and C Shares funds.**

Following the all-share merger in April 2014 of the two Foresight portfolio companies, Data Continuity Group and **AlwaysOn Group**, a major reorganisation was implemented, involving significant cost reductions. The corporate name became to AlwaysOn Group and the year end was changed to March 2015. As part of the transaction, a further £500,000 was invested by the Foresight VCTs into AlwaysOn in tranches, the final tranche of £130,000 being invested in April 2014, to ensure that the enlarged Group had sufficient resources for growth. The merged business provides data backup services, connectivity and collaboration software (Microsoft Lync) to SMEs and larger enterprises. Overall, the merger has been successfully completed, with no major outages in the last few months and a well-run Service Operation Center. There is an increased focus on indirect channels, particular for the sale of Microsoft Lync, where AlwaysOn is a Microsoft Gold partner. In the year to date, revenues have lagged budget resulting in small monthly losses being incurred, mostly due to weaker product sales and data backup renewals, whilst the managed services are performing ahead of expectations. With a number of significant pipeline opportunities generated through partners, performance is expected to improve significantly as these opportunities convert into orders. Reflecting the above, a provision of £39,308 was made against the cost of the investment during the period. **Held in the Ordinary Shares fund**.

In April 2014, the entire issued share capital of **Amberfin Holdings** was acquired by Dalet SA, a Paris based media asset management software company. The Ordinary Share fund received £54,148 at completion for its small 1.8% shareholding and loan and may receive up to a further £8,211 on the first anniversary, making a total of £62,359. **Sold**.

AtFutsal Group runs government approved education programmes for students aged 16-18 years old in conjunction with a consortium made up of Football League clubs, colleges and academies and training/accreditation organisations. Funding for these programmes is sourced from the Education Funding Agency. The company's three arenas in Birmingham, Leeds and Swindon are used as part of these education programmes. AtFutsal is introducing a wider range of government approved BTech courses and has developed its own online education software platform so that it can provide a broader range of educational services. The company has also developed a separate English Colleges education programme to provide additional futsal related courses for 16-18 year olds at sixth form colleges. For the current student year which commenced in September 2014, the company registered some 1,400 students on its futsal related courses, compared with 1,200 in the previous academic year and some 100 for its new English Colleges programme. AtFutsal Group is also improving its capacity utilisation across its three arenas with a variety of different sports being regularly played at each arena alongside futsal at both child and adult level. This improved utilisation has enabled the arenas to approach cash breakeven. For the year to 30 June 2014, a small operating profit was achieved on sales of £4.3 million, with the growing Education division generating the majority of the profit and cash flow within the Group. However, reflecting delays in achieving the forecast level of profitability, a further provision of £184,581 has been made in the period. Management is focussed on increasing the number of students and range of education programmes, increasing usage of its online education platform and achieving a consistent breakeven on the arenas each month. **Held in the Ordinary Shares fund**.

Following the £48 million secondary buy-out by ISIS Private Equity in January 2012, investments in equity and loan stock valued at £1.98 million were retained in **Autologic Diagnostics Group**. Autologic Diagnostics Group continues to generate strong profits and, for the year to December 2013, achieved an EBITDA of £5.4 million on sales of £18.6 million (EBITDA of £5.9 million on revenues of £17.2 million in 2012). The company traded satisfactorily for the year to date, with relatively stronger sales in the UK and Europe compared with the USA. As at 30 September 2014, the company had a healthy cash balance of £5.1 million. Management continues to develop a business model to generate recurring revenues and improve the quality of the company's earnings through a new service-oriented product, the launch of which has now been slightly delayed to Q1 2015. In the short term, the change in strategy towards a pure recurring revenue model may impact short term EBITDA in 2015 and possibly 2016 while helping to drive shareholder value. **Held in the Ordinary Shares fund**.

Biofortuna, an early stage 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 tests for genetic diseases and organ transplant compatibility. 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. A £1.3 million round to finance capital expenditure and working capital was completed in August 2013, in which £99,066 was initially invested by each of the Ordinary Share fund and the C Share fund and then £50,930 similarly as the second, final tranche in April 2014. For the year to 31 March 2014, an operating loss of £1.05 million was incurred on sales of £325,000. Trading in the current year is stronger, with a much reduced rate of operating loss. The company is progressing in a number of areas, including assessing new markets, broadening its product range, winning new customers and increasing its manufacturing capacity. Following successful FDA trials, Biofortuna has obtained FDA approval for its SSPGo genetic testing product range in the USA, a particularly important milestone enabling access to the American market, the largest in the World, as well as obtaining FDA registration for its manufacturing site. Five companies have selected the company's freeze-dried kit manufacturing service to produce freeze dried versions of their products, with paid for feasibility studies and contract discussions occurring with a number of parties. **Held in the Ordinary and C Shares funds**.

In July 2012, the C Share fund invested £1.0 million in Northampton based **Blackstar Amplification** alongside £2.5 million from Foresight VCT to finance a management buy-out and provide growth capital. Blackstar Amplification was 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. In its financial year to 30 April 2014, the company achieved an EBITDA of £300,000 on sales of £8.6 million (cf. an EBITDA of £394,000 on sales of £9.7 million in the previous year, reflecting channel restocking). A similar performance is expected in the current year as a consequence of continuing investment in new product development and challenging conditions in some overseas markets. Blackstar continues to gain market share in the US market, the largest amplifier market globally, and is the now the number two guitar amp brand by monthly sales volumes. Management are focussed on increasing sales and improving margins, including selectively replacing distributors where appropriate. The company currently has a presence in over 35 countries worldwide and its products are stocked in over 2,500 stores globally. The new ID: Lite range of amplifiers, which are the company's first products at the value end of the market, was launched to critical acclaim in the US and UK markets in February and March 2014. Two new products are planned to be launched over the next six months, both at the high growth value end of the market, one in time for the Christmas season and the other in early 2015. **Held in the C Shares fund**.

In February 2013, **Closed Loop Recycling** concluded a major new supply contract and new customer contracts worth £17 million per annum as well as securing £12.8 million of loan finance (of which £6 million was provided by the Foresight Environmental Fund) to double capacity at the Dagenham plant. Although production of rHDPE utilising this additional capacity started in November 2013, the production ramp up took several months longer to achieve than expected. Additional loan capital of £1.0 million was agreed with the Foresight Environmental Fund in May 2014 to provide the necessary capital to achieve the forecast production run rate. Following the successful installation and commissioning of the final third rHDPE extruder in July 2014, the enlarged capacity has resulted in a substantial improvement in operational performance. Reflecting higher prices, the feedstock market continues to be tight, but the company is positioned to secure supplies from new local sorting capacity. The company's banking facilities were successfully extended in September 2014. **Held in the Ordinary Shares fund**.

Connect 2 Media develops and publishes digital media entertainment on a range of devices, such as mobile phones and games consoles. As a result of the continuing decline in the feature phone market and following the failure of the company to raise up to £4 million to commercialise and launch its new Platform as a Service, Game Brain, a restructuring was implemented and costs reduced substantially. Reflecting the above, a full provision was made against the value of this investment in a prior year. There have been no further provisions on the investment in the period. With the continuing decline in the pay-per-download mobile gaming market, the company is incurring small monthly losses and efforts are being made to divest the shareholding. **Held in the C Shares fund**.

Derby based **Datapath Group** is a World leading innovator in the field of computer graphics and video-wall display technology utilised in a number of international markets. The company is increasing its market share in control rooms, betting and signage and is entering other new markets. Management accounts for the year to 31 March 2014 show record operating profits of £7.36 million on sales of £18.7 million (compared with a profit of £5.1 million was achieved on sales of £14.1 million in the previous year). Trading and cash generation remains strong and the company continues to enjoy good demand from its main OEM partners and distributors. The company has acquired its US distributor and has established an office in Philadelphia to develop more US sales and distributorships. **Held in the Ordinary Shares fund**.

Having returned to profitability during 2013, **Defaqto Group** achieved an EBITDA of £1.3 million on sales of £8 million in the year to 31 March 2014, well ahead of the previous year's EBITDA of £756,000 on sales of £7.2 million. This strong performance is continuing in the current year, supporting an increase in valuation of £1.29 million during the period. In August 2014, the company repaid loan principal of £254,800 and interest of £145,200, totalling £400,000. The CEO continues to improve operational efficiency by focusing on tangible and financial metrics and on winning more orders and trials, including from comparison websites and major UK companies serving consumer markets. The company continues to benefit from regulatory and

Investment Manager's Report continued

market changes, which has particularly supported the consulting, reports and events revenues. **Held in the C Shares fund**.

Following the appointment of administrators to **Evance Wind Turbines** in April 2014 as a result of reductions in the Feed-in-Tariff for small wind turbines which started in October 2012, a loan repayment of £196,491 was received during the period. **Held in the Ordinary Shares fund**.

In August 2013, the Ordinary Share fund and C Share fund each invested £500,000 alongside other Foresight VCTs in a £2.5 million shareholder recapitalisation of Stockport based **Thermotech Solutions (formerly Fire and Air Services)**, a hard facilities management provider which designs, installs and services air conditioning and fire sprinkler systems for retail, commercial and residential properties through a national network of engineers. The company focusses primarily on the retail sector and enjoys long term customer relationships and multi-year preferred supplier contracts with various blue chip high street retailers, giving good revenue visibility. Since investment, good progress has been made in diversifying and re-balancing the spread of revenues across the three main business lines, with an increased emphasis on service and maintenance. For the year to 31 March 2014, an EBITDA of £717,000 was achieved on sales of £4.0 million. In the current year, reflecting a number of significant new contract wins with major retailers, roll outs of existing contracts and a growing sales pipeline, revenues and profits are significantly ahead, with good visibility for the remainder of the year and strong cash generation. The newly appointed CEO has already made good progress in developing the business, including revamping the brand and marketing collateral, strengthening the finance, marketing, health and safety and quality management functions while also introducing GPS tracking of engineers and electronic job sheets to enhance business information and reporting. **Held in the Ordinary and C Shares funds**.

In May 2012, the Ordinary Share fund and the C Share fund invested £200,000 and £492,500 respectively in Kent based **Flowrite Refrigeration Holdings** alongside other Foresight VCTs to finance a £3.2 million management buyout. Flowrite provides refrigeration and air conditioning maintenance services nationally, principally to leisure and commercial businesses such as hotels, clubs, pubs and restaurants. Management has accelerated sales efforts, won significant new contracts, additional customers and reviewed several potential acquisitions with the aim of broadening its national coverage. In the year to 31 October 2013, the company traded well, achieving an operating profit of £1.06 million on sales of £10.0 million (against an operating profit of £852,000 on sales of £7.9 million in 2012). Loans were repaid, including capitalised interest, of £127,709 and £314,484 respectively to the Ordinary Share and the C Shares funds, representing some 75% of original cost of investment, 18 months after the MBO. In the year to 31 October 2014, the company traded well during the seasonally busy Summer months, benefitting from increased numbers of engineers and a new workflow IT system installed in May 2014 which has increased operational efficiency. Recent order wins and a growing pipeline should support future growth in sales and profits. **Held in the Ordinary and C Shares funds**.

Ixaris Systems has developed and operates Entropay, a web based global prepaid payment service using the VISA network, and offers its new IxSol (formerly known as Opn) product on a 'Platform as a Service' basis to enable enterprises to develop their own customised global applications for payments over various payment networks. IxSol is trading satisfactorily with a number of deployments in progress and a strong sales pipeline. IxSol is being used by companies in the affiliate marketing and travel sectors and sales efforts are being focussed on the international e-commerce and financial services sectors.

During 2013, the company invested in developing and marketing its Ixaris Payment System, the platform that runs IxSol, to financial institutions. The platform enables financial institutions to offer payment services based on prepaid cards to their customers. In the year to 31 December 2013, an EBITDA loss of £617k was incurred on sales of £9.5 million, reflecting the above mentioned investment in software and systems (against an EBITDA loss of £293,000 on sales of £8.4 million in the previous year). In January 2014, the Company invested a further £219,852 as part of a £2 million equity funding round to finance further investment in the Payment System. In the current year, revenues are currently behind the aggressive budget but the EBITDA loss is appreciably less than budgeted following cost reductions resulting in a monthly breakeven position. **Held in the Ordinary Shares fund**.

In February 2014, **O-Gen Acme Trek** received planning permission for the proposed rebuild of the plant in Stoke as a 7MW waste wood to energy power plant. Management is currently working with the selected technology provider and a major EPC contractor to develop the project to the next stage, but this is taking longer than anticipated. The project is now expected to qualify under the Government's new CfD regime, rather than the ROC regime. The implications of the CfD regime are not yet fully established and both Foresight and O-Gen Acme Trek remain in contact with the Government and Regulators to stay abreast of latest developments. **Held in the Ordinary Shares fund**.

O-Gen UK is a leading developer of waste wood gasification facilities in the UK and in December 2013 reached financial close on a £48 million, 10MW waste wood to energy power plant project in Birmingham. Construction of the plant is progressing ahead of schedule. The company has established a number of partnerships which have led to the development of a growing pipeline of similar opportunities, including one in Lincolnshire for which planning permission was obtained in July 2014 and ROC grace period secured in October, with financial close anticipated early in 2015. The company continues to develop relationships with a number of technology providers and major EPC contractors. O-Gen UK will not finance the construction of these plants but expects to benefit from project management fees, equity shareholdings and fuel and operation and maintenance contracts. **Held in the Ordinary Shares fund**.

In April 2013, the Ordinary Share fund and the C Share fund invested £250,000 and £400,000 respectively alongside other Foresight VCTs in a £1.8 million round to finance a management buy-out of **Procam Television Holdings**. Procam is one of the UK's leading broadcast hire companies, supplying equipment and crews for UK location TV production to broadcasters, production companies and corporates for over 20 years. Headquartered in Battersea, London, with additional facilities in Manchester, Edinburgh and Glasgow, Procam is a preferred supplier to BSkyB and an approved supplier for BBC and ITV. Revenues have doubled over the last four years following the introduction of new camera formats.

In September 2013, Hammerhead, a competitor with facilities in London, Manchester and Edinburgh and Glasgow, was acquired in order to broaden the customer base, increase national coverage and realise various synergistic benefits. For the year to 31 December 2013, EBITDA of £1.8 million was achieved on sales of £6.4 million, well ahead of 2012. In the current year to date, significant growth in sales and profits has been achieved, reflecting strong organic growth and the successful integration of the Hammerhead acquisition. Plans for opening other facilities are under consideration. **Held in the Ordinary and C Shares funds**.

TFC Europe, a leading distributor of technical fasteners in the UK and Germany, performed well during the year to 31 March 2014, achieving record operating profits of £2.75 million on sales of £19.5 million (against an operating profit of £2.45 million on sales of £18.1 million in 2013). Trading in the current year continues to be strong, supporting an increased valuation during the period. In September 2013, a small Scottish distribution business was acquired, thereby improving national UK coverage. Management's current focus is to expand in Southern Germany. A new full service centre was opened in Bochum near Dusseldorf in October 2013 and existing customers are already expanding their business with TFC Europe. A seventh service centre was acquired in October 2014 in Singen, near Stuttgart. This acquisition will provide increased opportunities to service existing Southern German customers and target new customers with a wider product range. This strong physical presence in Europe's largest manufacturing market is expected to assist TFC Europe greatly in growing its sales and profits. **Held in the Ordinary Shares fund**.

The Bunker Secure Hosting, which operates two ultra-secure data centres, continues to generate substantial profits at the EBITDA level. For the year to 31 December 2013, record EBITDA of £2.2 million was achieved on sales of £9.25 million (against, an EBITDA of £1.77 million on sales of £8.5 million in 2012). Sales growth slowed during the year, reflecting increased competition, but has since recovered. Recurring annual revenues presently exceed £9 million. For the year to date, trading continues in line with budget. To meet growing customer demand, a number of new Cloud based services have recently been launched while the sales and marketing strategy has been reassessed and sales efforts strengthened. A number of new customers have been signed and a growing pipeline developed through channel partners for the Cloud 2.0 and Object Storage services. Investment continues in upgrading the existing infrastructure. **Held in the Ordinary Shares fund**.

Trilogy Communications achieved strong results in the two years to 29 February 2012, following a number of defence contract orders from partners such as Northrop Grumman and Raytheon. Trading has since been adversely affected by delays in long-term US defence programme orders. In the year to February 2014, despite cost reductions, the company incurred an EBITDA loss of £808k on sales of £3.8 million. Following further cost reductions and some recovery in defence orders, losses have been reduced. A new non-executive Chairman has been appointed and the Chief Operating Officer recently promoted to the role of Chief Executive. Discussions are in progress in relation to further defence programmes and the company continues to develop its range of communication equipment and related services, including the launch of a software only variant. Assuming successful completion of two important test programmes, significant defence orders are expected in early 2015 which would largely be met from existing stock, materially improving cash conversion. The broadcast division has recently underperformed budget and efforts are being made to increase broadcast sales. To reflect the above trading performance, a further provision of £255,611 has been made against the cost of the investment. **Held in the Ordinary Shares fund**.

David Hughes
Foresight Group
Chief Investment Officer
28 November 2014

Investment Summary

Ordinary Shares Portfolio

Investment	30 September 2014 Amount invested £	30 September 2014 Valuation £		Valuation Methodology	31 March 2014 Amount invested £	31 March 2014 Valuation £
Datapath Group Limited	73,250	9,736,066	*	Discounted price/earnings multiple	73,250	10,165,609
The Bunker Secure Hosting Limited	2,134,267	3,979,895	*	Discounted price/earnings multiple	2,134,267	4,087,140
TFC Europe Limited	782,577	3,755,924	*	Discounted price/earnings multiple	782,577	3,497,163
Closed Loop Recycling Limited	4,462,416	3,299,649	*	Discounted cash flow	4,025,053	3,299,649
Autologic Diagnostics Group Limited	2,280,026	2,569,331	*	Discounted price/earnings multiple	2,230,696	2,849,713
Ixaris Systems Limited	1,181,432	2,171,405	*	Price of recent funding round	1,181,432	2,171,405
Aerospace Tooling Corporation Limited	60,000	1,583,049	*	Discounted price/earnings multiple	600,000	1,103,996
Thermotech Solutions Limited (formerly Fire and Air Services Limited)	500,000	551,266	*	Discounted price/earnings multiple	500,000	500,000
Biofortuna Limited	462,527	462,527	*	Price of recent funding round	411,597	411,597
O-Gen Acme Trek Limited	4,893,444	423,000	*	Cost less impairment	4,893,444	423,000
O-Gen (UK) Limited	345,014	419,370		Discounted cash flow	345,014	412,540
Sindicatum Carbon Capital Limited	200,063	393,825		Price of recent funding round less impairment	200,063	393,825
AlwaysON Group Limited	680,240	292,753		Discounted revenue multiple	550,240	202,060
Procam Television Holdings Limited	250,000	291,053		Discounted price/earnings multiple	250,000	250,000
VectorCcommand Limited	1,468,750	285,491		Discounted revenue multiple	1,468,750	269,840
Flowrite Refrigeration Holdings Limited	88,146	228,433		Discounted price/earnings multiple	86,543	206,482
Zoo Digital Group Limited (AiM listed)	893,384	208,814		Bid price	893,384	212,325
Quantel Holdings (2010) Limited	235,762	197,116		Cost less impairment	235,762	197,116
AtFutsal Group Limited	738,323	184,581		Cost less impairment	738,323	369,162
Trilogy Communications Holdings Limited	776,383	88,160		Discounted revenue multiple	776,383	343,771
Evance Wind Turbines Limited	1,549,419	18,845		Cost less impairment	1,745,910	187,500
Abacuswood Limited	879,597	16,000		Cost less impairment	925,043	16,000
Aigis Blast Protection Limited	347,226	—		Nil value	347,226	—
Global Immersion Limited	532,283	—		Nil value	532,283	—
i-plas Group Limited	732,363	—		Nil value	953,665	—
Amberfin Holdings Limited	—	—		Sold	115,583	54,148
Silvigen Limited	—	—		Dissolved	777,763	—
	26,546,892	**31,156,553**			**27,774,251**	**31,624,041**

* Top ten investments by value shown on pages 12 and 13.

Investment Summary
C Shares Portfolio

	30 September 2014				31 March 2014	
Investment	Amount invested £	Valuation £		Valuation Methodology	Amount invested £	Valuation £
Defaqto Group Limited	3,636,145†	6,027,727	*	Discounted price/earnings multiple	3,890,945	4,991,582
Aerospace Tooling Corporation Limited	90,000	2,374,574	*	Discounted price/earnings multiple	900,000	1,655,994
Blackstar Amplifications Limited	1,000,000	1,287,492	*	Discounted price/earnings multiple	1,000,000	1,322,973
Flowrite Refrigeration Holdings Limited	217,058	562,517	*	Discounted price/earnings multiple	213,112	508,464
Thermotech Solutions Limited (formerly Fire and Air Services Limited)	500,000	551,266	*	Discounted price/earnings multiple	500,000	500,000
Procam Television Holdings Limited	400,000	465,677	*	Discounted price/earnings multiple	400,000	400,000
Biofortuna Limited	462,527	462,527	*	Price of recent funding round	411,597	411,597
Connect2Media Limited	1,591,850†	—		Nil value	1,591,850	—
The Fin Machine Company Limited	3,036,814†	—		Nil value	7,968,110	—
Sport Media Group plc	—	—		Nil value	—	—
	10,934,394	**11,731,780**			**16,875,614**	**9,790,610**

*All investments with a carrying value shown on pages 14 and 15.

†Amount invested refers to the valuation of these investments on 6 February 2012, being the date that Foresight 5 VCT plc and Acuity 3 VCT plc merged to create the C Share fund, adjusted for additions and disposals.

Investment Summary

Ordinary Shares Portfolio

Top ten investments by value as at 30 September 2014 are detailed below:

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.

The Bunker Secure Hosting Limited

provides ultra secure IT data centre and managed services to companies from owned and leased facilities in bunkers previously constructed for military use at Ash, Kent and Newbury, 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 with data security who have made the decision to outsource their mission critical IT systems. A number of new cloud based ultra secure services have recently been introduced. 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.

TFC Europe Limited

is one of Europe's leading technically based suppliers of fixing and fastening products. From 7 sites in the UK and Germany, 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.

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 60,000 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 approximately 100 tonnes of plastic bottles per day and supplying product to a range of customers for the manufacture of milk bottles, drinks bottles and food packaging.

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 Group supplies its 'Autologic' product for use with well-known car brands including Land Rover, BMW, Mercedes, Jaguar, VAG (VW, Audi, Skoda) and Porsche. Management continues to develop a business model to generate recurring revenues through a new service-orientated product.

Investment Summary

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 IxSol platform that enables developers to create and run their own global payment applications under the Visa and MasterCard schemes.

Aerospace Tooling Corporation Limited

is a niche engineering company based in Dundee. The company provides specialist repair and refurbishment servicing for components in high-specification aerospace and turbine engines. Specifically the company targets 'legacy' components and engines that have ceased production, but are still in widespread use.

Thermotech Solutions Limited (formerly Fire and Air Services Limited)

is a Hard Facilities Management provider, designing, installing and maintaining customised air conditioning and fire sprinkler systems for retail, commercial and residential properties. The company operates within the £5.3bn UK Fire and heating, ventilation and air conditioning markets with a network of engineers across the UK enabling the company to service its nationwide customer base.

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.

O-Gen Acme Trek Limited

owns a site in Stoke on Trent with planning permission for use as a waste wood fuelled power station and an existing grid connection. The company is partnering with a developer in order to bring a project to fruition to construct an 8MW power station.

Investment Summary

C Shares Portfolio

All investments with a carrying value as at 30 September 2014 are detailed below:

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.

Aerospace Tooling Corporation Limited

is a niche engineering company based in Dundee. The company provides specialist repair and refurbishment servicing for components in high-specification aerospace and turbine engines. Specifically the company targets 'legacy' components and engines that have ceased production, but are still in widespread use.

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.

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.

Investment Summary

Thermotech Solutions Limited (formerly Fire and Air Services Limited)

Thermotech is a Hard Facilities Management provider, designing, installing and maintaining customised air conditioning and fire sprinkler systems for retail, commercial and residential properties. The company operates within the £5.3bn UK Fire and heating, ventilation and air conditioning markets with a network of engineers across the UK enabling the company to service its nationwide customer base.

Procam Television Holdings Limited

procam.tv is one of the UK's leading broadcast hire companies, supplying equipment and crew for location TV production. Clients include the major studios (e.g. ITV Studios), independent TV production companies, public broadcasters (e.g. BBC) and smaller niche broadcasters.

Biofortuna Limited

BIOFORTUNA© 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.

Unaudited Half-Yearly Results and Responsibility Statements

Principal risks and uncertainties

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

- Performance;
- Regulatory;
- Operational; and
- Financial.

The Board reported on the principal risks and uncertainties faced by the Company in the Annual Report and Accounts for the year ended 31 March 2014. A detailed explanation can be on found on page 56 of the Annual Report and Accounts which is available on www.foresightgroup.eu or by writing to Foresight Group at The Shard, 32 London Bridge Street, London, SE1 9SG.

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

Directors' responsibility statement:

The Disclosure and Transparency Rules ('DTR') of the UK Listing Authority require the Directors to confirm their responsibilities in relation to the preparation and publication of the Interim Report and financial statements.

The Directors confirm to the best of their knowledge that:

(a) the summarised set of financial statements has been prepared in accordance with the pronouncement on interim reporting issued by the Accounting Standards Board;

(b) the interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year);

(c) the summarised set of financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company as required by DTR 4.2.4R; and

(d) the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report in the 31 March 2014 Annual Report. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are described in the Chairman's Statement, Strategic Report and Notes to the Accounts of the 31 March 2014 Annual Report. In addition, the Annual Report includes the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

The Company has considerable financial resources together with investments and income generated there from 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.

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

The half-yearly Financial Report has not been audited or reviewed by the auditors.

On behalf of the Board

Philip Stephens
Chairman
28 November 2014

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

Income Statements

for the six months ended 30 September 2014

	Ordinary Shares Fund			C Shares Fund		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Realised losses on investments	—	(976)	(976)	—	(4,932)	(4,932)
Investment holding gains	—	760	760	—	7,883	7,883
Income	416	—	416	321	—	321
Investment management fees	(96)	(287)	(383)	(34)	(103)	(137)
Other expenses	(166)	—	(166)	(59)	—	(59)
Return/(loss) on ordinary activities before taxation	**154**	**(503)**	**(349)**	**228**	**2,848**	**3,076**
Taxation	—	—	—	—	—	—
Return/(loss) on ordinary activities after taxation	**154**	**(503)**	**(349)**	**228**	**2,848**	**3,076**
Return per share	**0.4p**	**(1.3)p**	**(0.9)p**	**1.2p**	**15.2p**	**16.4p**

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

Balance Sheets

at 30 September 2014

	Ordinary Shares Fund £'000	C Shares Fund £'000
Fixed assets		
Investments held at fair value through profit or loss	31,157	11,732
Current assets		
Debtors	888	100
Money market securities and other deposits	277	—
Cash	912	3,585
	2,077	3,685
Creditors		
Amounts falling due within one year	(243)	—
Net current assets	1,834	3,685
Net assets	32,991	15,417
Capital and reserves		
Called-up share capital	384	187
Share premium account	10,316	25,559
Capital redemption reserve	1,940	71
Profit and loss account	20,351	(10,400)
Equity shareholders' funds	32,991	15,417
Number of shares in issue	38,369,414	18,680,907
Net asset value per share	86.0p	82.5p

At 30 September 2014 there was an inter-share debtor/creditor of £16,000 which has been eliminated on aggregation.

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

Reconciliation of Movements in Shareholders' Funds

for the six months ended 30 September 2014

Ordinary Shares Fund	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total £'000
As at 1 April 2014	386	10,314	1,938	20,818	33,456
Expenses in relation to share issues	—	2	—	—	2
Repurchase of shares	(2)	—	2	(118)	(118)
Loss for the period	—	—	—	(349)	(349)
As at 30 September 2014	**384**	**10,316**	**1,940**	**20,351**	**32,991**

C Shares Fund	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total £'000
As at 1 April 2014	187	25,567	71	(13,476)	12,349
Expenses in relation to share issues	—	(8)	—	—	(8)
Return for the period	—	—	—	3,076	3,076
As at 30 September 2014	**187**	**25,559**	**71**	**(10,400)**	**15,417**

Unaudited Income Statement

for the six months ended 30 September 2014

	Six months ended 30 September 2014 (unaudited)			Six months ended 30 September 2013 (unaudited)			Year ended 31 March 2014 (audited)		
	Revenue £'000	**Capital £'000**	**Total £'000**	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Realised losses on investments	**—**	**(5,908)**	**(5,908)**	—	(1,406)	(1,406)	—	(1,412)	(1,412)
Investment holding gains/(losses)	**—**	**8,643**	**8,643**	—	(1,582)	(1,582)	—	(2,176)	(2,176)
Income	**737**	**—**	**737**	526	—	526	826	—	826
Investment management fees	**(130)**	**(390)**	**(520)**	(159)	(477)	(636)	(291)	(871)	(1,162)
Other expenses	**(225)**	**—**	**(225)**	(222)	—	(222)	(433)	—	(433)
Return/(loss) on ordinary activities before taxation	**382**	**2,345**	**2,727**	145	(3,465)	(3,320)	102	(4,459)	(4,357)
Taxation	**—**	**—**	**—**	2	—	2	—	—	—
Return/(loss) on ordinary activities after taxation	**382**	**2,345**	**2,727**	147	(3,465)	(3,318)	102	(4,459)	(4,357)
Return per share:									
Ordinary Share	**0.4p**	**(1.3)p**	**(0.9)p**	0.5p	7.0p	7.5p	0.3p	3.3p	3.6p
C Share	**1.2p**	**15.2p**	**16.4p**	(0.3)p	(33.1)p	(33.4)p	(0.2)p	(30.6)p	(30.8)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.

Unaudited Balance Sheet

at 30 September 2014

Registered Number: 03506579

	As at 30 September 2014 (unaudited) £'000	As at 30 September 2013 (unaudited) £'000	As at 31 March 2014 (audited) £'000
Fixed assets			
Investments held at fair value through profit or loss	42,889	43,225	41,415
Current assets			
Debtors	972	1,942	2,001
Money market securities and other deposits	277	537	637
Cash	4,497	1,301	1,848
	5,746	3,780	4,486
Creditors			
Amounts falling due within one year	(227)	(131)	(96)
Net current assets	5,519	3,649	4,390
Net assets	48,408	46,874	45,805
Capital and reserves			
Called-up share capital	571	573	573
Share premium	35,875	35,925	35,881
Capital redemption reserve	2,011	2,008	2,009
Profit and loss account	9,951	8,368	7,342
Equity shareholders' funds	48,408	46,874	45,805
Net asset value per share:			
Ordinary Share	86.0p	90.7p	86.7p
C Share	82.5p	63.8p	66.1p

Unaudited Reconciliation of Movements in Shareholders' Funds

for the six months ended 30 September 2014

Company	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total £'000
As at 1 April 2014	573	35,881	2,009	7,342	45,805
Expenses in relation to share issues	—	(6)	—	—	(6)
Repurchase of shares	(2)	—	2	(118)	(118)
Return for the period	—	—	—	2,727	2,727
As at 30 September 2014	**571**	**35,875**	**2,011**	**9,951**	**48,408**

Unaudited Cash Flow Statement

for the six months ended 30 September 2014

	Six months ended 30 September 2014 (unaudited) £'000	Six months ended 30 September 2013 (unaudited) £'000	Year ended 31 March 2014 (audited) £'000
Cash flow from operating activities			
Investment income received	**373**	73	380
Dividends received from investments	**150**	—	—
Deposit and similar interest received	**2**	1	2
Investment management fees paid	**(559)**	(673)	(1,157)
Secretarial fees paid	**—**	(77)	(155)
Other cash payments	**(168)**	(424)	(553)
Net cash outflow from operating activities and returns on investment	**(202)**	(1,100)	(1,483)
Taxation	**—**	—	—
Returns on investment and servicing of finance			
Purchase of unquoted investments and investments quoted on AiM	**(232)**	(5,145)	(5,641)
Net proceeds on sale of investments	**2,647**	3,763	4,643
Net proceeds on deferred consideration	**84**	278	1,052
Net capital inflow/(outflow) from investing activities	**2,499**	(1,104)	54
Equity dividends paid	—	(1,543)	(1,543)
Management of liquid resources			
Movement in money market funds	**360**	(1)	(101)
	360	(1)	(101)
Financing			
Proceeds of fund raising	**—**	1,226	1,208
Expenses of fund raising	**(8)**	(53)	(77)
Repurchase of own shares	**—**	(119)	(205)
Net cash (outflow)/inflow from financing activities	**(8)**	1,054	926
Increase/(decrease) in cash	**2,649**	(2,694)	(2,147)

Reconciliation of net cash flow to movement in net cash			
Increase/(decrease) in cash for the period	**2,649**	(2,694)	(2,147)
Net cash at start of the period	**1,848**	3,995	3,995
Net cash at end of period	**4,497**	1,301	1,848

Notes to the Half-Yearly Financial Report

for the six months ended 30 September 2014

1 The unaudited Half-Yearly results have been prepared on the basis of accounting policies set out in the statutory accounts of the Company for the year ended 31 March 2014. Unquoted investments have been valued in accordance with IPEVCV guidelines. Quoted investments are stated at bid prices in accordance with IPEVCV guidelines and UK Generally Accepted Accounting Practice.

2 These are not statutory accounts in accordance with S436 of the Companies Act 2006 and the financial information for the six months ended 30 September 2014 and 30 September 2013 has been neither audited nor reviewed. Statutory accounts in respect of the year ended 31 March 2014 have been audited and reported on by the Company's auditors and delivered to the Registrar of Companies and included the report of the auditors which was unqualified and did not contain a statement under S498(2) or S498(3) of the Companies Act 2006. No statutory accounts in respect of any period after 31 March 2014 have been reported on by the Company's auditors or delivered to the Registrar of Companies.

3 Copies of the Half-Yearly Financial Report have been sent to shareholders and are available for inspection at the Registered Office of the Company at The Shard, 32 London Bridge Street, London, SE1 9SG.

Copies of the Half-Yearly Financial Report are also available electronically at www.foresightgroup.eu.

4 Net asset value per share

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

	Ordinary Shares Fund		C Shares Fund	
	Net assets £'000	Number of shares in issue	Net assets £'000	Number of shares in issue
30 September 2014	32,991	38,369,414	15,417	18,680,907
30 September 2013	34,964	38,569,418	11,910	18,680,904
31 March 2014	33,456	38,569,414	12,349	18,680,907

5 Return per share

The weighted average number of shares for the Ordinary Shares and C Shares funds used to calculate the respective returns are shown in the table below:

	Ordinary Shares Fund Shares	C Shares Fund Shares
Six months ended 30 September 2014	38,567,228	18,680,907
Six months ended 30 September 2013	38,616,148	18,693,547
Year ended 31 March 2014	38,590,648	18,687,245

Notes to the Half-Yearly Financial Report

for the six months ended 30 September 2014

6 Income

	Six months ended 30 September 2014 (unaudited) £'000	Six months ended 30 September 2013 (unaudited) £'000	Year ended 31 March 2014 (audited) £'000
Loan stock interest	**585**	524	822
Dividends received	**150**	—	—
Overseas based Open Ended Investment Companies ("OEIC's")	**2**	2	2
Bank deposits	**—**	—	2
	737	526	826

7 Investments held at fair value through profit and loss

Company	**Quoted £'000**	**Unquoted £'000**	**Total £'000**
Book cost at 1 April 2014	893	43,757	44,650
Investment holding losses	(681)	(2,554)	(3,235)
Valuation at 1 April 2014	212	41,203	41,415
Movements in the period:			
Purchases at cost	—	724	724
Disposal proceeds	—	(1,985)	(1,985)
Realised losses	—	(5,908)	(5,908)
Investment holding (losses)/gains	(3)	8,646	8,643
Valuation at 30 September 2014	**209**	**42,680**	**42,889**
Book cost at 30 September 2014	893	36,588	37,481
Investment holding (losses)/gains	(684)	6,092	5,408
Valuation at 30 September 2014	**209**	**42,680**	**42,889**

Ordinary Shares Fund	**Quoted £'000**	**Unquoted £'000**	**Total £'000**
Book cost at 1 April 2014	893	26,881	27,774
Investment holding (losses)/gains	(681)	4,531	3,850
Valuation at 1 April 2014	212	31,412	31,624
Movements in the period:			
Purchases at cost	—	669	669
Disposal proceeds	—	(920)	(920)
Realised losses	—	(976)	(976)
Investment holding (losses)/gains	(3)	763	760
Valuation at 30 September 2014	**209**	**30,948**	**31,157**
Book cost at 30 September 2014	893	25,654	26,547
Investment holding (losses)/gains	(684)	5,294	4,610
Valuation at 30 September 2014	**209**	**30,948**	**31,157**

Capitalised interest of £488,000 was recognised by the Ordinary Shares fund in the period, and is included within purchases at cost.

Notes to the Half-Yearly Financial Report

for the six months ended 30 September 2014

7 Investments held at fair value through profit and loss (continued)

C Shares Fund	Quoted £'000	Unquoted £'000	Total £'000
Book cost at 1 April 2014	—	16,876	16,876
Investment holding losses	—	(7,085)	(7,085)
Valuation at 1 April 2014	—	9,791	9,791
Movements in the period:			
Purchases at cost	—	55	55
Disposal proceeds	—	(1,065)	(1,065)
Realised losses	—	(4,932)	(4,932)
Investment holding gains	—	7,883	7,883
Valuation at 30 September 2014	**—**	**11,732**	**11,732**
Book cost at 30 September 2014	—	10,934	10,934
Investment holding gains	—	798	798
Valuation at 30 September 2014	**—**	**11,732**	**11,732**

Capitalised interest of £4,000 was recognised by the C Shares fund in the period and is included within purchases at cost.

8 Transactions with the manager

Foresight Group, which acts as investment manager to the Company in respect of its venture capital investments earned fees of £520,000 during the period (30 September 2013: £636,000; 31 March 2014: £1,162,000). Fees excluding VAT of £78,000 (30 September 2013: £78,000; 31 March 2014: £155,000) were received during the period for company secretarial, administrative and custodian services to the Company.

At the balance sheet date there was £9,721 due to Foresight Group (30 September 2013: £13,464 due from Foresight Group; 31 March 2014: £10,336 due to Foresight Group) and £nil due to Foresight Fund Managers Limited (30 September 2013: £nil; 31 March 2014: £nil). There were no related party transactions in the period and amounts have been written off in the period in respect of debts due to or from related parties.

Shareholder Information

Dividends

Shareholders who wish to have dividends paid directly into their bank account rather than by cheque to their registered address can complete a Mandate Form for this purpose. Mandates can be obtained by telephoning the Company's registrar, Computershare Investor Services plc (see 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 Shares and C Shares is given daily in the Financial Times in the Investment Companies section of the London Share Service. Share price information can also be obtained from many financial websites.

Fund History

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.

Investor centre

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

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

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

Trading shares

The Company's Ordinary 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.

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

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

Foresight Group has been made aware that some of its shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas based 'brokers' who target UK shareholders, offering to purchase their 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

July 2015	Announcement of annual results for the year ended 31 March 2015
July 2015	Posting of the Annual Report for the year ended 31 March 2015
September 2015	Annual General Meeting
November 2015	Announcement of Half-Yearly Financial Results for the six months to 30 September 2015

Enquiries

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