

FORESIGHT ENTERPRISE VCT PLC

UNAUDITED HALF-YEARLY
FINANCIAL REPORT

30 JUNE 2022

Foresight
FOR A SMARTER FUTURE

SHAREHOLDER INFORMATION

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

For details on the Company's investment policy please refer to the Strategic Report in the 2021 Annual Report.

www.foresightenterprisevct.com

Enquiries

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

020 3667 8181

InvestorRelations@foresightgroup.eu

www.foresightenterprisevct.com

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

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

Dividends

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

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

www.investorcentre.co.uk

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

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

Holding enquiry Balances | Values history | Payments | Reinvestments

Payments enquiry Dividends | Other payment types

Address change Change registered address to which all communications are sent

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

Outstanding payments Reissue payments using our online replacement service

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

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

Key dates

Annual results to 31 December 2022	April 2023
Annual General Meeting	June 2023
Interim results to 30 June 2023	September 2023

CONTENTS

Strategic Report

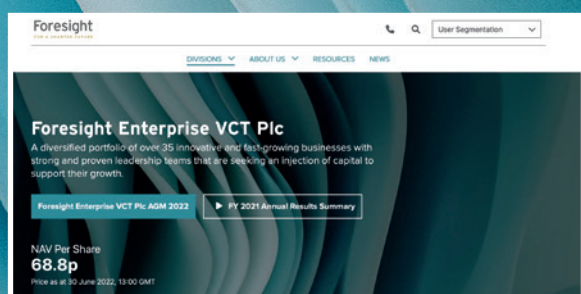
Financial Highlights	2
Chair's Statement	4
Manager's Review	8
About the Manager	14
Top Ten Investments	16
Portfolio Overview	22
Responsible Investment	24

Governance

Unaudited Half-Yearly Results and Responsibilities Statements	25
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Financial Statements

Unaudited Income Statement	26
Unaudited Reconciliation of Movements in Shareholders' Funds	27
Unaudited Balance Sheet	28
Unaudited Cash Flow Statement	29
Notes to the Unaudited Half-Yearly Results	30
Glossary of Terms	32
Financial Conduct Authority	33
Corporate Information	34
Additional Information	35



WWW.FORESIGHTENTERPRISEVCT.COM

FINANCIAL HIGHLIGHTS

“Codeplay and TFC were both sold in the period realising gains of £17.3 million and returning proceeds of £19.7 million to the Company.”

£134.8m

Total net assets
as at 30 June 2022

3.5p

Dividend paid
30 June 2022

£4.6m

Uplift in portfolio value
in period to 30 June 2022

67.5p

NAV per share
as at 30 June 2022

- Total net assets **£134.8 million**
- An interim dividend of **3.5p** per share was paid on 30 June 2022, returning **£6.9 million** to Shareholders
- The portfolio value has increased by **£4.6 million** in the last six months
- Net Asset Value per share decreased by **2.3%** in the period from **69.1p** at 31 December 2021 to **67.5p** at 30 June 2022
- Including the payment of a **3.5p** dividend made on 30 June 2022, NAV Total Return per share at 30 June 2022 was **71.0p**, representing a positive total return of **2.7%** in the period

Place of business of portfolio companies

Key:

- Technology, media & telecommunications
- Industrials & manufacturing
- Healthcare
- Business services
- Consumer & leisure
- Other



Key metrics

	30 June 2022	31 December 2021
Total net assets	£134.8m	£133.2m
Net Asset Value per share	67.5p	69.1p
Movement in Net Asset Value Total Return during the period ¹	2.7%	18.0%
Share price	63.5p	61.5p
Dividend per share paid in the period	3.5p	4.2p
Dividend yield ¹	5.5%	6.8%
Ordinary Shares in issue	199,590,704	192,806,963
	30 June 2022	31 December 2021
Discount to NAV ¹	5.9%	11.0%
Average discount on buybacks ¹	7.5%	7.5%
Shares bought back during the period under review	774,369	2,564,645
Shares issued through fundraising	6,380,365	—
Shares issued under the dividend reinvestment scheme	1,177,745	1,512,395
Ongoing charges ratio ¹ (based on net assets)	2.35%	2.25%

1. Definitions of these Alternative Performance Measures ("APMs") can be found in the Glossary on page 32.

CHAIR'S STATEMENT



“NAV Total Return per share for the period was 71.0p, representing a total return of 2.7%”

Raymond Abbott

Chairman of Foresight Enterprise VCT plc

I am pleased to present the unaudited Half-Yearly Report for Foresight Enterprise VCT plc for the period ended 30 June 2022.

The business environment remains challenging after the substantial impact of the COVID-19 pandemic receded, with the war in Ukraine, supply chain issues, rapidly rising inflation and energy prices and the threat of recession looming. I believe that the careful planning, help and advice the Manager provided the portfolio companies during the pandemic will continue to be relevant to the current and future economic situations. While there will be bumps in the road, the Board believes that the portfolio is in good shape to withstand what we currently see ahead.

Strategy

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

- Continued enhancement of Net Asset Value Total Return while continuing to grow the Company's assets
- Payment of annual dividends of at least 5% of the NAV per share per annum based on the opening NAV of that financial year
- Implementation of a significant number of new and follow-on qualifying investments every year
- Maintaining a programme of regular share buybacks

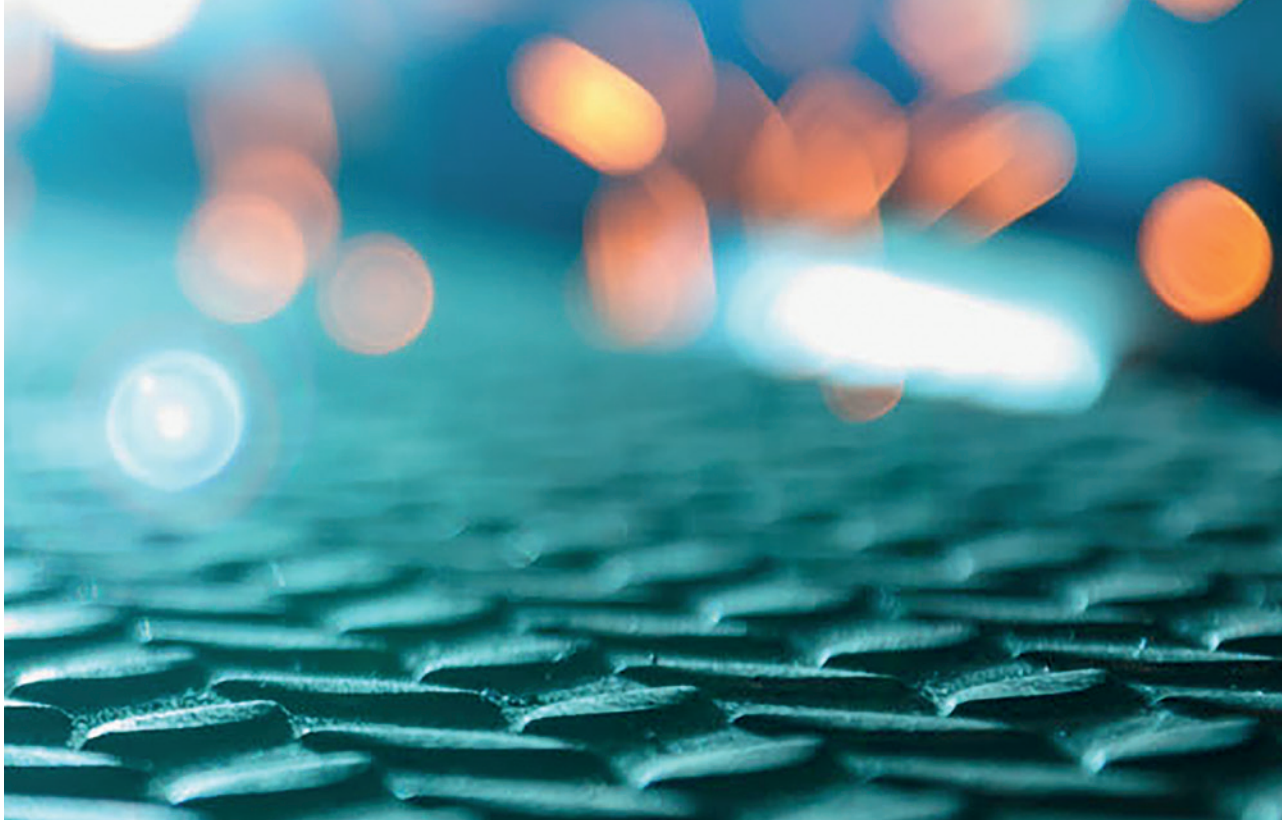
Central to the Company being able to achieve these objectives is the ability of the Manager to source and complete attractive new qualifying investment opportunities.

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

Performance and portfolio activity

During the period, Net Asset Value per share decreased by 2.3% from 69.1p at 31 December 2021 to 67.5p at 30 June 2022. After adding back the payment of a 3.5p dividend made on 30 June 2022, NAV Total Return per share at 30 June 2022 was 71.0p, representing a positive total return of 2.7%.

During the period, the Manager completed new investments of £1.6 million into SO-SURE Limited and £1.1 million into HomeLink Healthcare Limited. The Manager also completed one follow-on investment costing £0.5 million into Rovco Limited. Additionally, the Manager disposed of two investments, TFC Europe Limited and Codeplay Software Limited, generating proceeds of £19.7 million with a further £0.4 million of deferred consideration included within debtors at the period end.



After the period end, new investments of £1.8 million and £2.5 million were made into Strategic Software Applications Ltd and Copptech UK Limited respectively. Additionally, a further follow-on investment of £0.7 million was made into Hexarad Group Limited.

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

The Manager continues to see a strong pipeline of potential investments sourced through its regional networks and well developed relationships with advisers and the SME community; however, it is also focused on supporting the existing portfolio through the current economic climate. Following the successful realisations of TFC Europe Limited and Codeplay Software Limited in June 2022, the Company is in a position to fully support the portfolio, where appropriate, and exploit potential attractive investment opportunities.

The January 2022 offer is due to close on 30 September 2022 having raised gross funds of £5.3 million to date. We would like to thank those existing Shareholders who have supported this offer and welcome all new Shareholders to the Company. The Board is also pleased to announce that a new offer for subscription is due to be launched in mid-October 2022, providing Shareholders and new investors with a further opportunity to invest in the Company and benefit from the VCT tax reliefs available to qualifying investors.

Responsible investing

The analysis of environmental, social and governance ("ESG") issues is embedded in the Manager's investment process and these factors are considered key in determining the quality of a business and its long-term success. Central to the Manager's responsible investment approach are five ESG principles that are applied to evaluate investee companies, acquired since May 2018, throughout the lifecycle of their investment, from their initial review and acquisition to their final sale. Every year, these portfolio companies are assessed and progress measured against these principles. More detailed information about the process can be found on page 24 of the Manager's Review.

Dividends

An interim dividend of 3.5p per share was declared on 27 May 2022 based on an ex-dividend date of 16 June 2022 and a record date of 17 June 2022. The dividend was paid on 30 June 2022.

CHAIR'S STATEMENT CONTINUED

Buybacks

The Board is pleased to have achieved an average discount across all buybacks of 7.5% to the Net Asset Value per share in the period, but continues to have an objective of achieving and maintaining buybacks at a discount of 5% over the medium term, subject to market conditions.

Shareholder communication

We were delighted to meet once again with some Shareholders in person at the AGM on 9 June 2022, having long been unable to do so as a result of the travel restrictions due to COVID-19. Following the disappointing remote attendance at the hybrid event, the Board will be reverting to an in person event only in the future. The Manager is hoping to reintroduce in-person investor forum events in the winter, which have proven popular with our Shareholders in the past.

Board composition

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

Outlook

As mentioned in my introduction, while the impact of the pandemic has lessened, other economic impacts are being seen after Russia invaded Ukraine, including, but not limited to, the significant rise in energy prices, rapid inflation, the cost of living crisis and the potential for a global recession. Supply chains remain under pressure post Brexit and pandemic, and after the Russian invasion, such issues are unlikely to be resolved soon. While the Company's portfolio has not been materially exposed to either Russia or Ukraine, it is very likely that the economic impacts we are currently experiencing will raise issues and concerns for the individual investee company management teams and the Manager.

However, the portfolio is showing signs of resilience and the Manager has been working with management teams to assess business plans, consider funding requirements and help navigate through these difficult times. The portfolio is well diversified in terms of sector, size and number and the Manager's approach through the pandemic will continue to be valuable to tackle the challenges ahead.

The Company is well positioned to continue to support the portfolio and the fundraising that we are making will also provide the opportunity to seek new investments and take advantage of the opportunities that will emerge from the current economic situation.

To date, the impact of both the economic and geopolitical landscapes have not been considered material to the overall portfolio. This can be seen in the positive NAV Total Return of 2.7% in the period which includes the 3.5p dividend that was paid on 30 June 2022.

Raymond Abbott

Chair

30 September 2022



MANAGER'S REVIEW

WHAT'S IN THIS SECTION

MANAGER'S REVIEW	8
ABOUT THE MANAGER	14
TOP TEN INVESTMENTS	16
PORTFOLIO OVERVIEW	22
RESPONSIBLE INVESTMENT	24

MANAGER'S REVIEW

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

Portfolio summary

As at 30 June 2022, the Company’s portfolio comprised 39 investments with a total cost of £65.4 million and a valuation of £103.4 million. The portfolio is diversified by sector, transaction type and maturity profile. Details of the ten largest investments by valuation, including an update on their performance, are provided on pages 16 to 20.

During the six months to 30 June 2022, the value of the portfolio reduced by £11.9 million as a result of £19.7 million of successful realisations, partially offset by new investments of £3.2 million and an increase in the value of the investments of £4.6 million. The Company’s portfolio continues to recover following the impact of COVID-19 over the past 24 months. Many of the portfolio companies have successfully navigated the new economic landscape, with some performing extremely well, while others continue to adjust.

In line with the Board’s strategic objectives, the investment team remains focused on continuing to grow the Company’s assets whilst paying an annual dividend to Shareholders of at least 5% of the NAV per share per annum based on the opening NAV of that financial year. The Company has so far achieved this target for the current year and this objective remains the Manager’s focus.

New investments

Since COVID-19 restrictions eased, there has been a shift towards more in-person events and meetings, and whilst not yet back to pre-pandemic levels, it is now easier for the private equity team to meet prospective companies and their teams face to face. This is an important part of assessing investments and developing relationships with management teams and other members of the local investment community. The Manager and SMEs have adjusted to this new landscape given companies still wish to grow their businesses and act on opportunities as they arise. The Manager continued to meet new companies and advisers throughout the period and build its reputation in each of the regions it operates in.

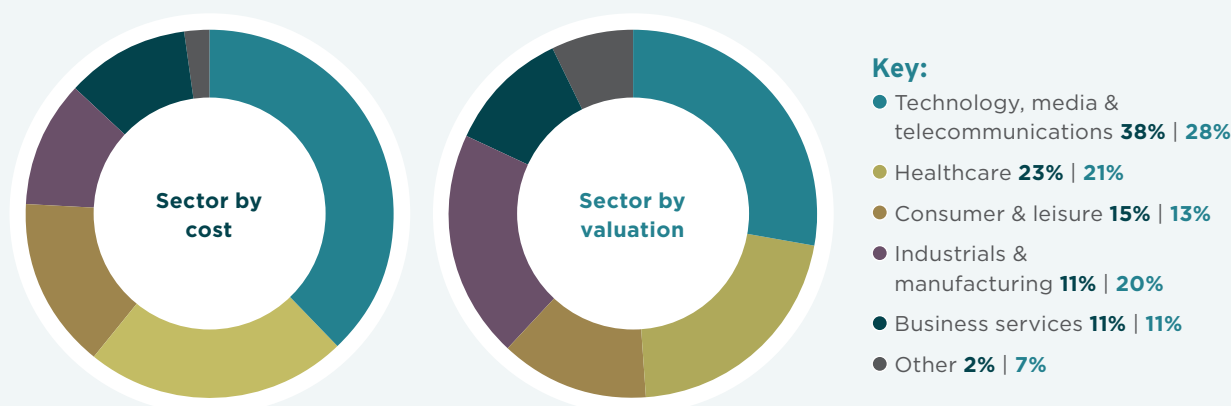
Two new investments were completed in the six months to 30 June 2022. Further details of each of these are provided below. Behind these, there is a strong pipeline of opportunities that the Manager expects to convert during the second half of 2022.



HomeLink Healthcare Limited

In March 2022, the Company invested £1.1 million of growth capital into HomeLink, a specialist provider of clinical services to patients in their own homes, alleviating pressure on the NHS, freeing up vital bed space, saving time and reducing costs. The investment will be used to consolidate HomeLink’s position as a first mover in a sizeable and growing market.

Portfolio diversification



MANAGER'S REVIEW CONTINUED

New investments continued

so-sure

SO-SURE Limited

In May 2022, the Company invested £1.6 million into SO-SURE, a digital insurance platform for consumer mobile phones and home contents. The investment will be used to scale up operations and extend the product range, which has shown great potential beyond the existing lines.



Strategic Software Applications Ltd

Post period end, in August 2022, the Company invested £1.8 million of growth capital into Strategic Software Applications, previously referred to as Axiom HQ but now trading as Ruleguard, a SaaS technology provider supporting regulatory compliance for financial institutions. The investment will be used to help the business maximise opportunities as its target market grows in line with the adoption of specialised technology as a result of increasing regulatory complexity.



Copptech UK Limited

Also in August 2022, the Company invested £2.5 million of growth capital into Copptech UK, an innovative anti-microbial technology company that uses a patented microparticle in polymers, plastics and building materials to kill bacteria, fungi and viruses on contact. The investment will be used to help the business grow sales and market presence in new geographies.

Follow-on investments

The Manager expects to continue to deploy additional capital into both growing portfolio companies and those that require support to trade through more uncertain periods. Macro factors such as wage, commodity price and energy price inflation may impact some elements of the portfolio, but in general the Manager ensures at the time of initial investment that investee companies are well-capitalised to trade through periods of lower market demand or supply challenges. This is evidenced by the portfolio remaining relatively resilient over the COVID-19 period, supported by the Manager, with an active management style to ensure risks are identified and mitigated early.

The Company made one follow-on investment in the period, totalling £0.5 million, to support further growth opportunities. Further details are provided below.



Rovco Ltd

In March 2022, Rovco, a developer of 3D computer vision and AI technology for streamlining and ultimately automating the monitoring and management of marine infrastructure, received a £0.5 million follow-on investment from the Company as part of a £15.3 million funding round. The investment will be used to support the growing working capital needs in the contract business as well as the expansion of Rovco's commercial, operational and technological capabilities.



Hexarad Group Limited

Post period end, the Company completed a £0.7 million investment into Hexarad as part of a £2.1 million funding round. Hexarad is a high-growth healthcare technology company, delivering teleradiology services to NHS and private healthcare customers. It gives healthcare providers access to faster diagnosis of medical images (CT, MRI and X-Ray), using proprietary allocation tools to distribute scans to a pool of remote radiologists.

Pipeline

At 30 June 2022, the Company held cash of £25.7 million. This will be used to fund new and follow-on investments, buybacks and running expenses, and support the Company's dividend objectives. The Manager has a number of opportunities under exclusivity or in due diligence. The Company remains well positioned to continue pursuing these potential investment opportunities.

Exits and realisations

The M&A climate has remained buoyant during the period but it may be cooling. In June 2022, the Company successfully realised investments in Codeplay Software Limited and TFC Europe Limited.

Codeplay is one of the leading solutions providers to the semiconductor industry. During the investment period, the Manager helped the business reframe its strategy to offer a suite of services rather than standalone products, which made it an important player in an ecosystem of high-performance computing. It evolved its technology and developed new routes to market.

The Manager also introduced a chairperson and through the Manager's joint venture with Williams Advanced Engineering, the business was able to access the automotive market. The business was sold to a leading computer chip developer in a transaction that generated proceeds of £4.3 million at completion, an exceptional return on an investment of £0.3 million.

The sale of industrial fastener products supplier TFC generated proceeds of £15.4 million, another strong performance. Since the original investment, the Company helped to extend TFC's network in the UK and Germany.

TFC also rapidly expanded its vendor managed inventory service, growing the customer base, so it now provides a market-leading service to SMEs and international global businesses operating across a range of industries. The Company supported three acquisitions as well as considerable investment in new and existing facilities, opening new sites in England, Northern Ireland and Europe.

Disposals in the period ended 30 June 2022

Company	Detail	Accounting cost at date of disposal (£)	Proceeds (£)	Realised gain (£)	Valuation at 31 December 2021 (£)
TFC Europe Limited	Full disposal	2,149,307	15,407,883	13,258,576	10,330,550
Codeplay Software Limited	Full disposal	300,000	4,300,599	4,000,599 ¹	1,697,425
		2,449,307	19,708,482	17,259,175	12,027,975

1. A further £411,936 of deferred consideration has been reflected in the accounts.

Key portfolio developments

In the first six months of the year, the portfolio has shown further recovery, which started in the second half of 2021, as businesses adapt to the new economic climate.

The value of investments held reduced by £11.9 million in the six months to 30 June 2022, driven largely by realisations of £19.7 million, offset partially by deployment of £3.2 million and an increase in the value of existing investments of £4.6 million.

Material changes in valuation, defined as increasing or decreasing by £1.0 million or more since 31 December 2021, are detailed below. Updates on these companies are included in the Top Ten Investments section on pages 16 to 20.

Key valuation changes in the period

Company	Valuation (£)	Valuation change (£)
Hospital Services Group Limited	6,864,934	1,188,621
Biofortuna Ltd	3,580,838	(2,011,013)
Innovation Consulting Group Limited	5,104,469	(2,025,094)
Datapath Group Limited	10,671,763	(3,491,763)

MANAGER'S REVIEW CONTINUED

Outlook

The global and UK markets have experienced a volatile past 12 months following a strong recovery in consumer and business demand after the COVID-19 pandemic.

At the same time, supply chains remained constrained by continued lockdowns in China and Europe and the cautious return of labour to the UK workforce, as lockdowns and furlough schemes altered people's working patterns. All these factors began to drive price inflation in late 2021 – a symptom that was further compounded by the war in Ukraine – causing the prices of gas, electricity, precious metals and food, amongst other commodities, to soar in Q1 2022.

The Bank of England responded by raising the base interest rate from 0.1% in December 2021 to 2.25% in September 2022 to help reduce inflation, which has increased from 7.5% in December 2021 to 12.3%¹ by August 2022 and most analysts expect further increases to both inflation and interest rates in the medium term. The Bank of England now forecasts that the UK will enter a recession later in 2022.

Despite this backdrop, the Company's portfolio is well positioned to withstand the market volatility. We have worked to balance risk, with the portfolio exposed to a broad base of both well-established and earlier-stage growth companies across a range of sectors. Over the past 12 months, the portfolio continued to perform well, with the Company realising five investments in this time.

Notable examples that demonstrate our ability to capitalise on high-quality regional opportunities in a variety of sectors are the sale of Codeplay, an Edinburgh-based software tool developer, to a US corporate buyer delivering an impressive 16.1x return, and the sale of TFC, an East Sussex distributor of specialist fixings and industrial fasteners, that generated a 12.6x return on investment. The current portfolio has a good mix of earlier stage and more mature investments, which are expected to generate both income and capital returns for investors over time.

The Manager continues to leverage its regional offices to source the highest quality growth companies where we can employ our extensive advisory network and proactive portfolio management style to drive growth and add value to each investee company. There remains a strong appetite for funding from the smaller UK businesses with growth potential, which manifested itself in a number of exciting deals completed in the past year. Despite shifts in the investment landscape, we continue to see excellent opportunities to support small companies in many sub-sectors, such as health, technology and compliance systems, amongst others.

While the macro environment is precarious, we believe that the Company's portfolio is well placed to cope with a period of uncertainty. The UK undoubtedly remains an exceptional place to start, fund and grow a small business, and the Manager remains committed to supporting the best UK entrepreneurs on their journey.

James Livingston

on behalf of Foresight Group LLP

30 September 2022

1. Bank of England, RPI December 2021 to August 2022 www.ons.gov.uk/economy/inflationandpriceindices/timeseries/czbh/mm23

CASE STUDY

HEXARAD GROUP LIMITED

Hexarad was established in 2017 by a group of practising consultant radiologists who trained together at St George's Hospital in London. After experiencing a shortage of internal reporting capacity, they saw an opportunity to establish a radiology service led by experts with a deep understanding of the challenges faced both by clinicians and healthcare organisations. Hexarad provides teleradiology services to healthcare providers, linking diagnostic scans with the right radiologist, wherever they are. This is underpinned by a high-quality technology platform that drives efficiencies and profitability.

As a provider of teleradiology, the purpose of the company is to help healthcare systems tackle growing demand. Hexarad has reported on approximately 80,000 scans since July 2018, easing the overload on NHS services. Reducing turnaround time and increasing the quality of scan reporting in turn improves society's health and reduces inequalities caused by different levels of radiology capacity in certain locations. Teleradiology also reduces carbon footprint by remotely outsourcing scan reporting rather than requiring radiologists to travel between different hospitals.

As a regulated healthcare provider, Hexarad is registered with the Care Quality Commission. Hexarad supports the charity RadAid, which helps developing countries to improve their radiology structure, and also created the Hexarad Scholarship to support BAME and less privileged medical students. Of the four founders, two are female and/or from BAME backgrounds.

Hexarad key facts

Name	Hexarad Group Limited
Location	Lynwood House, 373-375 Station Road, Harrow, Middlesex, HA1 2W
Website	www.hexarad.com
Industry	Healthcare
Foresight Enterprise VCT plc commitment	£0.9 million, excluding post-period end follow-on of £0.7 million
Foresight Enterprise VCT plc ownership %	9.2% (fully diluted)
Stage	Growth
Investment date	July 2021
Total Foresight Group LLP commitment	£1.7 million, excluding post-period end follow-on of £1.4 million (£0.9 million of investment made by Foresight Enterprise VCT plc and £0.8 million of investment made by Foresight VCT plc)

ABOUT THE MANAGER

Foresight Group LLP is a leading infrastructure and private equity investment manager

FORESIGHT GROUP LLP

Sustainability and ESG criteria are central to all investments – Foresight was among the first to prioritise sustainability and ESG and it remains at the forefront of these developing investment themes.

200+

Institutional clients

21

Institutional solutions

59%

Institutional AUM

29,000

Retail investors

16

Retail solutions

41%

Retail AUM

INFRASTRUCTURE

Foresight now manages over 330 infrastructure assets, including wind, solar and bioenergy, with installed capacity able to generate up to 3.1GW of renewable energy.

£6.3bn

AUM | 71%

337

Assets

PRIVATE EQUITY

Foresight manages more than 130 growth capital and replacement capital investments through a network of seven regional UK offices.

£930m

AUM | 11%

131

Investments

FORESIGHT CAPITAL MANAGEMENT

Foresight Capital Management was established in 2017 to enable retail and institutional investors to access infrastructure, renewables and real estate investment opportunities through actively managed open-ended funds, investing in listed securities.

£1.6bn

AUM | 18%

6

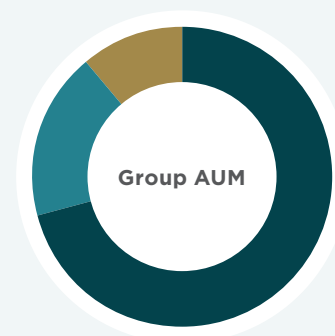
Investment vehicles

OFFICES

Foresight has 12 offices, the largest of which is in London.

£8.8bn

AUM audited as at 31 March 2022



■ Infrastructure
■ Foresight Capital Management
■ Private Equity



London
Stock Exchange

On 9 February 2021, Foresight Group Holdings Limited shares were unconditionally listed on the premium segment of the London Stock Exchange Main Market, under the ticker "FSG". Foresight Group Holdings Limited was awarded the LSE's Green Economy Mark, which recognises companies that derive 50% or more of their annual revenues from products and services that contribute to the global green economy. www.fsg-investors.com

CASE STUDY

CalLEN-LENZ ASSOCIATES LIMITED

Callen-Lenz was founded in 2007 by CEO Jonathan Webber, a former RAF pilot and commercial test pilot, and finance director Andy Callen, who trained at KPMG before roles at Babcock and McLaren. The company initially focused on technical consultancy for aviation research and development, then developed novel hardware and software products that are now sold globally, along with wider design and operational services.

Based near Salisbury, Wiltshire, the company develops, designs and manufactures air vehicles, vehicle components and navigation and communication software for high-performance unmanned aerial vehicles (“UAVs”) globally.

Callen-Lenz has built a high level of trust with the UK Civil Aviation Authority, owing to its specialist expertise and highly experienced team, despite being an SME. Callen-Lenz is also a member of the international CAA regulatory body, which is responsible for writing new rules and regulations for international

unmanned systems control technology and certification.

Callen-Lenz provides surveillance UAVs to the energy sector, which significantly improve the quality of pipeline monitoring while reducing the health and safety risks faced by people working in hazardous conditions. The remote monitoring by the UAVs also reduces the carbon emissions that may otherwise arise were an alternative manned vehicle used.

The company’s technology supports both land management and wildlife conservation. Callen-Lenz is also a significant provider of highly qualified jobs to the local economy, with this investment funding further high-quality job creation. Since investment, with the Manager’s support, Callen-Lenz has begun formally tracking its ESG performance and process improvements. The company is particularly focused on technological innovation to improve the efficiency of the energy sector.

Callen-Lenz key facts

Name	Callen-Lenz Associates Limited
Location	The Old Barns, Manor Farm, Chilmark, Salisbury, Wiltshire, SP3 5AF
Website	www.callenlenz.com
Industry	Industrials & manufacturing
Foresight Enterprise VCT plc commitment	£2.4 million
Foresight Enterprise VCT plc ownership %	12.5% (fully diluted)
Stage	Growth capital
Investment date	August 2021
Total Foresight Group LLP commitment	£4.8 million (£2.4 million of investment made by Foresight Enterprise VCT plc and £2.4 million of investment made by Foresight VCT plc)



TOP TEN INVESTMENTS

BY VALUE AS AT 30 JUNE 2022

For the investments below held by Foresight 3 VCT plc ("F3") pre-merger, the amount invested refers to the initial amount invested by F3 and the Company. The accounting cost includes both the initial investment by both funds and also the valuation of the F3 investment at the point it was transferred to the Company.



DATAPATH GROUP LIMITED

DERBYSHIRE | www.datapath.co.uk

SECTOR: TECHNOLOGY, MEDIA & TELECOMMUNICATIONS

Datapath is a UK manufacturer of multiscreen computer graphics cards and video capture hardware, specialising in video wall and data wall technology.

30 June 2022 update

The market remains challenging with supply chain issues and chip shortages impacting the industry as a whole. The company is making strong progress developing its new IP product suite, which has won industry awards and represents a significant long-term investment for the business.

Initial investment	September 2007
Amount invested (£)	2,000,000
Accounting cost (£)	11,081,243
Valuation (£)	10,671,763
Basis of valuation	Discounted earnings multiple
Equity held (%)	26.7%



SPECAC INTERNATIONAL LIMITED

KENT | www.specac.com

SECTOR: INDUSTRIALS & MANUFACTURING

Specac International ("Specac") is a leading manufacturer of high specification sample analysis and preparation equipment used in testing and research laboratories worldwide.

30 June 2022 update

Specac continues to trade well, driven by market demand for its products and a continued focus on sales to non-OEM customers. Sales and marketing have been consolidated under the commercial director and the team is performing well. A new enterprise resource planning ("ERP") system is expected to further increase efficiencies and control across the business.

Initial investment	April 2015
Amount invested (£)	1,300,000
Accounting cost (£)	2,554,761
Valuation (£)	10,647,785
Basis of valuation	Discounted earnings multiple
Equity held (%)	43.2%



HOSPITAL SERVICES GROUP LIMITED

BELFAST

www.hsl.ie

SECTOR: HEALTHCARE

Hospital Services Group (“HSL”) distributes, installs and maintains high-quality healthcare equipment and consumables from global partners such as Hologic, GE and Shimadzu. HSL has strengths in the radiology, ophthalmic, ultrasound and surgical sectors, as well as a growing presence in telehealth (delivery of healthcare services via remote technologies) and broader healthcare IT.

30 June 2022 update

HSL has traded strongly with revenues and profits ahead of budget and a consequential reduction in net debt. In June 2022, the company completed the acquisition of the trade and assets of Video South Limited, a specialist provider of video communication systems within UK hospital sites.

Initial investment	September 2015
Amount invested (£)	1,200,000
Accounting cost (£)	1,200,000
Investment value (£)	6,864,934
Basis of valuation	Discounted earnings multiple
Equity held (%)	16.3%



ROXY LEISURE LTD

MANCHESTER

www.roxyleisure.co.uk

SECTOR: CONSUMER & LEISURE

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

30 June 2022 update

Roxy’s trading has remained strong. The Leeds Roxy Lanes venue moved to a larger location during the period and is performing well. A bowling-focused venue was opened in Bristol in May and a new site in Sheffield opened in August.

Initial investment	December 2019
Amount invested (£)	2,500,000
Accounting cost (£)	2,500,000
Valuation (£)	5,847,923
Basis of valuation	Discounted earnings multiple
Equity held (%)	5.6%

TOP TEN INVESTMENTS CONTINUED

BY VALUE AS AT 30 JUNE 2022



INNOVATION CONSULTING GROUP LIMITED

HERTFORDSHIRE www.govgrant.co.uk

SECTOR: BUSINESS SERVICES

Innovation Consulting Group provides support services and contingent advice to UK-based SME businesses seeking to gain access to Government tax incentives such as R&D tax credits.

30 June 2022 update

Innovation Consulting Group has had a mixed nine months of trading, with a very strong first quarter followed by six months of less positive performance. This is due to the loss of a large customer and the residual effect of COVID-19. However, the business remains robustly profitable. During the period, the business has continued to focus on larger customers, with some promising new opportunities. The company has also launched a self-service portal to help drive the referral channel, with positive initial feedback from the market.

Initial investment	September 2015
Amount invested (£)	1,650,000
Accounting cost (£)	1,938,046
Valuation (£)	5,104,469
Basis of valuation	Discounted earnings multiple
Equity held (%)	36.7%



AEROSPACE TOOLING CORPORATION LIMITED

DUNDEE www.atlturbineservices.co.uk

SECTOR: INDUSTRIALS & MANUFACTURING

Founded in 2007, Aerospace Tooling Corporation ("ATL") is a niche engineering company based in Dundee. ATL provides specialist inspection, maintenance, repair and overhaul ("MRO") services for components in high-specification aerospace and turbine engines.

30 June 2022 update

ATL is performing well. Order inputs have been strong and the company continues to manage customer concentration well. The business has a fixed energy plan until September 2023 and plans to steadily increase prices to manage the rise in energy costs once the contract ends.

Initial investment	June 2013
Amount invested (£)	2,000,000
Accounting cost (£)	415,255
Valuation (£)	5,091,938
Basis of valuation	Discounted offer
Equity held (%)	46.6%



TLS HOLDCO LIMITED

LONDON

www.truelens.co.uk

SECTOR: OTHER

True Lens Services Limited ("TLS") is based in Barwell, Leicestershire and is a specialist provider of lens manufacturing, refurbishment and servicing to the film and television markets.

30 June 2022 update

The principal driver of TLS' performance has been the lens rehousing activities. The TV and film production market is very active in the post-pandemic period due to the backlog in content generation over the last 18 months; this has created strong momentum and demand for TLS' services. The sale of the new Vega lenses has been slightly slower than planned but further marketing activities are ongoing to promote the lenses in both the domestic and international markets.

Initial investment	December 2017
Amount invested (£)	100
Accounting cost (£)	100
Valuation (£)	4,231,197
Basis of valuation	Net assets
Equity held (%)	100.0%



SPEKTRIX LIMITED

LONDON

www.spektrix.com

SECTOR: TECHNOLOGY, MEDIA & TELECOMMUNICATIONS

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

30 June 2022 update

The sector is showing good recovery in ticket sales for both the UK and the US clients. Spektrix continues to make good progress, generating strong recurring revenue growth and signing several new clients in both the UK and the US in the period.

Initial investment	December 2018
Amount invested (£)	2,118,000
Accounting cost (£)	2,118,000
Valuation (£)	3,702,984
Basis of valuation	Discounted EV of proposed funding round
Equity held (%)	5.3%

TOP TEN INVESTMENTS CONTINUED

BY VALUE AS AT 30 JUNE 2022



BIOFORTUNA LTD	
WIRRAL	www.biofortuna.com

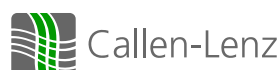
SECTOR: HEALTHCARE

Biofortuna is a molecular diagnostics business, based in the North West since 2008. It has developed unique expertise in the development and manufacture of freeze-dried, stabilised assays.

30 June 2022 update

Biofortuna continues to build a strong and diversified pipeline of opportunities with a broad range of applications. There has been a high level of customer visits to the new site which, together with its raised profile following COVID-19 work, has resulted in a higher level of activity and engagement. The pipeline looks favourable if Biofortuna can convert one or more of the live custom development projects into longer-term development or manufacturing opportunities.

Initial investment	March 2012
Amount invested (£)	3,517,537
Accounting cost (£)	3,517,537
Investment value (£)	3,580,838
Basis of valuation	Discounted revenue multiple
Equity held (%)	45.0%



CALLEN-LENZ ASSOCIATES LIMITED	
SALISBURY	www.callenlenz.com

SECTOR: INDUSTRIALS & MANUFACTURING

Founded in 2007, Callen-Lenz Associates is a developer, designer and manufacturer of high-performance unmanned aerial vehicles ("UAVs") as well as components and navigation and communication software for UAVs. Callen-Lenz Associates delivers research and development contracts for large public and private sector clients, which create regulatory-approved technologies that are made into products and sold to other commercial customers.

30 June 2022 update

Callen-Lenz has had a strong trading period, with revenue and profit ahead of budget. The strategic goal of shifting the revenue mix from R&D or services to hardware and software has been achieved. A new chief operating officer was hired during the period. Hiring engineering talent to deliver on the growing sales pipeline is a key focus for the board.

Initial investment	August 2021
Amount invested (£)	2,375,000
Accounting cost (£)	2,375,000
Valuation (£)	3,165,644
Basis of valuation	Discounted revenue multiple
Equity held (%)	12.5%

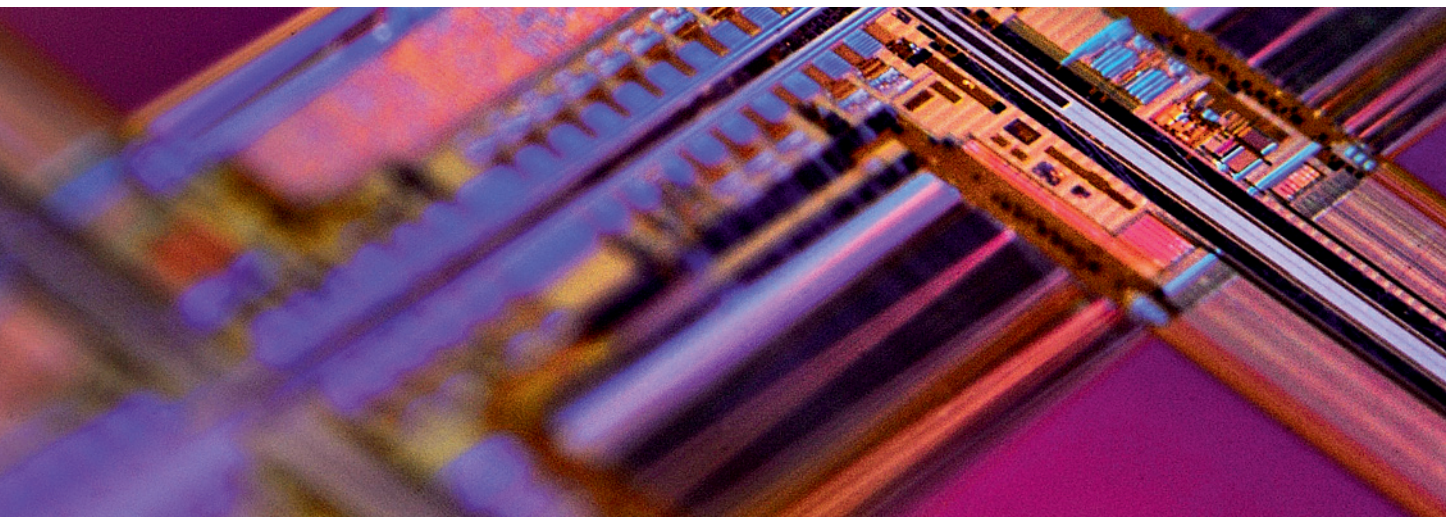


PORTFOLIO OVERVIEW

Investment by value	30 June 2022		Valuation methodology	31 December 2021	
	Accounting cost £	Valuation £		Accounting cost £	Valuation £
Datapath Group Limited ¹	11,081,243	10,671,763	Discounted earnings multiple	11,081,243	14,163,526
Specac International Limited ¹	2,554,761	10,647,785	Discounted earnings multiple	2,554,761	11,339,823
Hospital Services Group Limited ¹	1,200,000	6,864,934	Discounted earnings multiple	1,200,000	5,676,313
Roxy Leisure Ltd ¹	2,500,000	5,847,923	Discounted earnings multiple	2,500,000	4,972,145
Innovation Consulting Group Limited ¹	1,938,046	5,104,469	Discounted earnings multiple	1,938,046	7,129,563
Aerospace Tooling Corporation Limited ¹	415,255	5,091,938	Discounted offer	415,255	4,297,489
TLS Holdco Limited ¹	100	4,231,197	Net assets	100	3,880,846
Spektrix Limited ¹	2,118,000	3,702,984	Discounted EV of proposed funding round	2,118,000	2,986,004
Biofortuna Ltd ¹	3,517,537	3,580,838	Discounted revenue multiple	3,517,537	5,591,851
Callen-Lenz Associates Limited ¹	2,375,000	3,165,644	Discounted revenue multiple	2,375,000	2,537,284
Clubspark Group Ltd	1,860,000	2,822,034	Discounted revenue multiple	1,860,000	3,269,395
Fourth Wall Creative Limited	2,900,000	2,778,362	Discounted revenue multiple	2,900,000	2,760,611
Protean Software Limited	1,795,229	2,658,450	Discounted revenue multiple	1,795,229	3,047,422
PH Realisations 2020 Limited	2,162,929	2,633,592	Discounted earnings multiple	2,162,929	2,633,592
IMMJ Systems Limited	1,750,000	2,441,552	Discounted revenue multiple	1,750,000	1,817,836
Itad (2015) Limited	1,371,726	2,401,927	Discounted earnings multiple	1,371,726	2,355,950
NorthWest EHealth Limited	1,500,000	2,271,104	Discounted revenue multiple	1,500,000	2,677,901
Newsflare Limited	2,000,000	2,220,071	Discounted revenue multiple	2,000,000	2,000,000
Ten Health & Fitness Limited	2,000,000	2,023,477	Discounted revenue multiple	2,000,000	1,856,781
Rovco Limited	1,476,880	1,922,603	EV of last funding round	950,000	652,316
Steamforged Holdings Limited	1,600,000	1,872,270	Discounted revenue multiple	1,600,000	1,751,287

Investment by value	30 June 2022		Valuation methodology	31 December 2021	
	Accounting cost £	Valuation £		Accounting cost £	Valuation £
Biotherapy Services Limited	2,250,000	1,753,934	VC method	2,250,000	2,378,376
Additive Manufacturing Technologies Ltd	1,737,499	1,737,499	EV of last funding round	1,737,499	1,737,499
Titania Group Limited	1,250,000	1,707,545	Discounted revenue multiple	1,250,000	1,753,007
Crosstown Dough Ltd	1,500,000	1,670,369	Discounted revenue multiple	1,500,000	1,500,000
iMIST Group Limited	1,614,500	1,667,877	Discounted revenue multiple	1,614,500	1,761,491
SO-SURE Limited	1,600,000	1,600,000	Cost	—	—
Positive Response Corporation Ltd	1,009,195	1,496,046	Discounted revenue multiple	1,009,195	1,592,454
Hexarad Group Limited	850,000	1,486,285	Discounted EV of proposed funding round	850,000	850,000
Iphigenie Limited	100	1,261,404	Net assets	100	1,272,341
HomeLink Healthcare Limited	1,075,000	1,075,000	Cost	—	—
ABL Investments Limited	1,494,075	923,551	Discounted earnings multiple	1,494,075	769,483
Whitchurch PE 1 Limited	378,000	632,861	Net assets	378,000	650,320
Luminet Networks Limited	960,000	539,893	Discounted earnings multiple	960,000	380,334
Cole Henry PE 2 Limited	200,000	356,885	Net assets	200,000	367,766
Weduc Holdings Limited	23,750	220,131	Discounted revenue multiple	23,750	204,355
Kingsclere PE 3 Limited	100,000	203,581	Net assets	100,000	210,887
Vio Healthtech Limited	675,578	77,070	Discounted revenue multiple	675,578	384,544
Sindicatum Carbon Capital Limited	544,538	—	Nil value	544,538	—
TFC Europe Limited	—	—	Sold	2,149,307	10,330,550
Codeplay Software Limited	—	—	Sold	300,000	1,697,425
Total	65,378,941	103,364,848		64,626,368	115,238,767

1. Top Ten Investments by value shown on pages 16 to 20.



RESPONSIBLE INVESTMENT

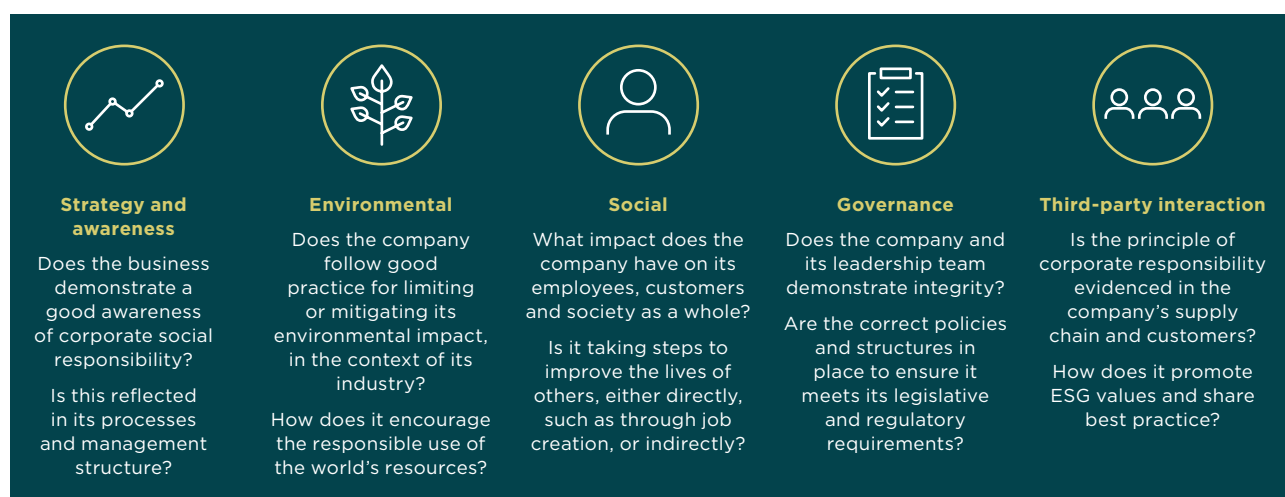
In order to deliver sustainable growth and long-term success, the Manager believes it is critical to incorporate environmental, social and governance (“ESG”) factors into its investment management processes. Often referred to as Responsible Investment, these principles provide not only a key basis for generating attractive returns for investors, but also help build better quality businesses in the UK, creating jobs and making a positive contribution to society.

ESG values form an integral part of the Manager’s day-to-day decision-making, with all new investments made since May 2018 subject to ESG due diligence and ongoing ESG monitoring.

This accounts for 54% of the current portfolio, with the view of reaching 100% as legacy investments are sold. Central to its investment approach are five ESG Principles which are used to evaluate investee companies.

Overall, 40 individual key performance indicators are considered under the five Principles.

The Manager invests in a wide range of sectors and believes its approach covers the key tests that should be applied to assess a company’s ESG performance, throughout the lifecycle of an investment:



UN SDGs

The UN’s Sustainable Development Goals (“SDGs”) also represent a key driver and important lens through which corporate and investment activities are reviewed.

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

- Health
- Quality Employment at Scale
- Research and Innovation
- Sustainable, Inclusive, Local Infrastructure and the Environment

These outcome-focused themes are aligned with the UN’s SDGs. They help the Manager assess any opportunities in the business model, and by mapping its investments to them, the private equity team can identify the value and benefits for the companies, society and the environment.

All new portfolio companies since May 2018 are subject to an annual assessment where progress against each of the five Principles and four Impact Themes is measured and an evaluation matrix updated to allow progress to be tracked and continuous improvement encouraged.

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



UNAUDITED HALF-YEARLY RESULTS AND RESPONSIBILITIES STATEMENTS

Principal risks and uncertainties

The principal risks faced by the Company are as follows:

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

The Board reported on the principal risks and uncertainties faced by the Company in the Annual Report and Accounts for the period ended 31 December 2021. A detailed explanation can be found on pages 36 to 37 of the Annual Report and Accounts, which is available on Foresight Enterprise VCT's website www.foresightenterprisevct.com or by writing to Foresight Group LLP at The Shard, 32 London Bridge Street, London, SE1 9SG. The Board considers that 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.

In the view of the Board, there has been a further change to the fundamental nature of these risks since the previous report, given prolonged market volatility over the previous 12 months. While there was a strong recovery in consumer and business demand after the COVID-19 pandemic, supply chains have remained constrained by the Brexit transition period, continued lockdowns in China and Europe and the change in working patterns of the UK workforce post-COVID-19. All these factors began to drive price inflation in late 2021, a symptom that was further compounded by Russia's invasion of Ukraine, causing the prices of gas, electricity, precious metals and food, amongst other commodities, to soar in Q1 2022. The Board and the Manager continue to follow all emerging risks closely with a view to identifying where changes affect the areas of the market in which portfolio companies operate. This enables the Manager to work closely with portfolio companies, preparing them to the best extent possible to ensure they are well positioned to endure potential volatility.

Directors' responsibility statement

The Disclosure and Transparency Rules ("DTR") of the UK Listing Authority require the Directors to confirm their responsibilities in relation to the preparation and publication of the Half-Yearly Financial Report 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 FRS 104
- 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 gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Company as required by DTR 4.2.4R
- d) The 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 of the Annual Report. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are described in the Chair's Statement, Strategic Report and Notes to the Accounts of the 31 December 2021 Annual Report.

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

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

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

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

On behalf of the Board

Raymond Abbott

Chair

30 September 2022

UNAUDITED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2022

	Six months ended 30 June 2022 (Unaudited)			Six months ended 30 June 2021 (Unaudited)			Year ended 31 December 2021 (Audited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Realised gains on investments	—	17,283	17,283	—	4,280	4,280	—	5,763	5,763
Investment holding (losses)/gains	—	(12,158)	(12,158)	—	8,253	8,253	—	17,449	17,449
Income	264	—	264	190	—	190	1,408	—	1,408
Investment management fees	(332)	(995)	(1,327)	(290)	(871)	(1,161)	(604)	(1,812)	(2,416)
Other expenses	(309)	—	(309)	(291)	—	(291)	(627)	—	(627)
(Loss)/return on ordinary activities before taxation	(377)	4,130	3,753	(391)	11,662	11,271	177	21,400	21,577
Taxation	—	—	—	—	—	—	—	—	—
(Loss)/return on ordinary activities after taxation	(377)	4,130	3,753	(391)	11,662	11,271	177	21,400	21,577
(Loss)/return per share	(0.2)p	2.1p	1.9p	(0.2)p	6.0p	5.8p	0.1p	11.1p	11.2p

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

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

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

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

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

UNAUDITED RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

FOR THE SIX MONTHS ENDED 30 JUNE 2022

	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Special distributable reserve ¹ £'000	Capital reserve ¹ £'000	Revaluation reserve £'000	Total £'000
As at 1 January 2022	1,928	52,996	549	74,246	(47,963)	51,490	133,246
Share issues in the period	76	5,219	—	—	—	—	5,295
Expenses in relation to share issues	—	(147)	—	—	—	—	(147)
Repurchase of shares	(8)	—	8	(487)	—	—	(487)
Realised gains on disposal of investments	—	—	—	—	17,283	—	17,283
Investment holding losses	—	—	—	—	—	(12,158)	(12,158)
Dividends paid	—	—	—	(6,903)	—	—	(6,903)
Management fees charged to capital	—	—	—	—	(995)	—	(995)
Revenue loss for the period	—	—	—	(377)	—	—	(377)
As at 30 June 2022	1,996	58,068	557	66,479	(31,675)	39,332	134,757

1. Reserve is available for distribution, total distributable reserves at 30 June 2022 are £34,804,000 (31 December 2021: £26,283,000).

UNAUDITED BALANCE SHEET

AT 30 JUNE 2022

Registered number: 03506579

	As at 30 June 2022 (Unaudited) £'000	As at 30 June 2021 (Unaudited) £'000	As at 31 December 2021 (Audited) £'000
Fixed assets			
Investments held at fair value through profit or loss	103,365	104,338	115,238
Current assets			
Debtors	5,836	149	1,028
Cash and cash equivalents	25,730	19,258	17,113
Total current assets	31,566	19,407	18,141
Creditors			
Amounts falling due within one year	(174)	(214)	(133)
Net current assets	31,392	19,193	18,008
Net assets	134,757	123,531	133,246
Capital and reserves			
Called-up share capital	1,996	1,938	1,928
Share premium account	58,068	68,344	52,996
Capital redemption reserve	557	539	549
Special distributable reserve	66,479	58,921	74,246
Capital reserve	(31,675)	(48,505)	(47,963)
Revaluation reserve	39,332	42,294	51,490
Equity Shareholders' funds	134,757	123,531	133,246
Net Asset Value per share	67.5p	63.8p	69.1p

UNAUDITED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2022

	Six months ended 30 June 2022 (Unaudited) £'000	Six months ended 30 June 2021 (Unaudited) £'000	Year ended 31 December 2021 (Audited) £'000
Cash flow from operating activities			
Loan interest received from investments	193	205	346
Dividends received from investments	26	21	1,022
Deposit and similar interest received	19	1	2
Investment management fees paid	(1,330)	(1,161)	(2,416)
Secretarial fees paid	(83)	(79)	(161)
Other cash payments	(191)	(216)	(447)
Net cash outflow from operating activities	(1,366)	(1,229)	(1,654)
Cash flow from investing activities			
Purchase of investments	(3,202)	(5,087)	(13,163)
Net proceeds on sale of investments	15,408	5,652	12,700
Net proceeds on deferred consideration	24	—	—
Net cash inflow/(outflow) from investing activities	12,230	565	(463)
Cash flow from financing activities			
Proceeds of fundraising	4,469	—	—
Expenses of fundraising	(98)	(32)	(36)
Repurchase of own shares	(525)	(756)	(1,444)
Equity dividends paid	(6,093)	(7,152)	(7,152)
Net cash outflow from financing activities	(2,247)	(7,940)	(8,632)
Net inflow/(outflow) of cash in the period	8,617	(8,604)	(10,749)
Reconciliation of net cash flow to movement in net funds			
Increase/(decrease) in cash and cash equivalents for the period	8,617	(8,604)	(10,749)
Net cash and cash equivalents at start of period	17,113	27,862	27,862
Net cash and cash equivalents at end of period	25,730	19,258	17,113

Analysis of changes in net debt

	At 1 January 2022 £'000	Cash flow £'000	At 30 June 2022 £'000
Cash and cash equivalents	17,113	8,617	25,730

NOTES TO THE UNAUDITED HALF-YEARLY RESULTS

FOR THE SIX MONTHS ENDED 30 JUNE 2022

1 The Unaudited Half-Yearly Financial Report has been prepared on the basis of the accounting policies set out in the statutory accounts of the Company for the year ended 31 December 2021. Unquoted investments have been valued in accordance with IPEV Valuation Guidelines.

2 These are not statutory accounts in accordance with S436 of the Companies Act 2006 and the financial information for the six months ended 30 June 2022 and 30 June 2021 has been neither audited nor formally reviewed. Statutory accounts in respect of the year ended 31 December 2021 have been audited and reported on by the Company's auditors and delivered to the Registrar of Companies and included the report of the auditors which was unqualified and did not contain a statement under S498(2) or S498(3) of the Companies Act 2006. No statutory accounts in respect of any period after 31 December 2021 have been reported on by the Company's auditors or delivered to the Registrar of Companies.

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

4 Net Asset Value per share

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

	Net assets	Number of shares in issue
30 June 2022	£134,757,000	199,590,704
30 June 2021	£123,531,000	193,758,305
31 December 2021	£133,246,000	192,806,963

5 Return per share

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

	Shares
Six months ended 30 June 2022	195,162,969
Six months ended 30 June 2021	193,660,150
Year ended 31 December 2021	193,445,500

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

6 Income

	Six months ended 30 June 2022 £'000	Six months ended 30 June 2021 £'000	Year ended 31 December 2021 £'000
Loan stock interest	207	168	381
Dividends receivable	38	21	1,025
Deposit and similar interest received	19	1	2
Total income	264	190	1,408

7 Investments held at fair value through profit or loss

	£'000
Book cost as at 1 January 2022	64,626
Investment holding gains	50,612
Valuation at 1 January 2022	115,238
Movements in the period:	
Purchases at cost	3,202
Disposal proceeds ¹	(19,708)
Realised gains ²	17,259
Investment holding losses ³	(12,626)
Valuation at 30 June 2022	103,365
Book cost at 30 June 2022	65,379
Investment holding gains	37,986
Valuation at 30 June 2022	103,365

1. The Company generated £19,708,000 from the disposal of investments during the period. Proceeds of £4,301,000 from the Codeplay Software Limited disposal were received post period end in early July 2022 and are shown in debtors as at the date of this report. The book cost of these investments when they were purchased was £2,449,000. These investments have been revalued over time and until they were sold any unrealised gains or losses were included in the fair value of the investments.
2. Realised gains in the Income Statement includes deferred consideration of £23,000 received from Accrosoft Limited and £1,000 from Hallmarq Veterinary Imaging Limited in the period.
3. Investment holding losses in the Income Statement include the deferred consideration debtor increase of £468,000. The debtor movement reflects the recognition of amounts receivable from Codeplay Software Limited (£412,000) and FFX Group Limited (£79,000), offset by a receipt from Accrosoft Limited (£23,000).

8 Related party transactions

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

9 Transactions with the Manager

Foresight Group LLP acts as Manager to the Company and was appointed on 27 January 2020. During the period, services of a total cost of £1,327,000 (30 June 2021: £1,161,000; 31 December 2021: £2,416,000) were purchased by the Company from Foresight Group LLP.

During the period, administration services of a total cost of £83,000 (30 June 2021: £79,000; 31 December 2021: £161,000) were delivered to the Company by Foresight Group LLP, Company Secretary.

At 30 June 2022, the amount due to Foresight Group LLP was £43,000 (30 June 2021: £nil; 31 December 2021: £nil).

GLOSSARY OF TERMS

VCT	A Venture Capital Trust as defined in the Income Tax Act 2007.	Shares bought back in the period	The total number of shares which were bought back in the period, being 774,369 (30 June 2021: 1,613,303; 31 December 2021: 2,564,645).
Net Asset Value or NAV	The Net Asset Value ("NAV") is the amount by which total assets exceed total liabilities, i.e. the difference between what the Company owns and what it owes. It is equal to Shareholders' equity, sometimes referred to as Shareholders' funds.	Average discount on buybacks	The average of the percentage by which the buyback price is lower than the Net Asset Value per share at the point of the buyback.
Net Asset Value per share or NAV per share	Net Asset Value expressed as an amount per share.	Ongoing charges ratio	The sum of expenditure incurred in the ordinary course of business, being £1.6 million (30 June 2021: £1.5 million; 31 December 2021: £3.0 million), expressed as a percentage of the Net Asset Value at the end of the period, being £134.8 million (30 June 2021: £121.9 million; 31 December 2021: £133.2 million), adjusted for the number of months in the period in order to give an annual figure.
Movement in Net Asset Value Total Return	The movement in the NAV per share at the start of the period to the NAV per share at the end of the period plus all dividends paid per share in the period. The NAV at the start of the period was 69.1p (30 June 2021: 62.1p; 31 December 2021: 62.1p), dividends paid during the period were 3.5p (30 June 2021: 4.2p; 31 December 2021: 4.2p) with NAV at the end of the period being 67.5p (30 June 2021: 63.8p; 31 December 2021: 69.1p). As such, NAV Total Return at the end of the period was 71.0p (30 June 2021: 68.0p; 31 December 2021: 73.3p). Therefore, the movement in NAV Total Return in the period is 2.7% (30 June 2021: 9.5%; 31 December 2021: 18.0%).	Qualifying Company	A company satisfying certain conditions under the VCT legislation. The conditions are detailed but include that the company must be unquoted (companies listed on AIM can qualify), have a permanent establishment in the UK, apply the money raised for the purposes of growth and development for a qualifying trade within a certain time period and not be controlled by another company. There are additional restrictions relating to the size and stage of the company to focus investment into earlier stage businesses, as well as maximum investment limits (certain of such restrictions and limits being more flexible for "knowledge intensive" companies). VCT funds cannot be used by a Qualifying Company to acquire shares in another company or a trade.
Discount to NAV	A discount to NAV is the percentage by which the mid-market share price of the Company of 63.5p (30 June 2021: 56.5p; 31 December 2021: 61.5p) is lower than the Net Asset Value per share of 67.5p (30 June 2021: 63.8p; 31 December 2021: 69.1p); this giving a discount to NAV of 5.9% (30 June 2021: 11.4%; 31 December 2021: 11.0%).	Qualifying investment	An investment which consists of shares or securities first issued to the VCT (and held by it ever since) by a Qualifying Company and satisfying certain conditions under the VCT legislation.
Dividends paid in the period	The total dividends per share paid in the period of 3.5p (30 June 2021: 4.2p; 31 December 2021: 4.2p).	Manager	Foresight Group LLP.
Dividend yield	The sum of dividends paid during the period of 3.5p (30 June 2021: 4.2p; 31 December 2021: 4.2p) expressed as a percentage of the mid-market share price at the period end date of 63.5p (30 June 2021: 56.5p; 31 December 2021: 61.5p); this giving a dividend yield of 5.5% (30 June 2021: 7.4%; 31 December 2021: 6.8%).		

FINANCIAL CONDUCT AUTHORITY

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



Beware of share fraud

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

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

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

How to avoid share fraud

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

Report a scam

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

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

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

In association with



CORPORATE INFORMATION

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03506579

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Raymond Abbott (Chair)
Gaynor Coley
Michael Gray
Simon Jamieson

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MARKET MAKER

Panmure Gordon & Co

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EC4M 9AF

ADDITIONAL INFORMATION

Privacy policy

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



Share buyback dates

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

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

Trading shares

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

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

You can contact Panmure Gordon by phone on 0207 886 2716 or 0207 886 2717

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

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

Important information

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

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

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



NOTES



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Foresight

FOR A SMARTER FUTURE

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