Foresight 4 VCT plc

Unaudited Half-Yearly Financial Report

for the six month period ended 30 September 2011

Foresight 4 VCT

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Objective

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.

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.

Website: www.foresightgroup.eu

Summary

- Net asset value per Ordinary Share in the six months to 30 September 2011 fell by 2.1%, represented by a net asset value of 109.6p at 30 September 2011 compared to a net asset value of 112.0p as at 31 March 2011.
- The Company made two new and seven follow-on investments totalling £1,972,386.
- Proceeds of £681,237 were received from three investments.
- The linked offer with Foresight 3 VCT, launched on 7 January 2011, raised gross proceeds of £12.2 million between its launch and 30 June 2011 when the offer closed, of which the Company's share was £6.1 million.
- An interim dividend of 5.0p per share will be paid on 24 February 2012.

	6 months ended 30 September 2011	13 months ended 31 March 2011
Net asset value per Ordinary Share	**109.6p**	112.0p
Net asset value per Ordinary Share (including all dividends paid)	**196.9p**	199.3p
Share price per Ordinary Share	**102.5p**	97.5p
Share price total return per Ordinary Share (including all dividends paid)	**189.8p**	184.8p

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Chairman's Statement

Performance and Dividends

The period under review has seen a return of volatile markets and extreme concern about the state of government finances in many parts of Europe. The impact of falling markets and a lack of credit finance available to portfolio companies have impacted the valuations of several investee companies whether, directly, through lower levels of sales orders than expected or, indirectly, through falls in comparative valuation multiples. However, I am pleased to report significant growth in the profitability of several other investments within the portfolio. During the six months ended 30 September 2011, the net asset value of the Ordinary Shares fell by 2.1% to 109.6p per share.

The principal write-downs in the portfolio have related to three of our environmental investments, where manufacturing plants have taken longer to build than originally anticipated and current trading conditions have resulted in customer reluctance to replace existing virgin raw material supplies with recycled, cheaper alternatives. Although we believe that this phenomenon is temporary in most instances and these companies continue to make progress, they are now substantially behind plan and valuation downgrades were considered necessary.

The performances both in terms of revenues and profits of several of the unquoted investments within the portfolio improved materially in the period under review. A significant amount of this improvement can be attributed to export driven growth, as well as benefitting from new sales revenues from the development of new products and markets. Furthermore, the order books of several portfolio companies give the Investment Manager cause for optimism that the recent positive performance of these companies can be maintained.

However, stock market sentiment remains volatile with significant macroeconomic uncertainties remaining combined with difficult trading and credit conditions in many sectors of the economy. Against this background, the Investment Manager continues to adopt a cautious approach to management of the portfolio.

I am pleased to report, following the trend of recent years, that an interim dividend of 5.0p per Ordinary Share for the year ending 31 March 2012 will be paid to Ordinary Shareholders on 24 February 2012. The dividend will have a record date of 10 February 2012 and an ex-dividend date of 8 February 2012. The Company's policy is to maximise the level of tax-free dividends generated either from income or from capital profits realised on the sale of investments while at the same time providing a maintainable dividend although this will depend on its ability to pay a dividend and continue to fund the underlying portfolio.

Share Issues and Share Buy-backs

The Company launched a linked offer for new Ordinary Shares alongside Foresight 3 VCT plc on 7 January 2011, which raised gross proceeds of £12.2 million between its launch and 30 June 2011 when the offer closed, of which the Company's share was £6.1 million. During this period, 1,110,690 Ordinary Shares were allotted at prices ranging from 115.0p to 119.0p per share.

It continues to be the Board's policy to consider repurchasing shares when they become available in order to provide a degree of liquidity for the Company's shares.

During the period, the Company repurchased 462,708 Ordinary Shares for cancellation at a cost of £468,985 and at a discount to net asset value ranging from 9.6% to 10.2%.

Valuation Policy

Investments held by the Company have been valued in accordance with the International Private Equity and Venture Capital (IPEVC) valuation guidelines (August 2010) developed by the British Venture Capital Association and other organisations. Through these guidelines, investments are valued as defined at 'fair value'. Ordinarily, unquoted investments will be valued at cost for a limited period following the date of acquisition, being the most suitable approximation of fair value unless there is an impairment or significant accretion in value during the period. Listed investments and investments traded on AIM and PLUS (formerly OFEX) are valued at the bid price as at 30 September 2011. The portfolio valuations are prepared by Foresight Group, reviewed and approved by the Board quarterly and subject to review by the auditors annually.

Merger Proposals

The Board intends to send out details during December 2011 of the proposed merger of Foresight 4 with Foresight Clearwater VCT plc, Foresight 5 VCT plc and Acuity VCT 3 plc.

Foresight Clearwater VCT plc is comprised almost entirely of cash (£1.1 million) and will be merged into the existing ordinary shares fund. Foresight 5 and Acuity VCT 3 will be merged into a new 'C' Shares fund within Foresight 4 for a period of up to three years before conversion into ordinary shares. This will have the effect of protecting any latent value in both portfolios and ensuring this accrues to the relevant class of shareholders.

Further details will be provided in the circulars to be sent out in December, but the attractions and cost savings of an enlarged VCT are substantial and I would encourage shareholders to vote in favour of the mergers after reading all of the appropriate documents.

Outlook

In recent months Foresight Group has seen trade buyers returning to the merger & acquisitions market acquiring high growth and high innovation companies and, if this trend continues despite the recent increase in market volatility, we expect to see a number of portfolio realisations in the coming months.

Additionally, Foresight Group is seeing its deal flow of new investment opportunities increasing but we remain cautious about the economic outlook and the Manager will aim to invest only in new opportunities which are considered sufficiently robust and attractive. The Board and Investment Manager are hopeful that the current performance of the portfolio will improve and that realisations will, over the medium term, be achieved resulting in further positive net asset value performance and continued distributions to shareholders.

Philip Stephens
Chairman
30 November 2011

Investment Manager's Report

The performance of the portfolio during the period has been affected by a combination of both positive and negative factors, resulting overall in a 2.1% fall in net asset value. The continuing strong trading performance of a number of companies in the portfolio, most notably Autologic Diagnostics and Datapath, and reasonable levels of current mergers & acquisition activity give cause for optimism. Following a successful recapitalisation at Autologic Diagnostics, £586,667 was received during the period with no dilution of Foresight 4's shareholding.

Equities and markets have displayed high levels of volatility and uncertainty during the period, with a consequent impact on the valuations of certain portfolio companies, with lower multiples having to be applied to their earnings despite generally good performance.

With regard to the environmental investments, their plants are generally operating well with consistent and reliable production but the need is now to build market traction and increase sales. Current economic conditions have slowed customer decision making and led to caution in the adoption of new products. In some cases, lack of available finance has delayed investment and expansion plans. Reflecting slower than expected growth in sales at i-plas and Crumb Rubber, further provisions have been made against these investments totalling £452,756. O-Gen UK is experiencing growing demand for its biomass-energy technology as evidenced by its agreement with a major UK outsourcing group to build up to five biomass-energy facilities in South West England, all of which will be fully funded by this major partner and also a separate agreement with Withion Power to build a facility in Derby which is expected to come on stream in early 2012. Despite achieving periods of extended electricity production at O-Gen Acme Trek's Stoke facility, a provision of £2.0 million has been made against the previous carrying value of this investment as a result of a series of technical problems which are being steadily addressed.

Slow growth is expected in the UK economy in 2012 and rising costs and inflation could undermine prospects in the medium term. The current outlook for most companies in the portfolio is considered satisfactory given their international exposure. Although blue chip corporate balance sheets are as strong as ever, we have some concerns that current market volatility could have a negative impact on appetite for smaller companies through mergers and acquisitions.

Against this background, we are only looking at new investment opportunities which are considered particularly robust and attractive in valuation terms.

Portfolio Review

Over the last two years, as a result of tougher trading and credit conditions, the number of follow-on investments made by the VCT has increased. This has reflected the need for additional working capital arising as a result of trading conditions and reduced bank credit lines or overdrafts but has also included funding for growth.

The Company made two new investments into Vertal (£650,000) and Crumb Rubber (£150,000) and provided follow-on funding totalling £1,172,386 for seven portfolio companies: @Futsal (£341,977), Closed Loop (£310,000), O-Gen Acme Trek (£270,419), Silvigen (£143,755), Autologic Diagnostics Holdings (£84,805), Amberfin Holdings (£13,332) and Snell Corporation (£8,098).

The performance highlights during the period were as follows:

Autologic Diagnostics (formerly Diagnos Holdings) develops and sells sophisticated automotive diagnostic software and hardware to independent mechanics and garages to allow them to service and repair vehicles. In the year ended 31 December 2010, an operating profit of £2.7 million was achieved on sales of £9.3 million. The company is continuing to grow sales and profits in its current financial year. On 1 July 2011, a recapitalisation was completed which yielded proceeds of £586,667 on the equity shares held by the VCT, against cost of £106,667. The VCT has maintained its equity share in Autologic Diagnostics at an undiluted level. As part of the recapitalisation, £84,805 of loan interest was capitalised.

Datapath is a world leading innovator in the field of computer graphics and video wall display technology. An operating profit of £3.1 million (after an amortisation charge of £0.4 million), was achieved on sales of £10.3 million in the year ended 31 March 2011.

TFC Europe, which distributes technical fasteners, reported an operating profit of £1.3 million (after an amortisation charge of £0.5 million), on sales of £13.5 million for the year ended 31 March 2011.

Closed Loop Recycling continues to make solid operational, commercial and revenue progress with production rates at record levels and significantly improved plant reliability and consistency. An investment of £310,000 was made in the period to further upgrade its conveyor system. Product quality remains high and there is strong demand for all the recycled material produced. The company continues to be affected by raw material quality which restricts throughput and yield, but is able to operate reliably within the consequent capacity constraints. Major investment is planned at the Dagenham site to increase capacity to meet the substantial demand for the cleaned and sorted output, which generate significant contribution and drive profitability. Closed Loop Recycling is currently profitable and generating revenues in excess of £1.3 million per month.

An additional investment in O-Gen Acme Trek of £270,419 was required because of delays in achieving full commissioning of the underlying plant and to provide ongoing working capital. O-Gen Acme Trek is now generating electricity periodically but is making slow progress towards bringing its facility on stream. Nevertheless, the plant continues to be impacted by poor original engineering in key support systems and the company is seeking a funding partner to address these issues. As such, reflecting this slower progress a further provision of £2.0 million has been made against the value of this investment.

Investment Manager's Report continued

For the six months to 30 September 2011, The Bunker Secure Hosting continued to win new orders, grow revenues and is generating substantial profits. For the year to 31 December 2010, an EBITDA of £1.5 million was achieved on sales of £6.2 million. Following the upgrade of the Ash data centre electrical infrastructure in 2010/11, The Bunker has continued to invest heavily in increasing the capacity of its fibre network and in filling out additional space at Ash and Newbury, supporting the company's growth in providing high value managed hosting services.

An investment of £650,000 was made into Vertal during the period to support investments in further processing equipment at its first plant in Mitcham and to cover a working capital requirement. An extensive review of all operational and processing issues has been concluded with the resulting solutions implemented or planned to be implemented in the quarter ended 30 September 2011. Following a number of changes to the senior management team, the company is well positioned to deliver on its new business plan through increasing waste volumes into the plant and additional disposal outlets including processed material being sold as an organic fuel to Anaerobic Digestion facilities. Although volumes processed are now up to 900 tonnes per week, the company is presently still incurring operating losses with a projected operating profit targeted for the first quarter of 2012.

@Futsal have further developed their flagship Birmingham indoor football arena, following a further £341,977 investment from the VCT, and this arena hosted a number of Football Association events over the summer. The education arm of the business is developing with several hundred children now taking sports related courses within @Futsal's arenas. However, sales growth is behind original expectations, with UK consumer spending under pressure, and progress towards profitability has been impacted as a result.

Silvigen received further funding of £143,755 to finance additional capital expenditure for its waste wood processing facility which will enable increased production as well as provide additional working capital as the company builds its sales pipeline in the animal bedding market.

Although I-plas successfully increased its production capacity by investing in additional plastic moulding equipment, sales growth has been slower than expected due to the impact of the current economic climate and uncertainties in the construction sector. Reflecting this continuing slow progress, a provision has been made against the cost of this investment.

Evance has continued to benefit from strong growth in the demand for its 5kW turbines and is now making operating profits.

Crumb Rubber continues to successfully manufacture high grade products at its Plymouth facility. Whilst the long-term prospects remain attractive, growth in customer demand remains frustratingly slow due to protracted decision making cycles. Foresight are working with the team to minimise costs and drive new business development and sales but at this stage the business continues to be loss making. The VCT invested £150,000 during the period.

Ixaris has continued to develop Opn, its platform that enables enterprises to develop custom applications for payments. This platform is being used by companies in the affiliate marketing and travel sectors.

Realisations

Foresight 4 sold £48,000 of Zoo Digital loan notes during the period. Simultaneously, Zoo Digital successfully concluded an equity placing in August prior to the downturn in equity markets, to accelerate the roll-out of the company's software in new markets, particularly the creation of eBooks. The fundraising was contingent on the restructuring of Zoo Digital's loan notes, necessitating partial conversion of Foresight 4's loans (£483,750).

Proceeds of £586,667 were received from Autologic Diagnostics through the recapitalisation detailed above. A loan repayment of £23,285 was also received from Trilogy Communications plus a 100% redemption premium.

After detailed negotiation, Foresight 4 received $881,296 of deferred consideration from Advanced Visual Technologies in October 2011 as a result of the partial release of funds held in Escrow.

Outlook

Underlying trading in many of the portfolio companies has benefited, to varying degrees, from the positive export conditions created by a weaker currency and reflects better than expected growth in portfolio companies' target markets, particularly in the Far East. Conversely, many investments in the environmental portfolio are making progress but growth in sales is suffering from operational delays in bringing the various facilities to optimum production, as well as longer lead times for product acceptance for its customers. However, we remain reasonably optimistic about current prospects and the outlook for many portfolio companies, which continue to display good order books and revenue and profit growth. This is tempered by continued challenging economic fundamentals and uncertainties that could lead to a prolonged period of low growth. Across all the portfolio companies, we have, where appropriate, ensured that management are focused on cash conservation and cost reductions in light of the continuing fragile economic recovery.

Foresight is actively pursuing a number of potential portfolio realisations in several market sectors to generate value and distributions for shareholders but M&A activity at the smaller company level is still inconsistent and we remain concerned that a return to the economic volatility of 2008/2009 may lead to a significant fall in M&A activity.

David Hughes
Foresight Group
Chief Investment Officer
30 November 2011

Investment Summary

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Investment	30 September 2011 Amount invested £	Valuation £		Valuation Methodology	31 March 2011 Amount invested £	Valuation £
Autologic Diagnostics Limited (formerly Diagnos Holdings Limited)	1,084,805	5,046,691	*	Discounted price/earnings multiple	1,000,000	3,708,321
Datapath Holdings Limited	100,000	4,325,368	*	Discounted price/earnings multiple	100,000	4,304,146
Closed Loop Recycling Limited	3,443,750	3,393,750	*	Price of recent funding round	3,133,750	3,083,750
The Bunker Secure Hosting Limited	1,618,248	3,371,826	*	Discounted revenue multiple	1,618,248	3,430,729
Trilogy Communications Limited	801,705	2,150,560	*	Discounted price/earnings multiple	825,000	1,705,076
TFC Europe Limited	782,577	2,119,511	*	Discounted price/earnings multiple	782,577	2,198,739
O-Gen Acme Trek Limited	3,798,684	1,899,342	*	Cost less impairment	3,528,265	3,648,924
Ixaris Systems Limited	750,000	1,404,188	*	Discounted revenue multiple	750,000	1,015,317
Adeptra Limited	1,304,718	1,354,235	*	Cost	1,304,718	1,304,718
ZOO Digital Group plc (AIM listed)	1,102,000	1,163,394	*	Bid price	1,150,000	1,479,153
Evance Wind Turbines Limited	1,745,910	872,955		Cost less impairment	1,745,910	872,955
Infrared Integrated Systems Limited	250,005	614,519		Discounted price/earnings multiple	250,005	494,927
@Futsal Limited	541,977	541,977		Price of recent funding round	200,000	200,000
O-Gen UK Limited	345,014	533,551		Discounted cash flow basis	345,014	345,014
Global Immersion Limited	533,338	533,338		Cost	533,338	995,275
Sindicatum Carbon Capital Limited	200,063	525,100		Price of recent funding round	200,063	525,100
Vertal Limited	650,000	487,500		Cost less impairment	—	—
i-plas Group Limited	891,210	445,605		Cost less impairment	891,210	823,361
Silvigen Limited	711,094	439,288		Price of recent funding round less impairment	567,339	439,288
Land Energy Limited	433,519	433,519		Price of recent funding round	433,519	433,519
Probability plc (AIM listed)	450,000	396,710		Bid price	450,000	333,059
VectorCommand Limited	1,468,750	382,788		Discounted revenue multiple	1,468,750	407,667
Snell Corporation Limited	231,915	223,817		Cost less impairment	223,817	223,817
alwaysON Group Limited	270,090	202,567		Cost less impairment	270,090	202,567
Crumb Rubber Limited	150,000	75,000		Cost less impairment	—	—
Amberfin Holdings Limited	97,372	71,453		Cost less impairment	84,040	71,453
Aigis Blast Protection Limited	347,226	68,596		Discounted revenue multiple	347,226	59,057
SkillsMarket Limited	890,242	—		Nil value	890,242	—
Signum Technologies Limited	1,254,000	—		Nil value	1,254,000	—
	26,248,212	**33,077,148**			**24,347,121**	**32,305,932**

* Top ten investments by value shown on pages 5 and 6.

Investment Summary continued

Top ten investments by value as at 30 September 2011 are detailed below:

Autologic Diagnostics Holdings (formerly Diagnos Holdings Limited)

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

Datapath Holdings 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.

Closed Loop Recycling Limited

is the first plant in the UK to recycle waste PET and HDPE plastic bottles into food grade packaging material. The company continues to make solid operational, commercial and revenue progress with production rates at record levels and significantly improved plant reliability and consistency. Product quality remains high and there is strong demand for all the recycled material it produces. The company continues to be affected by raw material quality which restricts throughput and yield, but is making progress in addressing this problem. It is also planning significant investment at the Dagenham site to increase capacity to meet the substantial demand for the cleaned and sorted output, which should be possible without adding significantly to its fixed overhead costs. Closed Loop Recycling is currently profitable and generating revenues in excess of £1.3 million per month.

The Bunker Secure Hosting Limited

provides ultra secure IT data centre and managed services to companies from owned and leased facilities totalling 41,500 square feet in bunkers previously constructed for military use at Ash, Kent and Greenham Common, Berkshire. With particular expertise in Open Source and Microsoft software and systems, web and digital security, The Bunker builds, hosts and manages ultra secure, high availability IT infrastructure platforms for its customers and provides secure co-location services to host customers' servers or back-up servers. The Bunker is highly regarded for its technical skills by its customers, which include top financial, telecoms and web-based businesses, concerned with data security which have made the decision to outsource their mission critical IT systems. The Bunker continues to make good progress in increasing revenues from existing customers and winning new customers under term contracts which generate high visibility of future revenues. Sales increased to £6.2 million in 2010 and have grown significantly during 2011, generating substantial profits. To handle growing demand and increase capacity, major capital investment programmes to increase power availability and connectivity were completed in 2010/11, as well as considerable additional space fitted out at both Ash and Greenham Common. The Bunker was confirmed as one of the UK's fastest growing technology companies in The Sunday Times Microsoft Tech Track 100 in September 2010.

Trilogy Communications Limited

is a world class supplier of audio communications to the defence, emergency management, industrial and broadcast sectors. Trilogy counts some of the world's best known names in broadcast and defence among its customer base including the BBC, Sony, Radio France, Raytheon, Northrop Grumman and BAE. Trilogy's Mercury IP system continues to make good progress in the defence market, especially in the US.

Investment Summary continued

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TFC Europe Limited

is one of Europe's leading technically based suppliers of fixing and fastening products. It supplies injection moulded technical fasteners and ring and spring products to customers across a wide range of industries, including aerospace, automotive, hydraulics and petrochemicals and works with some of the leading manufacturers of technical products such as Smalley® Steel Ring Company.

O-Gen Acme Trek Limited

operate a biomass-energy facility at Stoke-on-Trent. The market for such facilities is driven by regulation and incentives associated with diversion from landfill and the ROC (Renewable Obligation Certificate) for renewable energy. The facility is one of the leading such assets in the UK benefiting from both waste gate fees and double-ROC status, however has experienced delays in achieving full output due to technical challenges.

Ixaris Systems Limited

operates a prepaid electronic payment service integrated with the Visa network. Consumers deposit funds by credit card, cash at Post Offices and similar 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. The company has launched its OPN platform that enables developers to create and run their own global payment applications under the Visa and MasterCard schemes.

Adeptra Limited

is headquartered in Reading with offices, service facilities and client implementations across Europe, North America and Asia Pacific. Adeptra is the global market leader in automating key call centre customer interactions to reduce their cost and dramatically increase performance. Applications include fraud detection, payment reminders, collections, customer service and opt in marketing. By combining recorded dialogue with state of the art natural language to interact with individual customers, Adeptra is able to make thousands of customer contacts simultaneously and achieves higher levels of portfolio penetration and produces significantly better results than human call centre agents alone. Customers include ten of the largest global retail banks, seven of North America's top ten financial institutions, nine of the ten top UK card issuers and major Australian banks. Increasing customer demand combined with substantial investment in R&D, product strategy, operations and service structure have resulted in nearly 50% overall growth in annual sales from 2007 to 2010. Adeptra now has more than 60 customers worldwide and is experiencing strong growth in the Asia Pacific region. Future growth is expected following the launch of its Decision Engine technology. During 2010, heavy investment in opening new offices and data centres in Hong Kong and Singapore plus a softening of traffic volumes due to the current economic climate resulted in a net loss of £1.09m on sales of £21.3m. A number of significant new customer wins were achieved in the year, including three large contracts with a major US bank, which are expected to generate significant additional revenues in 2011.

The Company's commitment to the highest standards of data security was reconfirmed as Adeptra became the first Interactive Voice Messaging organisation to meet both Payment Card Industry Security Standard (PCI DSS) v1.2 and ISO27001 standards on a global basis. In 2010, Adeptra was listed for the sixth time and the fifth year in succession by The Sunday Times Microsoft Tech Track 100 as one of the UK's fastest growing technology companies.

ZOO Digital Group plc (AIM listed)

supplies workflow automation software and software led services, primarily to film studios and post-production firms. ZOO's software solutions streamline production of authored content including home entertainment media across multiple platforms (e.g. DVD, Blu-Ray and iTunes) and regionalise marketing and packaging materials (e.g. DVD covers, posters) for product launches across multiple geographies. In 2007, ZOO acquired the media production and design business, Scope Seven providing an important base near key customers in California. In 2010 ZOO announced its strategic relationship with Multi Packaging Solutions, a large US printing company, which will help ZOO enter new markets in addition to the filmed entertainment market.

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 2011. A detailed explanation can be on found on page 12 of the Annual Report and Accounts which is available on www.foresightgroup.eu or by writing to Foresight Group at ECA Court, South Park, Sevenoaks, Kent, TN13 1DU.

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

Directors' Responsibility Statement:

The Disclosure and Transparency Rules ('DTR') of the UK Listing Authority require the Directors to confirm their responsibilities in relation to the preparation and publication of the 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 Business Review in the 31 March 2011 annual report. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are described in the Chairman's Statement, Business Review and Notes to the Accounts of the 31 March 2011 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 therefrom across a variety of industries and sectors. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

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
30 November 2011

Unaudited Income Statement
for the six months ended 30 September 2011

	6 months ended 30 September 2011 (unaudited)			6 months ended 31 August 2010 (unaudited)			13 months ended 31 March 2011 (audited)		
	Revenue £'000	**Capital £'000**	**Total £'000**	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Realised gains on investments	**—**	**712**	**712**	—	10	10	—	30	30
Investment holding (losses)/gains	**—**	**(1,130)**	**(1,130)**	—	1,930	1,930	—	6,637	6,637
Income	**177**	**—**	**177**	476	—	476	1,025	—	1,025
Investment management fees	**(100)**	**(300)**	**(400)**	(99)	(298)	(397)	(259)	(1,036)	(1,295)
Other expenses	**(175)**	**—**	**(175)**	(160)	—	(160)	(358)	—	(358)
(Loss)/return on ordinary activities before taxation	**(98)**	**(718)**	**(816)**	217	1,642	1,859	408	5,631	6,039
Taxation	**—**	**—**	**—**	—	—	—	(93)	93	—
(Loss)/return on ordinary activities after taxation	**(98)**	**(718)**	**(816)**	217	1,642	1,859	315	5,724	6,039
(Loss)/return per Ordinary Share	**(0.3)p**	**(1.9)p**	**(2.2)p**	0.7p	5.2p	5.9p	1.0p	17.8p	18.8p

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 2011

Registered Number: 03506579

	As at 30 September 2011 (unaudited) £'000	As at 31 August 2010 (unaudited) £'000	As at 31 March 2011 (audited) £'000
Non-current assets			
Investments held at fair value through profit or loss	**33,077**	24,889	32,306
Current assets			
Debtors	**2,720**	2,430	2,502
Money market securities and other deposits	**3,379**	6,452	3,368
Cash	**1,642**	69	3,401
	7,741	8,951	9,271
Creditors			
Amounts falling due within one year	**(812)**	(459)	(1,414)
Net current assets	**6,929**	8,492	7,857
Net assets	**40,006**	33,381	40,163
Capital and reserves			
Called-up share capital	**365**	321	359
Share premium	**26,260**	20,411	25,137
Capital redemption reserve	**1,849**	1,840	1,844
Profit and loss account	**11,532**	10,809	12,823
Equity shareholders' funds	**40,006**	33,381	40,163
Net asset value per Ordinary Share	**109.6p**	104.1p	112.0p

Unaudited Reconciliation of Movements in Shareholders' Funds
for the six months ended 30 September 2011

	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total £'000
Book cost as at 1 April 2011	359	25,137	1,844	12,823	40,163
Share issues in the period	11	1,250	—	—	1,261
Expenses in relation to share issues	—	(127)	—	—	(127)
Repurchase of shares	(5)	—	5	(475)	(475)
Loss for the period	—	—	—	(816)	(816)
As at 30 September 2011	**365**	**26,260**	**1,849**	**11,532**	**40,006**

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Unaudited Summary Cash Flow Statement

for the six months ended 30 September 2011

	6 months ended 30 September 2011 (unaudited) £'000	6 months ended 31 August 2010 (unaudited) £'000	13 months ended 31 March 2011 (audited) £'000
Cash flow from operating activities			
Investment income received	**163**	181	354
Deposit and similar interest received	**2**	23	39
Investment management fees paid	**(359)**	(388)	(1,326)
Secretarial fees paid	**—**	(62)	(119)
Other cash payments	**(100)**	(133)	(293)
Net cash outflow from operating activities and returns on investment	**(294)**	(379)	(1,345)
Taxation	**—**	—	—
Returns on investment and servicing of finance			
Purchase of unquoted investments and investments quoted on AIM	**(1,888)**	(1,143)	(4,290)
Net proceeds on sale of investments	**681**	373	826
Net proceeds on deferred consideration	**31**	10	148
Net capital outflow from financial investment	**(1,176)**	(760)	(3,316)
Equity dividends paid	**—**	—	(1,728)
Management of liquid resources			
Subscription to money market	**(11)**	(4,512)	(4,500)
Redemption from money market	**—**	—	3,072
	(11)	(4,512)	(1,428)
Financing			
Proceeds of fund raising	**283**	4,298	10,040
Expenses of fund raising	**(127)**	(179)	(145)
Repurchase of own shares	**(434)**	(450)	(728)
	(278)	3,669	9,167
(Decrease)/increase in cash	**(1,759)**	(1,982)	1,350

Notes to the Half-Yearly Financial Report

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 period ended 31 March 2011. Unquoted investments have been valued in accordance with IPEVC guidelines. Quoted investments are stated at bid prices in accordance with UK Generally Accepted Accounting Practice.

2 These are not statutory accounts in accordance with S436 of the Companies Act 2006 and the financial information for the six months ended 30 September 2011 and 31 August 2010 has been neither audited nor reviewed. Statutory accounts in respect of the period to 31 March 2011 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 2011 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 ECA Court, South Park, Sevenoaks, Kent, TN13 1DU.

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 Ordinary Shares in issue at that date.

	Net assets £'000	**Number of Shares in Issue**
30 September 2011	40,006	36,512,963
31 August 2010	33,381	32,060,833
31 March 2011	40,163	35,864,981

5 **Return per share**

	6 months ended 30 September 2011 (unaudited) £'000	6 months ended 31 August 2010 (unaudited) £'000	13 months ended 31 March 2011 (audited) £'000
Total (loss)/return after taxation	**(816)**	1,859	6,039
Total (loss)/return per Ordinary Share (note a)	**(2.2p)**	5.9p	18.8p
Revenue (loss)/return from ordinary activities after taxation	**(98)**	217	315
Revenue (loss)/return per Ordinary Share (note b)	**(0.3p)**	0.7p	1.0p
Capital (loss)/return from ordinary activities after taxation	**(718)**	1,642	5,724
Capital (loss)/return per Ordinary Share (note c)	**(1.9p)**	5.2p	17.8p
Weighted average number of shares in issue in the period	**36,690,332**	31,463,140	32,204,092

Notes:

a) Total return per Ordinary Share is total return after taxation divided by the weighted average number of shares in issue during the period.

b) Revenue return per Ordinary Share is revenue return after taxation divided by the weighted average number of shares in issue during the period.

c) Capital return per Ordinary Share is capital return after taxation divided by the weighted average number of shares in issue during the period.

Notes to the Half-Yearly Financial Report continued

4

6 Income

	6 months ended 30 September 2011 (unaudited) £'000	6 months ended 31 August 2010 (unaudited) £'000	13 months ended 31 March 2011 (audited) £'000
Loan stock interest	**164**	451	985
Overseas based Open Ended Investments Companies ("OEICs")	**11**	13	28
Bank deposits	**2**	12	12
	177	476	1,025

7 Investments held at fair value through profit or loss

	Quoted £'000	Unquoted £'000	Total £'000
Book cost as at 1 April 2011	1,600	22,747	24,347
Investment holding gains	212	7,747	7,959
Valuation at 1 April 2011	1,812	30,494	32,306
Movements in the period:			
Purchases at cost	—	1,972	1,972
Disposal proceeds	(48)	(633)	(681)
Realised gains	—	610	610
Investment holding losses	(204)	(926)	(1,130)
Valuation at 30 September 2011	**1,560**	**31,517**	**33,077**
Book cost at 30 September 2011	1,552	24,696	26,248
Investment holding gains	8	6,821	6,829
Valuation at 30 September 2011	**1,560**	**31,517**	**33,077**

Deferred consideration of £102,000 was also recognised in the period.

8 Related parties

Foresight Group, as Investment Manager of the Company, is considered to be a related party by virtue of its management contract with the Company. During the period, services of a total value of £400,000 (31 August 2010: £397,000; 31 March 2011: £1,036,000) were purchased by the Company from Foresight Group. At 30 September 2011, the amount due to Foresight Group was £nil. Additionally, a fee of £259,000 was paid to Foresight Group under the performance incentive arrangements during March 2011.

If the 5.0p per Ordinary Share dividend payable on 24 February 2012 results in the payment of a performance incentive fee of 15% of the dividend paid, this would amount to a payment of £273,847 for the year ending 31 March 2012. On a strict pro-rata basis £136,924 would relate to the six months ended 30 September 2011 but no such accrual has been incorporated in the interim accounts.

Foresight Fund Managers Limited, as Secretary of the Company and as a subsidiary of Foresight Group, is also considered to be a related party of the Company. During the period, services of a total value of £57,000 excluding VAT (31 August 2010: £35,000; 31 March 2011: £86,000) were purchased by the Company from Foresight Fund Managers Limited. At 30 September 2011, the amount due to Foresight Fund Managers was £nil.

No Director has, or during the period had, a contract of service with the Company. No Director was party to, or had an interest in, any contract or arrangement (with the exception of Directors' fees) with the Company at any time during the period under review or as at the date of this report.

Shareholder Information

Dividends
Interim dividends are ordinarily paid to shareholders in February. Final dividends are ordinarily paid to shareholders in July. Shareholders who wish to have dividends paid directly into their bank account rather than by cheque to their registered address can complete a Mandate Form for this purpose. Mandates can be obtained by telephoning the Company's registrar, Computershare Investor Services plc (see over for details).

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

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

Trading shares
The Company's Ordinary Shares can be bought and sold in the same way as any other quoted company on the London Stock Exchange via a stockbroker. The primary market maker for Foresight 4 VCT plc is Singer Capital Markets.

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.

Indicative financial calendar

July 2012	Announcement of annual results for the year ended 31 March 2012
July 2012	Posting of the Annual Report for the year ended 31 March 2012
August 2012	Annual General meeting
November 2012	Announcement of Half-yearly Financial Results for the six months to 30 September 2012

Enquiries
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Foresight 4 VCT plc is managed by the Foresight Group which is authorised and regulated by the Financial Services Authority. Past performance is not necessarily a guide to future performance. Stock markets and currency movements may cause the value of investments and the income from them to fall as well as rise and investors may not get back the amount they originally invested. Where investments are made in unquoted securities and smaller companies, their potential volatility may increase the risk to the value of, and the income from, the investment.

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- General and Portfolio Queries — Foresight Group (01732 471800)