Foresight VCT plc

Unaudited Half-Yearly Financial Report

for the six month period ended 30 June 2014

Contents

Important information: the Company currently conducts its affairs so that the shares issued by Foresight VCT plc can be recommended by IFAs to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream 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 investment products because they are shares in a VCT.

Foresight VCT plc

Investment Objective

Ordinary Shares

To provide private investors with attractive returns from a portfolio of investments in fast growing, unquoted companies based in the United Kingdom.

Planned Exit Shares

To combine greater security of capital than is normal within a VCT with the enhancement of investor returns created by the VCT tax benefits — income tax relief of 30% of the amount invested, and tax-free distribution of income and capital gains. The key objective of the Planned Exit Shares fund is to distribute a minimum of 110p per share through a combination of tax-free income, buybacks and tender offers before the sixth anniversary of the closing date of the original offer.

Infrastructure Shares

To invest in companies which own and operate essential assets and services which enjoy long-term contracts with strong counterparties or government concessions. To ensure VCT qualification, Foresight Group will focus on companies where the provision of services is the primary activity and which generate long-term contractual revenues, thereby facilitating the payment of regular predictable dividends to investors.

For further information go to
www.foresightgroup.eu

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Summary Financial Highlights

Financial Highlights

- Net asset value per Ordinary Share decreased by 5.5% during the period ended 30 June 2014 before adding back the payment of the interim dividend of 10.0p per share on 14 March 2014. After adding back this dividend payment, the net asset value increased by 4.4% for the period ended 30 June 2014 to 95.4p compared to 101.0p as at 31 December 2013.
- Net asset value per Planned Exit Share decreased by 3.4% for the period ended 30 June 2014 to 79.7p compared to 82.5p as at 31 December 2013.
- Net asset value per Infrastructure Share remained unchanged at 91.5p at 30 June 2014 and 31 December 2013.

Ordinary Shares Fund

- Interim dividend of 10.0p per Ordinary Share was paid on 14 March 2014.
- Realisation proceeds and loan repayments totalling £220,000 were received from two portfolio companies by the Ordinary Shares fund.
- The Ordinary Shares fund provided follow-on funding totalling £338,808 for four portfolio companies and invested £3,000,000 in three new companies.
- To date, £13.1 million has been raised under the current fund raising.

Planned Exit Shares Fund

- The Planned Exit Shares fund provided follow-on funding totalling £1,000 for one portfolio company.
- Loan repayments were received by the Planned Exit Shares fund totalling £36,000.

Infrastructure Shares Fund

- Transaction costs associated with the acquisition of investments totalling £357,000 were capitalised by the Infrastructure Shares Fund.
- Proceeds of £2,935,000 were received from five special purpose vehicles and £1,469,000 from two portfolio companies.

Chairman's Statement

Performance – Ordinary Shares Fund

i. Movement in Net Asset Value of the Ordinary Shares Fund

During the six months to 30 June 2014, the net assets of the Ordinary Shares Fund increased to £37.7 million from £31.1 million at 31 December 2013.

The principal contributing factors to this increase were a total of £8.9 million raised from the issue of new shares, an increase of £1.6 million in the value of investments held in the Ordinary Shares Fund portfolio and investment income of £0.4 million. This was offset by the payment of a dividend of £3.5 million, management fees, other expenses of £0.7 million and share buybacks of £0.2 million.

ii. Movement in Net Asset Value per Share of the Ordinary Shares Fund

During the period there was an aggregate increase in the value of the investment portfolio which, after payment of an interim dividend of 10.0p per share, resulted in the net asset value of the Ordinary Shares Fund decreasing by only 5.6p to 95.4p per share at 30 June 2014 from 101.0p per Share at 31 December 2013.

iii. Cash & Deal Flow

During the period the Ordinary Shares Fund made the following new private equity and follow-on investments:

New Investments

Company	£
Whitchurch PE 1 Limited	1,000,000
Cole Henry PE 2 Limited	1,000,000
Kingsclere PE 3 Limited	1,000,000
Total	**3,000,000**

Follow-on funding

Company	£
Autologic Diagnostics Group Limited*	36,997
Biofortuna Limited	50,930
Data Continuity Group Limited	246,935
Flowrite Refrigeration Holdings Limited*	3,946
Total	**338,808**

*includes capitalised interest

Realisations

During the period the Ordinary Shares Fund made the following private equity sales/realisations:

Company	£
iCore Limited	200,000
Abacuswood Limited	19,700
Total	219,700

Cash Availability

The Ordinary Shares Fund had cash and liquid resources of £12.3 million at 30 June 2014. These funds will enable the Company to consider making several new private equity investments over the next twelve months from Foresight Group's deal flow pipeline of new opportunities.

Additionally, a proportion of cash may be utilised in the maintenance of payment of dividends to shareholders as well as annual running expenses and continuing the established share buyback programme.

iv. Investment Gains & Losses

During the period the Ordinary Shares Fund in aggregate realised net losses amounting to £1,239,000. The loss is attributable to a transfer between unrealised and realised losses of £689,000 for overdraft guarantees and a loss on the disposal of iCore (£550,000).

v. Running Costs

The annual management fee applicable to the Ordinary Shares Fund is 2.0%. During the period the management fees totalled £313,000, of which £78,000 was charged to the revenue account and £235,000 was charged to the capital account. The total expense ratio of the Ordinary Shares Fund for the period to 30 June 2014 was 2.3% and this compares favourably with its VCT peer group.

vi. Ordinary Share Dividends

It continues to be the Company's policy to provide a flow of tax-free dividends, generated from income and from capital profits realised on the sale of investments. Distributions will, however, inevitably be dependent on cash being generated from portfolio investments and successful realisations.

Based on the Company's continuing policy of endeavouring to provide a flow of tax-free dividends from income and capital profits realised on the sale of investments, an interim dividend of 10.0p was paid on 14th March 2014 based on an ex-dividend date of 26 February 2014 and a record date of 28 February 2014.

vii. Ordinary Shares Issues & Buybacks

A prospectus offer to raise £20 million was launched on 26 September 2013. At 30 June 2014 the offer had raised £12.7 million through the issue of 12,551,947 Ordinary Shares based on net asset values ranging from 102.2p to 91.0p per Ordinary Share.

In addition the Company allotted 127,873 Ordinary Shares under the Company's Dividend Reinvestment Scheme at 91.0p per share during March 2014 .

During the six months under review 269,668 Ordinary Shares were repurchased for cancellation at a cost of £223,000 at a discount to NAV of 10.1%.

viii. Summary Post Period End Update
There were no significant events from 30 June 2014 to the date of publication.

Outlook – Ordinary Shares Fund

The success of the current fund-raising and the performance of the private equity investments, which includes a series of realisations at attractive prices has generated significant cash balances within the Ordinary Shares Fund. With the UK economy continuing to perform well and a strong flow of investment opportunities reported by the Fund Manager, the Board believes the Ordinary Shares Fund is well positioned and has sufficient capacity for further new investments to be made over the medium term.

It is this continuing ability to make new investments and to achieve a regular flow of realisations which the Board anticipates will further enhance Shareholder returns.

Performance – Planned Exit Shares Fund

i. Movement in Net Asset Value of the Planned Shares Fund
During the period, the net assets of the Planned Exit Shares Fund decreased to £4,850,000 at 30 June 2014 from £5,044,000 at 31 December 2013.

The principal reason for this fall in net assets was the aggregate performance of the investment portfolio, in particular Trilogy Communications Limited, which fell by £298,000, as a result of tougher trading conditions in the US defence market.

During the period management fees and other expenses amounted to £34,000 and £27,000 was utilised in the continuing Share buy-back programme. Income for the period was £134,000.

ii. Movement in Net Asset Value per share of the Planned Exit Shares Fund
Over the period, the net asset value of the Planned Exit Shares Fund decreased to 79.7p per share at 30 June 2014 from 82.5p per share at 31 December 2013.

iii. Cash & Deal Flow
During the period the Planned Exit Shares Fund made the following follow-on investments:

Follow-on funding

Company	£
Data Continuity Group Limited	929
Total	**929**

The Planned Exit Shares Fund had cash and liquid resources of £113,000 at 30 June 2014. The Planned Exit Shares Fund is considered fully invested and its investments generate a running yield, which is utilised in the payment of expenses and dividends every year.

During the period the Planned Exit Shares Fund made the following private equity sales/realisations:

Company	£
Withion Power Limited	36,374
Total	**36,374**

iv. Investment Gains & Losses
There were no realised gains or losses during the period.

v. Running Costs
The annual management fee of the Planned Exit Shares Fund is 1.0%. During the period the management fees totalled £13,000, of which £3,000 was charged to the revenue account and £10,000 was changed to the capital account. The total expense ratio of the Planned Exit Shares Fund, for the period ended 30 June 2014 was 1.3%, which compares favourably with its VCT peer group.

vi. Planned Exit Share Dividends
It continues to be the Company's policy to provide a flow of tax-free dividends, generated from income and from capital profits realised on the sale of investments. However distributions will inevitably be dependent on cash being generated from portfolio investments and successful realisations.

vii. Planned Exit Shares Issues & Buybacks
There were no Planned Exit Shares issued during the period.

During the period under review 32,835 Planned Exit Shares were repurchased for cancellation at a cost of £27,000 and at a discount to NAV of 0.8%. The Board and the Manager consider share buybacks to be an effective way to manage the share price discount to NAV at which the Planned Exit Shares trade.

viii. Summary Post Year End Update
There were no significant events from 30 June 2014 to the date of publication.

Outlook – Planned Exit Shares Fund

The Planned Exit Shares Fund is considered fully invested and Foresight Group is working hard to manage the portfolio with a view to achieving the fund's original objective of returning 110p per Planned Exit Share to investors between the fifth and sixth anniversary of the final allotment i.e. by no later than 30 June 2016.

Performance – Infrastructure Shares Fund

i. Movement in Net Asset Value of the Infrastructure Shares Fund
Funds decreased by £48,000 to £15,181,000 at 30 June 2014 from £15,229,000 at 31 December 2013.

Of this net decrease, the Infrastructure Shares Fund investment valuations decreased by £180,000 and management fees and other expenses of

£244,000 were incurred. Income for the period totalled £366,000.

ii. Movement in Net Asset Value per share of the Infrastructure Shares Fund

During the period, the net asset value of the Infrastructure Shares Fund remained at 91.5p per share at 30 June 2014 (31 December 2013: 91.5p).

iii. Cash & Deal Flow

During the period the Infrastructure Fund made no new or follow-on investments although transaction costs associated with the aquisition of investments of £357,412 were capitalised, and Canterbury Infrastructure I5 Limited has invested £1.7 million in an underlying project company Pentre Solar project.

During the period the Infrastructure Shares Fund made the following private equity sales/realisations:

Company	£
Chichester Infrastructure 12 Limited	75,000
Durham Infrastructure 5 Limited	538,647
Hereford Infrastructure 8 Limited	697,500
Lichfield Infrastructure 9 Limited	990,000
Norwich Infrastructure 4 Limited	930,000
Salisbury Infrastructure 1 Limited	997,500
Winchester Infrastructure 2 Limited	175,000
Total	**4,403,647**

These realisations were in accordance with the previously advised realignment of investments within the Infrastructure Shares Fund, appropriate to ensure continuing qualification under the VCT rules. During the coming weeks it is anticipated that new qualifying investments will be made within the Infrastructure Shares Fund such that the fund will be fully invested by the end of this financial year.

iv. Investment Gains & Losses

There were no realised gains or losses during the period.

v. Running Costs

The annual management fee of the Infrastructure Shares fund is 1.75%. During the period the management fees totalled £135,000, of which £34,000 was charged to the revenue account and £101,000 was changed to the capital account. The total expense ratio of the Infrastructure Shares Fund, for the period ended 30 June 2014 was 2.5%, which compares favourably with its VCT peer group.

vi. Infrastructure Share Dividends

It continues to be the Company's policy to provide a flow of tax-free dividends, generated from income and from capital profits realised on the sale of investments. Distributions, however, will inevitably be dependent on cash being generated from portfolio investments and successful realisations.

An interim dividend of 2.5p per Infrastructure Share will be paid on 30 September 2014. The shares will be quoted ex-dividend on 17 September 2014 and the record date for payment will be 19 September 2014.

vii. Infrastructure Shares Issues & Buybacks

There were no Infrastructure Shares issued during the period. During the period under review 57,800 Infrastructure Shares were repurchased for cancellation at a cost of £52,000 at an average discount to NAV of 0.5%. The Board and the Manager consider share buybacks to be an effective way to help manage the share price discount to NAV at which the Infrastructure Shares trade.

viii. Summary Post Year End Update

On 15 July 2014, the Infrastructure Shares fund invested £2 million in a company established to acquire an interest in the 6MW Ford Farm solar plant, which is located in St Ives, Cornwall and has generated electricity since March 2013. The acquisition should complete and HMRC clearance be received shortly. On the same day, £2 million was similarly invested in a company contracted to acquire the Hayford Farm solar project in Shropshire following connection to the National Grid in September. Hayford Farm is a 10MW project with the potential to extend to 17MW later this year. HMRC clearance for this investment is expected shortly.

Two further investments totalling £2.8 million have also been made into companies that have exclusivity to acquire two other solar projects.

In consequence, during the period the proportion of non-qualifying PFI investments was reduced through the refinancing outlined above. The capital so released and the Infrastructure Share fund's remaining capital were successfully deployed in the above mentioned five new VCT qualifying solar investments which provide an infrastructure risk and return profile and offer diversification and yield benefits to the portfolio.

Outlook – Infrastructure Shares Fund

As previously reported, over the next few months it is expected that the Infrastructure portfolio will become fully invested and this will include several new investments being acquired in solar infrastructure.

Management Arrangements

The Board has considered the impact on the Company of an EU directive regulating Alternative Investment Fund Managers which applies to most UK investment funds including the Company. To minimise the regulatory cost of compliance with this legislation the Board has decided that the Company will register directly with HM Treasury as permitted by the rules. This will not affect the current arrangements with the Manager which will continue to report to the Board and manage the Company's investments on a discretionary basis.

The Company received formal confirmation, from the Financial Conduct Authority, of its registration as a small UK Alternative Investment Fund Manager on 6 August 2014.

Outlook

The Board is encouraged by the pickup in the UK economy in the first half of 2014. We are, however, conscious that there remains much to be done to place the UK economy on a sound footing, and get public expenditure under control. Additionally, many of our major export markets, particularly in Europe, continue to face uncertainties.

The effect of the improvement in the economy has been noticeable in the performance of the private equity part of the Ordinary Share portfolio. Within the Ordinary Shares portfolio, a series of realisations at attractive prices in recent years, when combined with the success of current fundraising, has generated significant cash balances. This underpins the Board's dividend commitment to Shareholders and provides sufficient capacity for several new investments to be made over the medium term, which we anticipate will further enhance fund performance.

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29 August 2014

Investment Manager's Report

Manager's Commentary

Since the publication of the last Annual Report, the UK economic climate continued to improve, as has the economic climate in the USA, which contrasts with conditions in several European markets. Trading conditions across the portfolio have similarly improved which is reflected in a 4.4% increase in net asset value per Ordinary Share during the period to 95.4p per Ordinary Share, after adjusting for a 10.0p dividend. Having realised a significant number of investments over recent years, we are now focussing on making new investments and achieving further profitable exits to facilitate dividend payments. An interim dividend of 10.0p per Ordinary Share was paid on 14 March 2014, reflecting in particular, the sale of Alaric Systems for £7.1 million (including amounts in escrow) in December 2013, over five times the original cost of investment.

Although good progress was made in investing the majority of the Infrastructure Shares fund in secondary PFI investments, increased demand from other PFI infrastructure funds, combined with lower supply resulting from lower Government primary market PFI spending, reduced yields appreciably on new transactions. Despite advance VCT clearances, most of these investments ultimately did not qualify as VCT investments since several co-shareholders would not consent to the necessary changes in legal structure. Action has accordingly been taken over recent months to increase the VCT qualifying proportion of the Infrastructure Shares fund to enhance the VCT's qualification test overall which now stands at over 80%. During the period, £4.4 million of non-qualifying PFI assets were refinanced utilising third party debt to reduce the non-qualifying holdings, with the proceeds used to invest in five new VCT qualifying solar infrastructure assets. This action has resulted in a diversified infrastructure risk and return profile in-line with the investment policy as well as yielding benefits to the portfolio.

An interim dividend of 5.0p per Planned Exit Share was paid on 25 October 2013 and an interim dividend of 2.5p per Infrastructure Share was paid on 20 December 2013. Reflecting progress being made in generating yield from the Infrastructure Share portfolio, a dividend of 2.5p per Infrastructure share will be paid on 30 September 2014, although it is possible that this dividend may comprise a combination of both revenue and capital reserves.

Progress on the current £20 million Ordinary Share Fund Raising

On 26 September 2013, the Board launched a full prospectus to raise up to £20 million by the issue of new Ordinary Shares. The securities note for this issue and a related application form were sent to shareholders in each of the Foresight VCTs. The issue has been well received by both new and existing investors, with over £13.1 million raised to date.

Foresight Group are seeing a number of high quality private equity investment opportunities, similar to the recent investments made in Aerospace Tooling Corporation, Fire and Air Services and Procam Television referred to below. Foresight Group believe that, with the UK and US economies showing signs of continuing recovery, investing in growing, well managed private companies in this phase of the economic cycle should, based on past experience, generate attractive returns over the longer term. Foresight Group believe that attractive deals are currently available and will utilise the funds raised to take advantage of these opportunities.

Portfolio Review: Ordinary Share Fund

1. New Investments

In March 2014, investments of £1,000,000 were made into each of Cole Henry PE 2 Limited, Kingsclere PE 3 Limited and Whitchurch PE 1 Limited which are acquisition vehicles preparing to trade.

2. Follow-on funding

Company	£
Autologic Diagnostics Group Limited*	36,997
Biofortuna Limited	50,930
Data Continuity Group Limited	246,935
Flowrite Refrigeration Holdings Limited*	3,946
Total	**338,808**

*Includes capitalised interest.

3. Realisations

- The investment in iCore was sold in April 2014 to a new holding company established by management for £300,000, of which £200,000 was paid on completion and the remaining £100,000 is to be paid in October 2015.
- £19,700 was recovered from the administration of Abacuswood.

4. Material Provisions to a level below cost in the period

Company	£
Closed Loop Recycling Limited	117,901
Data Continuity Group Limited	435,995
Trilogy Communications Limited	433,948
Total	987,804

5. Performance Summary

The net asset value per Ordinary Share increased by 4.4% during the period to 95.4p as at 30 June 2014 from 101.0p per Ordinary Share as at 31 December 2013 (after adjusting for the 10.0p dividend paid on 14 March 2014).

During the period, a number of the recent investments as well as some of the more mature investments in the Ordinary Shares fund continued to perform well with an aggregate increase in valuation of £2.5 million. Of the more recent, these include Aerospace Tooling Corporation, Blackstar Amplification Holdings, Flowrite Refrigeration Holdings and Procam Television, with the more mature including Aquasium Technology and Autologic Diagnostics Group. Provisions totalling £987,804 were made against three investments, Trilogy Communications, due to the uncertainties and continuing deferral of expected orders under long-term US defence programmes, Closed Loop Recycling, reflecting delays in ramping up production and higher market prices for feed stock and Data Continuity Group.

Several of the portfolio companies are displaying good order books and revenue and profit growth, creating potential for further value increases.

The M&A market continues to be active, providing opportunities for future realisations. With an improving economic backcloth, cash from realisations and proceeds from the current £20 million fund raising, Foresight Group is now well placed to take advantage of its current deal flow and is actively pursuing new investment opportunities.

Portfolio Review: Planned Exit Shares fund

1. New Investments

No new investments were made during the period.

2. Follow-on funding

In March 2014, the Planned Exit Shares fund acquired a small number of shares in Data Continuity Group for £929 from a departing shareholder.

3. Realisations

A loan of £36,374 was repaid by Withion Power during the period.

4. Material Provisions to a level below cost in the period

Company	£
Trilogy Communications Limited	298,310
Total	**298,310**

5. Performance Summary

During the period, the net asset value per Planned Exit Share decreased by 3.4% to 79.7p per share from 82.5p as at 31 December 2013. This decrease was principally due to the above provision of £298,310 made against the value of the investment in Trilogy Communications.

Channel Safety Systems, Data Continuity Group, Industrial Efficiency and Leisure Efficiency all continue to perform satisfactorily. Channel Safety Systems is currently trading at record levels while Industrial Efficiency and Leisure Efficiency continue to generate strong yields. A small number of shares were acquired in Data Continuity Group prior to its all share merger with alwaysOn Group in April 2014. This merger created additional scale and scope for significant cost reductions for the enlarged Data Continuity Group, combined with the ability to cross-sell a broader range of services.

The Planned Exit Shares fund is fully invested in a range of established businesses. Although Trilogy Communications is experiencing difficult trading conditions, the prospects for Channel Safety Systems, Data Continuity Group, Leisure Efficiency, Industrial Efficiency and Closed Loop Recycling are more encouraging. Foresight Group is actively monitoring the performance and likely returns from each investment to ensure that sufficient interest and cash are generated to meet the fund investors' running yield expectations and is working on meeting the planned capital repayment profile.

Portfolio Review: Infrastructure Shares fund

Background

By the closing date of 18 July 2012, a total of £33,295,716 had been raised for the Infrastructure Shares fund jointly with Foresight 2 VCT's Infrastructure Shares Fund (i.e. some £16.6 million for each fund). The strategy of both funds is to invest in infrastructure assets on a pari passu basis in the secondary PFI, solar infrastructure, energy efficiency and onsite power generation markets.

1. New and Follow-on Investments

Transaction costs associated with the acquisition investments totalling £357,412 were capitalised during the period.

2. Realisations

Company	£
Durham Infrastructure 5 Limited	538,647
Norwich Infrastructure 4 Limited	930,000
Five SPVs preparing to trade	2,935,000
Total	**4,403,647**

3. Infrastructure Summary

The two infrastructure funds acquired shareholdings in eight operating PFI companies, four in the education sector holding interests in 13 schools and four in the health sector, comprising three acute hospitals and one forensic psychiatry unit. In terms of geographic diversification, four of the investments are located in Scotland, three in England and one in Northern Ireland. All of the projects are contracted under UK PFI standard form and the counterparties are various Local Authorities and NHS Trusts. These investments have strong operating records and have remaining contract terms ranging from 13 to 28 years. All have project finance debt in place with interest rate hedging contracts for the duration of the concession removing any refinancing or interest rate risks. All benefit from having long term facilities management subcontracts which pass all operational risks through to major companies that are well established in the UK PFI market.

Although good progress was made in investing the majority of the Infrastructure Share fund in secondary PFI investments, secondary PFI yields have fallen significantly during the last two years owing to increased competition from new and established PFI infrastructure funds, driven by increasing investor appetite for PFI investments. The increased demand combined with lower supply resulting from the Coalition Government's reduction in primary market PFI spending resulted in fewer secondary PFI investment opportunities than forecast. We experienced the yield compression first-hand when the Infrastructure Share fund was out-bid during competitive bidding processes.

Advance VCT clearances were received from HMRC in respect of four of the PFI investments but only one was a VCT qualifying investment because the co-shareholders in the other three would not enter

Investment Manager's Report continued

into a VCT qualifying structure. Accordingly, action has been taken over recent months to increase the VCT qualifying proportion of the Infrastructure Share fund to enhance the VCT's qualification test overall which now stands at over 80%. During the period, £4.4 million of non-qualifying PFI assets were refinanced utilising third party debt to reduce the non-qualifying holdings and the resultant proceeds were used to invest in VCT qualifying solar infrastructure assets, in line with the investment policy. Specifically, the Infrastructure Share fund's holdings in the Sandwell Schools (Norwich Infrastructure 4 Limited), Staffordshire Schools (Durham Infrastructure 5 Limited), Lochgilphead Hospital and Stobhill Forensic Psychiatry Unit PFI projects were refinanced with loans totalling £4.5 million from the Foresight Inheritance Tax Service, releasing an equal sum for reinvestment in qualifying solar infrastructure assets as described below.

On 24 April 2014, the Infrastructure Shares fund invested £1.7 million in the Pentre solar project (Canterbury Infrastructure 15 Limited) and will invest a further £400,000 alongside co-investment of £4.1 million from the Foresight Inheritance Tax Service when the installation connects to the National Grid in September. Pentre is a 6MW ground mounted solar power project in Carmarthenshire, South Wales. Notice of VCT qualifying status was received from HMRC in July.

On 15 July 2014, the Infrastructure Shares fund invested £2 million in a company established to acquire an interest in the 6MW Ford Farm solar plant, which is located in St Ives, Cornwall and has generated electricity since March 2013. The acquisition should complete and HMRC clearance be received shortly. On the same day, £2 million was similarly invested in a company contracted to acquire the Hayford Farm solar project in Shropshire following connection to the National Grid in September. Hayford Farm is a 10MW project with the potential to extend to 17MW later this year. HMRC clearance for this investment is expected shortly.

Two further investments totalling £2.8 million have also been made into companies that have exclusivity to acquire two other solar projects.

In consequence, during the period the proportion of non-qualifying PFI investments was reduced through the refinancing outlined above. The capital so released and the Infrastructure Share fund's remaining capital were successfully deployed in the above mentioned five new VCT qualifying solar investments which provide an infrastructure risk and return profile and offer diversification and yield benefits to the portfolio.

Reflecting progress being made in generating yield from these investments, a dividend of 2.5p per Infrastructure Share was paid on 20 December 2013 with a further 2.5p to be paid on 30 September 2014.

Portfolio Company Highlights

In June 2013, the Ordinary Shares fund invested £1.5 million alongside other Foresight VCTs in a £3.5 million shareholder recapitalisation of Dundee based **Aerospace Tooling Corporation**, a well established specialist engineering company providing repair, refurbishment and remanufacturing services to large international companies for components in high-specification aerospace and turbine engines. The company was founded in 2007 by the former CEO, John Seaton, who, following the transaction, assumed the role of Executive Chairman. With a heavy focus on quality assurance, the company enjoys strong relationships with companies serving the aerospace, military, marine and industrial markets. A proactive sales effort, particularly aimed at the civil aviation market, has resulted in a broadening of the customer base and increased sales. Reflecting a number of new orders in 2013, turnover and profits grew substantially in the year to 30 June 2014, with resultant positive cash generation. Further strong trading is forecast for the current year, supporting an increase in valuation during the period of £1.58 million. **Held in the Ordinary Shares fund**.

For the year to 30 June 2013, **alwaysON Group** incurred an unaudited EBITDA loss of £388k on revenues of £2.9 million, reflecting inter alia considerable investment in upgrading the underlying network and recruiting additional staff for the network and applications teams. With these losses continuing, exacerbated by technical network problems, a formal sales process was initiated which culminated in acceptance of an all share offer from the Foresight portfolio company Data Continuity Group, whose Chairman was also Finance Director of alwaysOn Group. Completed in April 2014, the merger facilitated a major reorganisation and significant cost reductions, while creating the opportunity to sell a broader range of services across both companies' customer bases. alwaysON Group shareholders received a total of 30.6% of the equity of the enlarged Data Continuity Group. As part of the transaction, a further £500,000 was invested by the Foresight VCTs by way of loans into alwaysOn Group, including £240,000 from the Company, to ensure that the enlarged Group had sufficient resources for growth. As both companies are Foresight portfolio companies, Foresight played no part in the negotiations or decisions. The key driver is now to accelerate the sales of both Data Continuity Group's back-up services and alwaysOn Group's Lync SaaS service, for which there is growing interest from channel partners. **Previously held in the Ordinary Shares fund**.

For the year to 31 December 2012, **Aquasium Technology** (after adjusting for the sale of EBTEC division for $11 million which generated a 2.5 times return) achieved a NPBT of £608,000 on sales of £8 million, reflecting continuing demand for CVE's smaller electron welding machines. For the year to 31 December 2013, an increased NPBT of £709,000 was achieved on sales of £8.8 million, ahead of forecast. During 2013, the company paid £518,345 in redemption premia and interest. Trading in the current year is underpinned by a strong order intake in the first half of 2014. The Company still holds 33% of Aquasium's equity and £666,667 of loans. With its partners, Aquasium is continuing its development of new electron beam technologies which are expected to have considerable commercial potential. **Held in the Ordinary Shares fund**.

AtFutsal Group runs government approved education programmes for students aged 16-18 years old in conjunction with a consortium made up of Football League clubs, colleges and academies and training/accreditation organisations. Funding for these programmes is sourced from the Education Funding Agency. Depending on the geographical location of the main partner football clubs, the company's three arenas in Birmingham, Leeds and Swindon are used as part of the education programmes. AtFutsal is introducing a wider range of government approved BTech courses and has developed its own education software platform so that it can provide a range of educational services. AtFutsal Group has also developed a separate English Colleges education programme to provide additional futsal related courses for 16-18 year olds at sixth form colleges. For the current student year which commenced in September 2013, the company registered approximately 1,200 students on its futsal related courses, nearly double the number in the previous academic year. AtFutsal Group is also improving its capacity utilisation across its three arenas with a variety of different sports being regularly played at each arena alongside futsal at both child and adult level, enabling the arenas to reach cash breakeven. For the year to 30 June 2014, a small EBITDA loss was incurred on sales of £4.3 million, with positive EBITDA generated during the second half of the year. With approximately 1,450 students expected to start the new academic year in September 2014, the growing Education division is expected to continue to generate the majority of the profit and cash flow within the Group. **Held in the Ordinary Shares fund**.

Following the £48 million secondary buy-out by ISIS Private Equity in January 2012, investments in equity and loan stock totalling £1.486 million were retained in **Autologic Diagnostics Group**. Autologic Diagnostics Group continues to generate significant profits and for the year to December 2013 achieved an EBITDA of £5.4 million on sales of £18.6 million (an EBITDA of £5.9 million on revenues of £17.2 million in 2012). The company traded satisfactorily during the period and as at 30 June 2014 had a healthy cash balance of £4.5 million. The strengthened management team is focused on improving sales performance, with the UK and European markets now performing more consistently while the American market continues to perform well. Management continues to develop a business model to generate recurring revenues through a new service-oriented product, with the aim of launching this in the fourth quarter of 2014. During the period, interest of £36,997 deferred under the terms of the loan agreement with Autologic was capitalised. **Held in the Ordinary Shares fund**.

Biofortuna, a molecular diagnostics business based in the Wirral, has developed unique expertise in the important area of enzyme stabilisation, effectively hi-tech freeze drying. Its first range of products, SSPGo, is a series of genetic compatibility tests for organ transplant recipients, although the breadth of application of the technology is extremely broad. Because of the company's stabilisation and freeze-drying technology, its products can be transported easily (in the post if needed) and stored at room temperature for up to two years. A two tranche £1.3 million round to finance capital expenditure and working capital was completed in August 2013, in which the Ordinary Share fund invested £99,066 in the first tranche and a further £50,930 in the second tranche in April 2014. The company is making progress in a number of areas, including broadening its product range, investing in additional manufacturing capacity and improving internal processes. Following successful FDA trials, Biofortuna has now obtained FDA approval for its SSPGo genetic testing product range in the USA, a particularly important milestone enabling access to the USA market, the largest in the World, as well as obtaining FDA registration for its manufacturing site. The freeze-dried kit manufacturing service continues to develop, with paid for feasibility studies and supply contract negotiations occurring with various parties. **Held in the Ordinary Shares fund**.

In July 2012, the Ordinary Shares fund invested £2.5 million in Northampton based **Blackstar Amplification Holdings** alongside £1 million from Foresight 4 VCT to finance a management buy-out of and provide growth capital to Blackstar Amplification Limited. The company was founded in 2004 by four senior members of the new product development team at Marshall Amplification to design and manufacture a range of innovative guitar amplifiers. Following commercial launch in 2007, sales grew rapidly and a global brand was soon established. In its financial year to 30 April 2013, the company benefited from distributors restocking following the supply chain disruption in 2012, achieving an EBITDA of £394k on sales of £9.7 million, nearly twice that achieved in the previous year. Reflecting continuing investment in new product development and marketing initiatives, an EBITDA of £299k was achieved on sales of £8.6 million for the year to April 2014. Management is focused on product sell through in established markets while also increasing the company's presence in new, emerging markets, such as Asia and South America. The company currently has a presence in over 35 countries Worldwide and its products are stocked in over 2,500 stores globally. The new ID: Lite range of amplifiers, which are the company's first products at the value end of the market, was launched to critical acclaim in the US and UK markets in February and March 2014. **Held in the Ordinary Shares fund**.

In December 2010, the Planned Exit Shares fund provided £565,000 to partially fund a management buy-in of long established Petersfield based **Channel Safety Systems Group** which designs and distributes emergency lighting and fire safety systems, as well as providing associated services. For the year to 31 October 2013, Channel Safety Systems Group performed well, achieving an EBITDA of £580,000 on sales of £8.55 million (£420k EBITDA on sales of £8.5 million for the previous year). The company continues to trade well in the current year and has a strong cash position. **Held in the Planned Exit Shares fund**.

In February 2013, **Closed Loop Recycling** concluded a major new supply contract and new customer contracts worth £17 million per annum as well as securing £12.8 million of loan finance (of which £6 million was provided by the Foresight Environmental Fund) to double capacity at the Dagenham plant. The new sorting and production equipment has now been commissioned and increased production utilising this additional capacity commenced in November 2013.

Investment Manager's Report continued

Output of rHDPE has continued to increase although the ramp up in production has taken several months longer to achieve than expected. Higher market prices for feed stock have put margins under pressure reducing forecast profitability. Additional loan capital of £1.0m was agreed with the Foresight Environmental Fund in May 2014 to provide the necessary capital to achieve the forecast production run rate. The final third extruder is currently being installed and, once on stream, both turnover (nearly £2 million per month at present) and profitability are expected to increase substantially. Reflecting these issues, a provision of £117,901 has been made against the cost of the investment in the Ordinary Shares Fund. Management is examining a number of avenues to improve profitability further. **Held in the Ordinary and Planned Exit Shares fund**.

Data Continuity Group designs, sources, implements and maintains data storage solutions for companies and provides these as a managed service. Managed service contracts typically run for an initial term of three years and the company has a high level of customer retention. For the year to 31 March 2013, an EBITDA of £540,000 was achieved on sales of £5.6 million, most of which was recurring revenue. For the year to 31 March 2014, a slightly lower EBITDA was achieved on a similar level of sales. Sales efforts have been increased and more channel partners are being recruited to resell Data Continuity Group's services to its customers but this has yet to translate into improved orders. The company is also focussed on securing contract renewals for its managed services. In March 2014, small numbers of shares were acquired in the company from a departing shareholder by the Ordinary Share fund for £1,539 and by the Planned Exit Shares fund for £929.

As referred to above, in April 2014, Data Continuity Group successfully merged, by way of an all share offer, with alwaysOn Group, which provides hosted Microsoft Lync and telephony services over its own network. The key benefits to Data Continuity Group are additional scope for significant cost reductions, combined with the ability to cross-sell a broader range of services. As part of the transaction, a further £500,000 was invested by the Foresight VCTs into alwaysOn Group by way of loans, including £240,000 from the Company, to ensure that the enlarged Data Continuity Group had sufficient resources for growth. **Held in the Ordinary and Planned Exit Shares fund**.

In August 2013, the Ordinary Shares fund invested £1.5 million alongside other Foresight VCTs in a £2.5 million shareholder recapitalisation of Stockport based **Fire and Air Services**, a hard facilities management provider which designs, installs and services air conditioning and fire sprinkler systems for retail, commercial and residential properties through a national network of engineers. The company is primarily focussed on the retail sector and enjoys long term customer relationships and multi-year preferred supplier contracts with various blue chip high street retailers, giving good visibility on revenues. Two recent acquisitions give access to new customer relationships and the commercial real estate sector. New service and maintenance contracts with two major retailers are now in full force, which combined with a number of other notable contract wins gives good visibility for sales in the current year. Following the appointment of a new Managing Director in May 2014, both marketing and sales efforts have been increased. **Held in the Ordinary Shares fund**.

In May 2012, the Ordinary Shares fund invested £492,500 in **Flowrite Refrigeration Holdings** alongside other Foresight VCTs to finance the £3.2 million management buyout of Flowrite Services Limited. This long established, Maidstone based company provides refrigeration and air conditioning maintenance and related services nationally, principally to leisure and commercial businesses such as hotels, clubs, pubs and restaurants. Management has accelerated sales efforts, won a number of significant new contracts and customers and also reviewed several potential acquisitions with the aim of broadening its national coverage. In the year to 31 October 2013, reflecting a particularly busy summer, the company traded well, achieving an operating profit of £1.06 million on sales of £10.0 million (cf. an operating profit of £852,000 on sales of £7.9 million in 2012). In December 2013, again reflecting continued strong trading, Flowrite repaid a loan (£282,699), rolled up interest (£31,785) and accrued interest (£47,661) totalling £362,145 to the company, representing some 75% of original cost of investment, only 18 months after the MBO. The company has entered the seasonally strong summer months well staffed with engineers. Although this affected profitability during the quieter winter months, it provides a firm platform to deliver good customer service and future growth, as demonstrated by strong trading in June. During the period, interest of £3,946 deferred under the terms of the loan agreement was capitalised. **Held in the Ordinary Shares fund**.

iCore provides specialist IT consultancy services to major corporate clients in the UK and Europe to drive service improvements and maximise returns on IT investments. These services include strategic IT reviews, infrastructure design and management and outsourcing to project and business process management. Although the company achieved a net profit of £306,000 on sales of £6.5 million in the year ended 30 June 2013, revenues and profitability are dependent on a small number of contracts at any one time and also the availability of sufficient, experienced consultants. Because these constraints limit upside potential, the investment was sold in April 2014 to a new holding company established by management for £300,000, of which £200,000 was paid on completion with the remaining £100,000 due in October 2015. **Held in the Ordinary Shares fund**.

As a part of a £360,000 funding round in April 2013, the Planned Exit Shares fund invested £180,000 in **Industrial Efficiency**, alongside £180,000 from the Foresight 2 Planned Exit Share fund. The company installs and maintains proven and robust energy switching equipment, allowing customers to reduce emissions and make significant cost savings. The company completed its first energy cost reduction project in September 2013 and continues to pursue a number of similar opportunities. Returns are based solely on the cost savings made and do not depend on government subsidies or Feed-in Tariffs. During the period, interest of £5,000 was paid. **Held in the Planned Exit Shares fund**.

In December 2011 and March 2012, the Planned Exit Shares fund provided a total of £875,000 by way of loans and equity to partially fund a management buy-in at **Industrial Engineering Plastics**. The company is a long established Liphook based plastics fabricator and distributor to a wide range of industries nationally, principally supplying ventilation and pipe fittings, plastic welding rods, hygienic wall cladding, plastic tanks and sheets. For the year ended 30 November 2013, reflecting increased competition in its plastic distribution and industrial fabrication markets, the company achieved a reduced EBITDA of £254,000 on sales of £4.4 million (compared to an EBITDA of £646,000 on sales of £4.9 million in 2012). Management believe market sentiment is now improving and for the current year to 30 November 2014 is forecasting a performance similar to that of 2012. Trading for the year to date is broadly in line with budget. **Held in the Planned Exit Shares fund**.

As part of a £1.38 million funding round in January 2012, the Planned Exit Shares fund invested £690,000 in **Leisure Efficiency**. The company installs and maintains energy efficiency equipment, including voltage optimisers and heat exchangers, in 34 David Lloyd Leisure ("DLL") sites across the UK. The contract with DLL has a life of seven years during which the company will generate a strong yield. At the end of this period it will be sold to DLL for a nominal value. Revenues are generated from taking a significant part of the value of the energy savings made by the equipment. The equipment continues to save energy in excess of original projections and the company has received several quarterly cash payments from DLL. **Held in the Planned Exit Shares fund.**

In April 2013, the Ordinary Share fund invested £800,000 alongside other Foresight VCTs in a £1.8 million round to finance a management buy-out of **Procam Television Holdings**. Procam is one of the UK's leading broadcast hire companies, supplying equipment and crews for UK location TV production to broadcasters, production companies and corporates for over 20 years. Headquartered in Battersea, London, with additional facilities in Manchester, Edinburgh and Glasgow, Procam is a preferred supplier to BSkyB and an approved supplier to the BBC and ITV. Over the last four years revenues have doubled, following the introduction of new camera formats. In September 2013, Hammerhead, a competitor with facilities in London, Manchester and Edinburgh and Glasgow, was acquired in order to broaden the customer base, increase national coverage and realise various synergistic benefits. The Hammerhead acquisition is expected to improve profits substantially. Other acquisition opportunities are under consideration.
For the year to 31 December 2013, an EBITDA of £1.97 million was achieved on sales of £6.4 million, well ahead of trading in 2012. Further significant growth in sales and profits is forecast for the current year, as demonstrated by strong trading during the first half of the year, which may necessitate expansion into larger premises in due course. **Held in the Ordinary Shares fund**.

Trilogy Communications achieved strong trading results in the two years to 29 February 2012, following a number of defence contract wins from partners such as Raytheon and Northrop Grumman. Trading in the year to 28 February 2013 was adversely affected by the deferral of expected orders under long-term defence programmes, reflecting uncertainties about US defence expenditure. These uncertainties have continued to impact trading, with the company incurring an EBITDA loss of £808k on sales of £3.8 million in the year to 28 February 2014, although most of the losses were incurred in the first quarter. Losses have continued in the current year and further cost reductions are being made. A new Sales Director has been recruited to increase broadcast sales while defence market activity is slowly improving, with a recent order from Raytheon and an order expected shortly from Northrop Grumman. Discussions are in progress about further defence programme orders. As part of a phased £1.09 million funding round in June 2013 to meet the company's working capital requirements, the Ordinary Shares fund and the Planned Exit Shares fund advanced loans in three tranches totalling £287,165 and £135,864 respectively. To reflect the above trading performance, further provisions of £433,948 and £298,310 respectively have been made against the costs of the investments in the Ordinary Shares fund the Planned Exit Shares fund. **Held in the Ordinary and Planned Exit Shares fund**.

David Hughes
Chief Investment Officer
Foresight Group
29 August 2014

Investment Summary
Ordinary Shares Fund

Investment	30 June 2014 Amount invested £	Valuation £		Valuation Methodology	31 December 2013 Amount invested £	Valuation £
Aerospace Tooling Corporation Limited	1,500,000	3,928,844	*	Discounted earnings multiple	1,500,000	2,347,709
Blackstar Amplification Holdings Limited	2,500,000	3,525,689	*	Discounted earnings multiple	2,500,000	2,916,548
Aquasium Technology Limited	1,000,000	2,523,594	*	Discounted earnings multiple	1,000,000	2,514,771
Autologic Diagnostics Group Limited	1,691,539	2,161,689	*	Discounted earnings multiple	1,654,542	2,098,632
Closed Loop Recycling Limited	1,936,319	1,618,418	*	Discounted cash flow	1,936,319	1,736,319
Fire and Air Services Limited	1,500,000	1,500,000	*	Cost	1,500,000	1,500,000
Data Continuity Group Limited	1,367,497	1,150,400	*	Discounted revenue multiple	490,032	1,094,444
Procam Television Holdings Limited	800,000	1,027,787	*	Discounted earnings multiple	800,000	800,000
Cole Henry PE 2 Limited	1,000,000	1,000,000	*	Cost	—	—
Kingsclere PE 3 Limited	1,000,000	1,000,000	*	Cost	—	—
Whitchurch PE 1 Limited	1,000,000	1,000,000		Cost	—	—
Flowrite Refrigeration Holdings Limited	215,085	553,378		Discounted earnings multiple	211,138	511,365
Biofortuna Limited	462,527	462,527		Price of recent funding round	411,598	411,598
Trilogy Communications Limited	1,280,880	246,240		Discounted revenue multiple	1,280,880	680,188
AtFutsal Group Limited	369,161	184,581		Cost less impairment	369,161	184,581
Abacuswood Limited	658,081	12,000		Administration proceeds	677,781	31,697
i-plas Group Limited	516,853	—		Nil value	516,853	—
DSM GeoData Limited	700,000	—		Nil value	700,000	—
Silvigen Limited	777,764	—		Nil value	777,764	—
Aigis Blast Protection Limited	860,325	—		Nil value	860,325	—
Nanotecture Group plc	1,000,000	—		Nil value	1,000,000	—
Oxonica plc	2,804,473	—		Nil value	2,804,473	—
Withion Power Limited +	5,017,546	—		Nil value	5,017,546	—
alwaysON Group Limited	—	—		Merged into Data Continuity Group Limited	630,531	244,976
iCore Limited	—	—		Sold	750,000	200,000
	29,958,050	**21,895,147**			27,388,943	17,272,828

* Top ten investments by value shown on pages 15 to 16.

+ The Ordinary Share Fund's investment in Withion Power Limited was invested by Keydata Income VCT 1 plc and Keydata Income VCT 2 plc before they merged with Foresight VCT plc on 28 February 2011. The value of the investment at the date of the merger was £3,960,984.

Investment Summary

Planned Exit Shares Fund

Investment	30 June 2014 Amount invested £	30 June 2014 Valuation £		Valuation Methodology	31 December 2013 Amount invested £	31 December 2013 Valuation £
Data Continuity Group Limited	784,746	1,095,069	*	Discounted revenue multiple	783,817	1,120,174
Channel Safety Systems Group Limited	690,000	823,547	*	Discounted earnings multiple	690,000	836,514
Industrial Engineering Plastics Limited	875,000	892,050	*	Discounted earnings multiple	875,000	778,269
Leisure Efficiency Limited	575,000	750,890	*	Discounted earnings multiple	575,000	747,619
Closed Loop Recycling Limited	566,667	541,657	*	Discounted cash flow	566,667	566,667
Trilogy Communications Limited	693,864	395,554	*	Discounted revenue multiple	693,864	693,864
Industrial Efficiency Limited	155,000	155,000	*	Cost	155,000	155,000
Withion Power Limited	288,579	64,627	*	Administration proceeds	324,952	101,000
i-plas Group Limited	524,030	—		Nil Value	524,030	-
	5,152,886	**4,718,394**			**5,188,330**	**4,999,107**

* All investments with a value are shown on pages 17 to 18

Infrastructure Shares Fund

Investment	30 June 2014 Amount invested £	30 June 2014 Valuation £		Valuation Methodology	31 December 2013 Amount invested £	31 December 2013 Valuation £
Canterbury Infrastructure 15 Limited	2,250,000	2,250,000	*	Discounted cash flow	-	-
Criterion Healthcare Holdings Limited	1,709,074	1,891,250	*	Discounted cash flow	1,709,074	1,709,074
Lochgilphead Healthcare Services (Holdings) Limited	1,693,367	1,681,925	*	Discounted cash flow	1,693,367	1,693,367
Stobhill Healthcare Facitilies (Holdings) Limited	1,493,247	1,561,216	*	Discounted cash flow	1,493,247	1,493,247
Stirling Gateway HC Limited	1,078,875	1,029,021	*	Discounted cash flow	1,078,875	1,078,875
York Infrastructure 3 Limited	1,048,358	1,000,000	*	Discounted cash flow	1,000,000	1,000,000
Wharfdale SPV (Holdings) Limited	677,947	666,162	*	Discounted cash flow	677,947	677,947
Durham Infrastructure 5 Limited	683,137	461,353	*	Discounted cash flow	1,000,000	1,000,000
Norwich Infrastructure 4 Limited	133,270	70,000	*	Discounted cash flow	1,000,000	1,000,000
3 Limited companies preparing to trade	39,000	15,000	*	Cost less impairment	5,200,000	5,200,000
	10,806,275	**10,625,927**			**14,852,510**	**14,852,510**

* All investments are shown on pages 19

Investment Summary

Ordinary Shares Portfolio

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

Aerospace Tooling Corporation Limited

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

Blackstar Amplification Holdings Limited

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

Aquasium Technology Limited

is principally engaged in the design, manufacture, sales and servicing of electron beam welding and vacuum furnace equipment at its facilities in Cambridgeshire, UK. The group sold its stake in Ebtec, a component manufacturing and processing service headquartered in Massachusetts, USA in 2012 for c$11 million. The sale resulted in Foresight recouping c1.3x original investment. Foresight retains a loan and equity position in Aquasium.

Autologic Diagnostics Group Limited

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

Closed Loop Recycling Limited

is the only company in the UK to recycle both PET and HDPE plastic bottles into food grade packaging material. Following a series of investment rounds, the 60,000 tonne capacity plant in Dagenham (East London) is now fully operational. The company is enjoying strong market demand and is pursuing its expansion plans. The company is processing approximately 100 tonnes of plastic bottles per day and supplying product to a range of customers including Nampak, Alpla and Coveris for the manufacture of food packaging, drinks bottles and milk bottles.

Investment Summary
Ordinary Shares Portfolio

Fire and Air Services Limited

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

Data Continuity Group Limited

is a provider of data storage and back-up solutions to corporates either remotely as a managed service or at a customers' premises. The demand for Data Continuity Group's services is driven by greater compliance requirements for retention and retrieval of data and the ever growing volume of electronic data produced by organisations. The company continues to build its managed service customer base and its recurring revenues. A mid-range service with multi-tenanted capability has been launched for re-sale by channel partners and the company has also launched a virtualised disaster recovery service. In March 2014, Data Continuity Group merged by way of an all-share offer, with AlwaysOn Group, another Foresight Group managed portfolio company. AlwaysOn Group provides hosted Microsoft Lync and telephone services over its own network. The key benefits to Data Continuity Group are additional scale, scope for significant reductions, combined with the ability to cross-sell a broader range of services.

Procam Television Holdings Limited

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

Cole Henry PE 2 Limited

an acquisition vehicle preparing to trade.

Kingsclere PE 3 Limited

an acquisition vehicle preparing to trade.

Investment Summary

Planned Exit Shares Portfolio

All Investments with a value at 30 June 2014 are detailed below:

Data Continuity Group Limited

is a provider of data storage and back-up solutions to corporates either remotely as a managed service or at a customers' premises. The demand for Data Continuity Group's services is driven by greater compliance requirements for retention and retrieval of data and the ever growing volume of electronic data produced by organisations. The company continues to build its managed service customer base and its recurring revenues. A mid-range service with multi-tenanted capability has been launched for re-sale by channel partners and the company has also launched a virtualised disaster recovery service. In March 2014, Data Continuity Group merged by way of an all-share offer, with AlwaysOn Group, another Foresight Group managed portfolio company. AlwaysOn Group provides hosted Microsoft Lync and telephone services over its own network. The key benefits to Data Continuity Group are additional scale, scope for significant reductions, combined with the ability to cross-sell a broader range of services.

Channel Safety Systems Group Limited

specialises in the design, distribution, installation and service of fire detection systems and emergency lighting. Demand for most of Channel Safety Systems' products and systems is driven by health and safety regulation and, increasingly, carbon reduction initiatives and legislation, which Channel Safety Systems addresses with its low energy LED emergency lighting range. Foresight backed an MBI of Channel Safety Systems in December 2010 with a total investment of £1.1 million from the Planned Exit fund.

Industrial Engineering Plastics Limited

was established over 25 years ago and is based in Liphook and Birmingham, from where it distributes and fabricates industrial plastics. The company primarily supplies ventilation and pipe fittings, plastic welding rods, hygienic wall cladding, plastic sheets and tanks.

Across the project range, the majority of customers are either plastic fabricators, duct installers or chemical plants. IEP primarily sources material from Germany, the UK and China. Foresight backed an MBI of IEP in December 2011 with a total investment of £1.6 million, £800k of which was invested from the Planned Exit Fund.

Leisure Efficiency Limited

provides energy efficiency solutions to David Lloyd Leisure Limited ("David Lloyd"). The provisions of the energy efficiency solution includes the deployment of energy equipment across a number of David Lloyd sites. The deployment was complete in May 2012. Revenues are generated through a pay as you save agreement.

Investment Summary
Planned Exit Shares Portfolio

Closed Loop Recycling Limited

is the only company in the UK to recycle both PET and HDPE plastic bottles into food grade packaging material. Following a series of investment rounds, the 60,000 tonne capacity plant in Dagenham (East London) is now fully operational. The company is enjoying strong market demand and is pursuing its expansion plans. The company is processing approximately 100 tonnes per day of plastic bottles and supplying product to a range of customers including Nampak, Alpla and Coveris for the manufacture of food packaging, drinks bottles and milk bottles.

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 Lockheed Martin.

Industrial Efficiency Limited

Implements turnkey energy efficiency programs for industrial clients. It has signed up its first major industrial client, and is in the process of completing an energy fuel switch project for this client.

Withion Power Limited

Entered liquidation on the 28th June 2013. The Directors of Withion Power worked with a specialist corporate finance provider to identify suitable strategic development partners, such as a large engineering group, who could work with the Withion Power and OGen UK teams to commercialise the small scale 0.5MW gasification technology. Unfortunately despite discussions with a number of possible strategic partners, Withion Power was unable to conclude any discussions. As a result of all options being exhausted and Foresight Funds declining to provide any further funding to the business, Smith & Williamson LLP were appointed to act as liquidators to the company. Their insolvency process is ongoing in order to realise value to shareholders from the sale of all remaining equipment. To date the insolvency process has realised £36,000 for the Planned Exit Share fund.

Investment Summary

Infrastructure Shares Portfolio

Investments as 30 June 2014 are detailed below:

Canterbury Infrastructure 15 Limited

In April 2014 Foresight VCT Infrastructure and Foresight 2VCT Infrastructure invested a combined £3.4 million in Kinetica Llannon Limited which operates the Pentre Solar project, a 6MW ground mounted solar power project in Camarthenshire, South Wales.

Criterion Healthcare Holdings Limited

In March 2013 Foresight VCT Infrastructure and Foresight 2 VCT Infrastructure invested a combined £3.42 million in Criterion Healthcare Holdings Limited which operates Bishop Auckland, a secondary PFI investment in an acute hospital project near Darlington with 19.5 years remaining in the concession.

Lochgilphead Healthcare Services (Holdings) Limited

In March 2013 Foresight VCT Infrastructure and Foresight 2 VCT Infrastructure invested a combined £3.39 million in Lochgilphead Healthcare Services Limited which operates Lochgilphead Hospital, a secondary PFI investment in Scotland with 23 years remaining of the concession.

Stobhill Healthcare Facilities (Holdings) Limited

In March 2013 Foresight VCT Infrastructure and Foresight 2 VCT Infrastructure invested a total of £2.99 million in Stobhill Healthcare Facilities Limited which operates Stobhill Hospital, a secondary PFI investment in a forensic psychiatry unit with 30 years remaining of the concession.

Stirling Gateway HC Limited

Foresight VCT Infrastructure and Foresight 2 VCT Infrastructure completed an investment in Stirling Gateway HC Limited in December 2012. The Project includes the design, redevelopment, construction, financing and operation of five secondary schools and a new Raploch Community Campus. It incorporates two primary schools, a special needs school, a nursery, community facilities, sports facilities and associated services. It has been operating for just over four years and has 26 years left on the original 30 year contract.

York Infrastructure 3 Limited

In October 2012 Foresight VCT Infrastructure and Foresight 2 VCT Infrastructure invested £2.0 million in Drumglass High School PFI Project through the York Infrastructure 3 Limited SPV. The Project is a 26 year concession to design, build, finance and maintain a 6,800m^2 secondary school in the town of Dungannon, Northern Ireland. Construction of the facility began in July 1999 and completed in August 2000. There are 13 years remaining of the concession.

Wharfedale SPV (Holding) Limited

In March 2013 Foresight VCT Infrastructure and Foresight 2 VCT Infrastructure invested a combined £1.36 million in Wharfedale SPV Holdings Limited which operates Wharfedale Hospital, a secondary PFI investment in a hospital project near Leeds with 19.5 years remaining of the concession.

Durham Infrastructure 5 Limited

In January 2013 Foresight VCT Infrastructure and Foresight 2 VCT Infrastructure invested in Staffordshire Schools through Durham Infrastructure 5 Limited. Staffordshire Schools is a secondary PFI investement in a school project in the West Midlands with 15 years remaining of the concession.

Norwich Infrastructure 4 Limited

In January 2013 Foresight VCT Infrastructure and Foresight 2 VCT Infrastructure invested in Sandwell Schools through Norwich Infrastructure 4 Limited. Sandwell Schools is a secondary PFI investment in a fair school project in the West Midlands with 17 years remaining of the concession.

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 December 2013. A detailed explanation can be on found on page 11 of the Annual Report and Accounts which is available on www.foresightgroup.eu or by writing to Foresight Group at The Shard, 32 London Bridge Street, London, SE1 9SG.

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

Directors' Responsibility Statement:

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

The Directors confirm to the best of their knowledge that:

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

Going Concern

The Company's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report of the Annual Report. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are described in the Chairman's Statement, Strategic Report and Notes to the Accounts of the 31 December 2013 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 nor reviewed by the auditors.

On behalf of the Board

John Gregory
Chairman
29 August 2014

Unaudited Non-Statutory Analysis of the Share Classes

Income Statements

for the six months ended 30 June 2014

	Ordinary Shares Fund			Planned Exit Shares Fund			Infrastructure Shares Fund		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Realised losses on investments	—	(1,239)	(1,239)	—	—	—	—	—	—
Investment holding gains/(losses)	—	2,887	2,887	—	(246)	(246)	—	(180)	(180)
Income	385	—	385	134	—	134	366	—	366
Investment management fees	(78)	(235)	(313)	(3)	(10)	(13)	(34)	(101)	(135)
Other expenses	(119)	—	(119)	(21)	—	(21)	(57)	—	(57)
Return/(loss) on ordinary activities before taxation	**188**	**1,413**	**1,601**	**110**	**(256)**	**(146)**	**275**	**(281)**	**(6)**
Taxation	(50)	71	21	(23)	2	(21)	(54)	54	—
Return/(loss) on ordinary activities after taxation	**138**	**1,484**	**1,622**	**87**	**(254)**	**(167)**	**221**	**(227)**	**(6)**
Return/(loss) per share	**0.4p**	**4.1p**	**4.5p**	**1.4p**	**(4.2)p**	**(2.8)p**	**1.3p**	**(1.3)p**	**0.0p**

Balance Sheets

at 30 June 2014

	Ordinary Shares Fund £'000	Planned Exit Shares Fund £'000	Infrastructure Shares Fund £'000
Fixed assets			
Investments held at fair value through profit or loss	21,895	4,718	10,626
Current assets			
Debtors	3,680	260	155
Money market securities and other deposits	7,068	75	—
Cash	5,268	38	4,449
	16,016	373	4,604
Creditors			
Amounts falling due within one year	(167)	(241)	(49)
Net current assets	**15,849**	**132**	**4,555**
Net assets	**37,744**	**4,850**	**15,181**
Capital and reserves			
Called-up share capital	396	61	166
Share premium account	16,309	—	—
Capital redemption reserve	398	1	—
Special distributable reserve	24,623	5,415	14,958
Revenue reserve	263	550	521
Capital reserve	2,877	(741)	(284)
Revaluation reserve	(7,122)	(436)	(180)
Equity shareholders' funds	**37,744**	**4,850**	**15,181**
Number of shares in issue	39,575,480	6,082,676	16,590,058
Net asset value per share	**95.4p**	**79.7p**	**91.5p**

At 30 June 2014 there was an inter-share debtor/creditor of £276,000 which has been eliminated on aggregation.

Unaudited Non-Statutory Analysis of the Share Classes

Reconciliations of Movements in Shareholders' Funds

for the six months ended 30 June 2014

Ordinary Shares Fund	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Special distributable reserve £'000	Revenue reserve £'000	Capital reserve £'000	Revaluation reserve £'000	Total £'000
As at 1 January 2014	308	7,660	396	25,071	125	7,496	(9,925)	31,131
Share issues in the period	90	8,965	—	—	—	—	—	9,055
Expenses in relation to share issues	—	(316)	—	—	—	—	—	(316)
Repurchase of shares	(2)	—	2	(223)	—	—	—	(223)
Net realised loss on disposal of investments	—	—	—	—	—	(1,155)	—	(1,155)
Investment transaction costs	—	—	—	10	—	—	—	10
Investment holding gain	—	—	—	—	—	—	2,803	2,803
Dividends	—	—	—	—	—	(3,535)	—	(3,535)
Tax credited to capital	—	—	—	—	—	71	—	71
Management fees charged to capital	—	—	—	(235)	—	—	—	(235)
Revenue return for the period	—	—	—	—	138	—	—	138
As at 30 June 2014	**396**	**16,309**	**398**	**24,623**	**263**	**2,877**	**(7,122)**	**37,744**

Planned Exit Shares Fund	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Special distributable reserve £'000	Revenue reserve £'000	Capital reserve £'000	Revaluation reserve £'000	Total £'000
As at 1 January 2014	61	—	1	5,452	463	(743)	(190)	5,044
Repurchase of shares	—	—	—	(27)	—	—	—	(27)
Investment holding losses	—	—	—	—	—	—	(246)	(246)
Management fees charged to capital	—	—	—	(10)	—	—	—	(10)
Tax credited to capital	—	—	—	—	—	2	—	2
Revenue return for the period	—	—	—	—	87	—	—	87
As at 30 June 2014	**61**	**—**	**1**	**5,415**	**550**	**(741)**	**(436)**	**4,850**

Infrastructure Shares Fund	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Special distributable reserve £'000	Revenue reserve £'000	Capital reserve £'000	Revaluation reserve £'000	Total £'000
As at 1 January 2014	166	—	—	15,101	300	(338)	—	15,229
Repurchase of shares	—	—	—	(52)	—	—	—	(52)
Investment holding losses	—	—	—	—	—	—	(180)	(180)
Investment transaction costs	—	—	—	10	—	—	—	10
Management fees charged to capital	—	—	—	(101)	—	—	—	(101)
Tax credited to capital	—	—	—	—	—	54	—	54
Revenue return for the period	—	—	—	—	221	—	—	221
As at 30 June 2014	**166**	**—**	**—**	**14,958**	**521**	**(284)**	**(180)**	**15,181**

Unaudited Income Statement

for the six months ended 30 June 2014

	Six months ended 30 June 2014 (Unaudited)			Six months ended 30 June 2013 (Unaudited)			Year ended 31 December 2013 (Audited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Realised losses on investments	—	(1,239)	(1,239)	—	(3,587)	(3,587)	—	(816)	(816)
Investment holding gains/(losses)	—	2,461	2,461	—	2,445	2,445	—	(1,178)	(1,178)
Income	885	—	885	624	—	624	1,341	—	1,341
Investment management fees	(115)	(346)	(461)	(119)	(358)	(477)	(234)	(702)	(936)
Other expenses	(197)	—	(197)	(180)	—	(180)	(365)	—	(365)
Return/(loss) on ordinary activities before taxation	573	876	1,449	325	(1,500)	(1,175)	742	(2,696)	(1,954)
Taxation	(127)	127	—	(50)	31	(19)	(113)	113	—
Return/(loss) on ordinary activities after taxation	446	1,003	1,449	275	(1,469)	(1,194)	629	(2,583)	(1,954)
Return per share:									
Ordinary Share	0.4p	4.1p	4.5p	0.3p	(3.1)p	(2.8)p	0.8p	(5.9)p	(5.1)p
Planned Exit Share	1.4p	(4.2)p	(2.8)p	0.5p	(8.6)p	(8.1)p	1.2p	(13.2)p	(12.0)p
Infrastructure Share	1.3p	(1.3)p	0.0p	1.1p	(0.5)p	0.6p	1.9p	(0.8)p	1.1p

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 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.

Unaudited Balance Sheet

at 30 June 2014

Registered Number: 03421340

	As at 30 June 2014 £'000	As at 30 June 2013 £'000	As at 31 December 2013 £'000
Fixed assets			
Investments held at fair value through profit or loss	37,239	45,606	37,125
Current assets			
Debtors	3,819	1,923	2,207
Money market securities and other deposits	7,143	1,163	7,130
Cash	9,755	1,371	5,163
	20,717	4,457	14,500
Creditors			
Amounts falling due within one year	(181)	(111)	(221)
Net current assets	20,536	4,346	14,279
Net assets	57,775	49,952	51,404
Capital and reserves			
Called-up share capital	623	503	535
Share premium account	16,309	4,092	7,660
Capital redemption reserve	399	393	397
Special distributable reserve	44,996	46,645	45,624
Revenue reserve	1,334	534	888
Capital reserve	1,852	4,277	6,415
Revaluation reserve	(7,738)	(6,492)	(10,115)
Equity shareholders' funds	57,775	49,952	51,404
Net asset value per share:			
Ordinary Share	95.4p	103.5p	101.0p
Planned Exit Share	79.7p	91.8p	82.5p
Infrastructure Share	91.5p	95.0p	91.5p

Unaudited Reconciliation of Movements in Shareholders' Funds

for the six months ended 30 June 2014

Company	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Special distributable reserve £'000	Revenue reserve £'000	Capital reserve £'000	Revaluation reserve £'000	Total £'000
As at 1 January 2014	535	7,660	397	45,624	888	6,415	(10,115)	51,404
Share issues in the period	90	8,965	—	—	—	—	—	9,055
Expenses in relation to share issues	—	(316)	—	—	—	—	—	(316)
Repurchase of shares	(2)	—	2	(302)	—	—	—	(302)
Net realised loss on disposal of investments	—	—	—	—	—	(1,155)	—	(1,155)
Investment transaction costs	—	—	—	20	—	—	—	20
Investment holding gain	—	—	—	—	—	—	2,377	2,377
Dividends	—	—	—	—	—	(3,535)	—	(3,535)
Management fees charged to capital	—	—	—	(346)	—	—	—	(346)
Tax credited to capital	—	—	—	—	—	127	—	127
Revenue return for the period	—	—	—	—	446	—	—	446
As at 30 June 2014	623	16,309	399	44,996	1,334	1,852	(7,738)	57,775

Unaudited Cash Flow Statement

for the six months ended 30 June 2014

	Six months ended 30 June 2014 £'000	Six months ended 30 June 2013 £'000	Year ended 31 December 2013 £'000
Cash flow from operating activities			
Investment income received	**589**	371	1,225
Dividends received from investments	**110**	98	169
Deposit and similar interest received	**15**	5	8
Investment management fees paid	**(462)**	(427)	(865)
Secretarial fees paid	**(50)**	(46)	(96)
Other cash payments	**(91)**	(14)	(365)
Net cash inflow/(outflow) from operating activities and returns on investment	**111**	(13)	76
Taxation	**—**	—	—
Returns on investment and servicing of finance			
Purchase of unquoted investments and investments quoted on AiM	**(3,656)**	(10,844)	(12,661)
Net proceeds on sale of investments	**4,633**	8,830	17,478
Net proceeds on deferred consideration	**—**	—	249
Net capital inflow/(outflow) from financial investment	**977**	(2,014)	5,066
Equity dividends paid	**(3,418)**	(1,336)	(2,053)
Management of liquid resources			
Movement in money market funds	**(13)**	2,256	(3,711)
	(2,343)	(1,107)	(622)
Financing			
Proceeds of fund raising	**7,456**	507	4,365
Expenses of fund raising	**(324)**	(3)	(187)
Repurchase of own shares	**(197)**	(335)	(702)
	6,935	169	3,476
(Decrease)/increase in cash	**4,592**	(938)	2,854

Analysis of changes in net debt

	At 1 January 2014 £'000	Cash Flow £'000	**At 30 June 2014 £'000**
Cash and cash equivalents	5,163	4,592	**9,755**

Notes to the Unaudited Half-Yearly Results

for six months ended 30 June 2014

1 The unaudited Half-Yearly results have been prepared on the basis of the accounting policies set out in the statutory accounts of the Company for the year ended 31 December 2013. Unquoted investments have been valued in accordance with IPEVC guidelines. Quoted investments are stated at bid prices in accordance with the IPEVC guidelines and UK Generally Accepted Accounting Practice.

2 These are not statutory accounts in accordance with S436 of the Companies Act 2006 and the financial information for the six months ended 30 June 2014 and 30 June 2013 has been neither audited nor reviewed. Statutory accounts in respect of the period to 31 December 2013 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 2013 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 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.

	Ordinary Shares Fund		Planned Exit Shares Fund		Infrastructure Shares Fund	
	Net assets £'000	Number of Shares in Issue	Net assets £'000	Number of Shares in Issue	Net assets £'000	Number of Shares in Issue
30 June 2014	37,744	39,575,480	4,850	6,082,676	15,181	16,590,058
30 June 2013	28,519	27,556,907	5,614	6,115,511	15,819	16,647,858
31 December 2013	31,131	30,829,144	5,044	6,115,511	15,229	16,647,858

5 Return per share

The weighted average number of shares for the Ordinary Shares, Planned Exit Shares and Infrastructure Shares funds used to calculate the respective returns are shown in the table below.

	Ordinary Shares Fund (Shares)	Planned Exit Shares Fund (Shares)	Infrastructure Shares Fund (Shares)
Six months ended 30 June 2014	35,823,812	6,109,706	16,637,639
Six months ended 30 June 2013	27,491,235	6,134,668	16,647,858
Year ended 31 December 2013	27,776,607	6,125,011	16,647,858

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 2014 £'000	Six months ended 30 June 2013 £'000	Year ended 31 December 2013 £'000
Loan stock interest	**762**	520	1,164
Dividends	**110**	98	169
Overseas based Open Ended Investment Companies ("OEICs")	**13**	5	6
Bank deposits	**—**	1	2
	885	624	1,341

Notes to the Unaudited Half-Yearly Results

for six months ended 30 June 2014

7 Investments at fair value through profit or loss

Company	Quoted £'000	Unquoted £'000	Total £'000
Book cost as at 1 January 2014	—	47,430	47,430
Investment holding losses	—	(10,305)	(10,305)
Valuation at 1 January 2014	—	37,125	37,125
Movements in the period:			
Purchases at cost	—	3,697	3,697
Disposal proceeds	—	(4,660)	(4,660)
Realised losses	—	(550)	(550)
Investment holding gains	—	1,627	1,627
Valuation at 30 June 2014	**—**	**37,239**	**37,239**
Book cost at 30 June 2014	—	45,917	45,917
Investment holding losses	—	(8,678)	(8,678)
Valuation at 30 June 2014	**—**	**37,239**	**37,239**

Ordinary Shares Fund	Quoted £'000	Unquoted £'000	Total £'000
Book cost as at 1 January 2014	—	27,388	27,388
Investment holding losses	—	(10,115)	(10,115)
Valuation at 1 January 2014	—	17,273	17,273
Movements in the period:			
Purchases at cost	—	3,339	3,339
Disposal proceeds	—	(220)	(220)
Realised losses	—	(550)	(550)
Investment holding gains	—	2,053	2,053
Valuation at 30 June 2014	**—**	**21,895**	**21,895**
Book cost at 30 June 2014	—	29,957	29,957
Investment holding losses	—	(8,062)	(8,062)
Valuation at 30 June 2014	**—**	**21,895**	**21,895**

Deferred consideration of £134,000 was also recognised by the Ordinary Shares Fund in the period and is included within investment holding gains.

Realised losses include a transfer of £700,000, relating to a bank overdraft guarantee facility provided by the Ordinary Shares Fund, from investment holding losses. During the period £10,000 was received from the bank overdraft guarantee and is included within realised losses.

Planned Exit Shares Fund	Quoted £'000	Unquoted £'000	Total £'000
Book cost as at 1 January 2014	—	5,189	5,189
Investment holding losses	—	(190)	(190)
Valuation at 1 January 2014	—	4,999	4,999
Movements in the period:			
Purchases at cost	—	1	1
Disposal proceeds	—	(36)	(36)
Investment holding losses	—	(246)	(246)
Valuation at 30 June 2014	**—**	**4,718**	**4,718**
Book cost at 30 June 2014	—	5,154	5,154
Investment holding losses	—	(436)	(436)
Valuation at 30 June 2014	**—**	**4,718**	**4,718**

Infrastructure Shares Fund	Quoted £'000	Unquoted £'000	Total £'000
Book cost as at 1 January 2014	—	14,853	14,853
Investment holding gains	—	—	—
Valuation at 1 January 2014	—	14,853	14,853
Movements in the period:			
Purchases at cost	—	357	357
Disposal proceeds	—	(4,404)	(4,404)
Investment holding losses	—	(180)	(180)
Valuation at 30 June 2014	**—**	**10,626**	**10,626**
Book cost at 30 June 2014	—	10,806	10,806
Investment holding losses	—	(180)	(180)
Valuation at 30 June 2014	**—**	**10,626**	**10,626**

Notes to the Unaudited Half-Yearly Results

for six months ended 30 June 2014

8 Related party transactions

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.

9 Transactions with the Manager

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 £461,000 (30 June 2013: £477,000; 31 December 2013: £936,000) were purchased by the Company from Foresight Group. At 30 June 2014, the amount due to Foresight Group was £24,000.

Foresight Fund Managers Limited, as Secretary of the Company and as a subsidiary of Foresight Group, is also considered to effectively be a transaction with the manager. During the period, services of a total value of £50,000 excluding VAT (30 June 2013: £50,000; 31 December 2013: £100,000) were purchased by the Company from Foresight Fund Managers Limited. At 30 June 2014, the amount due to Foresight Fund Managers Limited included within creditors was £nil.

Shareholder Information

Dividends

Shareholders who wish to have dividends paid directly into their bank account rather than by cheque to their registered address can complete a Mandate Form for this purpose. Mandates can be obtained by telephoning the Company's registrar, Computershare Investor Services plc (see back cover for details).

Share price

The Company's Ordinary Shares, Planned Exit Shares and Infrastructure 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. Due to the fact that Planned Exit and Infrastructure Shares are bought back at net asset value less costs, and in order to keep costs down, it has been decided not to list the Planned Exit and Infrastructure Shares in the Financial Times.

Investor centre

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

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

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

Trading shares

The Company's Ordinary, Planned Exit and Infrastructure 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 VCT plc is Panmure Gordon & Co.

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

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

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

Indicative financial calendar

April 2015	Announcement of preliminary results for the year ending 31 December 2014.
April 2015	Posting of the annual report for the year ending 31 December 2014.
May 2015	Annual General Meeting.
August 2015	Announcement of Half-Yearly Results for the six months ending 30 June 2015.

Open invitation to meet the Investment Manager

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

Enquiries

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

Telephone: 020 3667 8100

Fax: 020 3031 1383

e-mail: info@foresightgroup.eu

website: www.foresightgroup.eu

Foresight VCT plc is managed by Foresight Group CI Limited which is authorised and regulated by the Guernsey Financial Services Commission. Past performance is not necessarily a guide to future performance. Stock markets and currency movements may cause the value of the 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.

Corporate Information

Directors

John Gregory (Chairman)

Peter Dicks

Gordon Humphries

Company Secretary

Foresight Fund Managers Limited
The Shard
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E14 5GL

Solicitors and VCT Status Advisers

SGH Martineau LLP

No. 1 Colmore Square

Birmingham

B4 6AA

Registrar

Computershare Investor Services PLC

The Pavilions

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BS99 6ZZ

Registered Number

03421340

Contact Numbers

Registrar's Shareholder Helpline
— Computershare (0870 703 6385)

General and Portfolio Queries
— Foresight Group (020 3667 8100)

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