



Unaudited Half-Yearly Financial Report
for the six month period ended 30 June 2011

Foresight VCT



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. It is the intention to maximise tax-free income available to investors from a combination of dividends and interest received on investments and the distribution of capital gains arising from trade sales or flotations.

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 issued through a combination of tax-free income, buybacks and tender offers before the sixth anniversary of the closing date of the Offer.

VCT Tax Benefit for Shareholders beyond 6 April 2006

To obtain VCT tax reliefs on subscriptions up to £200,000 per annum, a VCT investor must be a 'qualifying' individual over the age of 18 with UK taxable income. The tax reliefs for subscriptions from 6 April 2006 are:

- Income tax relief of 30% on subscription into new shares, which is retained by shareholders if the shares are held for more than five years.
- VCT dividends (including capital distributions of realised gains on investments) are not subject to income tax.
- Capital gains on disposal of VCT shares are tax free, whenever the disposal occurs.

Website: www.foresightgroup.eu

Summary

- Net asset value per Ordinary Share as at 30 June 2011 was 108.8p compared to 100.1p (rebased) as at 31 December 2010.
- Net asset value per Planned Exit Share as at 30 June 2011 was 93.7p compared to 95.5p as at 31 December 2010.
- Final dividends of 5.0p per Ordinary Share and 3.0p per Planned Exit Share were paid on 17 June 2011.
- Acquisition of Keydata Income VCT 1 plc and Keydata Income VCT 2 plc.
- Six follow-on investments were made from the Ordinary Shares fund totalling £835,995: smartFOCUS (£371,319), @Futsal (£170,988), Closed Loop Recycling (£150,000), Silvigen (£83,336), Land Energy (£47,367) and SkillsMarket (£12,985).
- Three realisations were made and three loan repayments were received totalling £6,859,275 in the Ordinary Shares fund: smartFOCUS (£3,857,282), Actimax (£1,953,215), Ffastfill (£736,278), Camwood (£166,667), AppDNA (£83,333) and Trilogy Communications (£62,500).
- One realisation was made from the Planned Exit Shares fund: Foresight Luxembourg Solar 2 (£1,000,000).

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Chairman's Statement

I Performance and Dividends

I am pleased to be able to report sound progress in the development of our investment portfolios.

The Company has two classes of shares (Ordinary Shares and Planned Exit Shares) and each class of share has its own portfolio of investments, the performances of which are more fully described in the Investment Manager's Report. In summary, during the period ended 30 June 2011, the net asset value of the Ordinary Share portfolio increased by 14.4%, after taking account of the 5.0p dividend paid on 17 June 2011, to 108.8p per share. The majority of the increase was generated by valuation increases in Autologic Diagnostics, Trilogy Communications, AppDNA and Alaric Systems. Further information on these companies can be found in the Investment Manager's Report. The net asset value of the Planned Exit Share portfolio increased by 1.3%, after taking account of the 3.0p dividend paid on 17 June 2011, to 93.7p per share.

Notwithstanding these positive signs, stock market sentiment as evidenced recently is fragile, significant macroeconomic uncertainties remain, and trading and credit conditions continue to be difficult in many sectors of the economy. Against this background Foresight Group continues to believe it important to adopt a cautious approach to managing the portfolio.

The Company's policy is whenever possible to maintain a steady flow of tax-free dividends, generated from income or from capital profits realised on the sale of investments. Notwithstanding our awareness of future uncertainty, encouraged by the flow of recent investment gains and income generated from loan stock, the Board paid a final dividend of 5.0p per new Ordinary Share for the year ended 31 December 2010 on 17 June 2011 and a final dividend of 3.0p per Planned Exit Share for the year ended 31 December 2010 on the same day.

I Valuation Policy

Investments held by the Company have been valued in accordance with the International Private Equity and Venture Capital (IPEVC) valuation guidelines (September 2009) developed by the British Venture Capital Association and other organisations. Through these guidelines investments are valued, as defined, at 'fair value'. Ordinarily, unquoted investments will be valued at cost for a limited period following the date of acquisition, being the most suitable approximation of fair value unless there is an impairment or significant accretion in value during the period. Quoted investments and investments traded on AIM and PLUS (formerly OFEX) are valued at the bid price as at 30 June 2011. The portfolio valuations are prepared by Foresight Group and are subject to approval by the Board.

I Acquisition of Keydata Income VCT 1 plc and Keydata Income VCT 2 plc ('Keydata')

Following shareholder approval, the assets of Keydata (approximately £3.6 million) were acquired by the Company on 28 February 2011. A total of 6,463,504 Ordinary Shares (at a net asset value of 55.44p per Ordinary Share – prior to the Ordinary Share reconstruction) in Foresight VCT plc were issued as consideration to the shareholders of Keydata. Following the completion of the merger there were 54,004,889 Ordinary Shares in issue. Dependent upon the commercial success of its gasification project in Derby (now known as Clarke Power Services Limited), for which the Keydata assets were acquired, additional consideration may be payable to Keydata shareholders up to a maximum amount of £2.8 million on or shortly after 30 September 2013.

Clarke Power Services' project in Derby (3.0 MW of waste wood gasification) is progressing well with construction of the plant now largely complete. Testing and commissioning will be carried out over the next few months with first electricity output targeted for mid November 2011.

I Ordinary Shares Reconstruction

Also with shareholder approval, on 1 March 2011 the Ordinary Shares underwent a reconstruction such that the underlying net asset value (NAV) of each Ordinary Share was rebased to 100.0p. The reconstruction resulted in Ordinary Shareholders' holdings being adjusted by a ratio of 0.554417986 per Ordinary Share held at the close of business on 1 March 2011 and in 29,941,281 new Ordinary Shares being issued. The reconstruction of the Ordinary Share capital of Foresight VCT plc has not impacted the value of Shareholders' holdings.

I Enhanced Buy-Back

I am pleased to report that the Company's enhanced buyback scheme proved to be popular with shareholders with 6,034,893 Ordinary Shares being tendered for the enhanced buyback at 100.0p per share, with the effect of releasing a further £1.8 million of income tax relief for shareholders.

As part of the transaction, 5,913,777 new Ordinary Shares were issued at 102.0p per share.

I Other Share Issues and Share Buy-Backs

The Company announced alongside the enhanced buyback a small top-up offer of Ordinary Shares. The offer was open during March and April 2011 and 234,918 Ordinary Shares were issued at 100.0p per share.

On 20 June 2011 61,188 Ordinary Shares of 1.0 pence each in the Company were allotted under the Company's Dividend Reinvestment Scheme at 95.85p per share.

All of these share issues were under the new VCT provisions which commenced on 6 April 2006, namely: 30% upfront income tax relief which can be retained by qualifying investors if the shares are held for the minimum five year holding period.

As part of the Company's active buy-back programme, during the period, 1,422,000 Ordinary Shares were purchased for cancellation at a cost of £1,248,000, representing an average discount of approximately 12% to net asset value.

I Directorate change

Following 14 years' service as a Director of Foresight VCT plc, Antony Diment retired from the Board on 26 May 2011.

I would like to thank Tony for all of his hard work in his role as a Director and Chairman of the Audit Committee since the Company's launch in 1997.

I Outlook

Following two years of economic fragility we are witnessing potential acquirers slowly returning to the market and this has been reflected in the increase in portfolio activity in terms of realisations over the last six months. Additionally, Foresight Group is seeing its deal flow of new investment opportunities increasing but we remain cautious about the economic outlook and the Manager will aim to invest only in new opportunities which are considered sufficiently robust and attractive. The Board and Investment Manager are hopeful that the positive current performance of the portfolio will translate into realisations that will, over the medium term, be reflected in further positive net asset value performance and continued distributions to shareholders.

John Gregory

Chairman

Telephone: 01296 682 751

email: j.greg@btconnect.com

31 August 2011

Investment Manager's Report

As referred to in the Chairman's statement, the recent performance of a number of companies in the portfolio gives cause for optimism. However, equities and markets are displaying extreme volatility with the fundamentals remaining highly challenging and indicators broadly inconsistent. We continue to believe that consensus expectations do not fully reflect a scenario of slow growth for 2011 and that inflation could undermine prospects over coming months. Against this background, we are only looking at opportunities which are considered robust and attractive in valuation terms.

I Portfolio Review

The performance of a number of portfolio companies continued to improve, reflecting growing demand and strong sales pipelines, most notably Autologic Diagnostics, Trilogy Communications, AppDNA and Alaric Systems.

Autologic Diagnostics (formerly Diagnos Holdings) develops and sells sophisticated automotive diagnostic software and hardware to independent mechanics and garages to allow them to service and repair vehicles. In the year ended 31 December 2010, it generated an operating profit of £2.7 million on sales of £9.3 million. The company is continuing to grow sales and profits in its current financial year.

Closed Loop Recycling continues to make solid operational, commercial and revenue progress with production rates at record levels and significantly improved plant reliability and consistency. An investment of £150,000 was made from the Ordinary Shares fund in the period to further upgrade its conveyor system. Product quality remains high and there is strong demand for all the recycled material it produces. The company continues to be affected by raw material quality which restricts throughput and yield, but is making progress in addressing this problem. It is also planning significant investment at the Dagenham site to increase capacity to meet the substantial demand for the cleaned and sorted output, which should be possible without adding significantly to its fixed overhead costs. Closed Loop Recycling is currently profitable and generating revenues in excess of £1.3 million per month.

Trilogy Communications is making strong progress, particularly in the defence sector where it announced a number of contract wins through partners such as Northrop Grumman and Raytheon. During 2010, Trilogy Communications was awarded the Queen's Award for Enterprise for International Trade and was also selected by UK Trade and Investment as an Exporter of the Year. The company is now growing strongly and repaid loans to the Ordinary Shares fund of £62,500 in March 2011. The outlook for the current year is positive, and the first few months of financial year 2011/12 have shown record trading results. For the year to February 2011, the company's audited accounts showed strong sales growth, with sales of £8.6 million and earnings before interest, tax, depreciation and amortisation of £1.2 million.

App-DNA has continued to achieve strong growth over the past six months. The company has set up subsidiaries in France and Australia in addition to its existing US operation, and is selling its market leading AppTitude software globally to large enterprises. The company recently won the award for "Best Desktop Transformation" at the Citrix Synergy event in San Francisco for the second year in a row. The company was also named by Everything Channel in their CRN Virtualization top 100 List.

Infrared Integrated Systems is seeing growth for its full range of solutions and services in North America, Europe and Asia. The company continues to develop innovative hardware and software solutions for people counting, queue monitoring and thermal imaging, and is exploring other markets for its products. The outlook for the current year is positive and the company is trading at record levels.

Alaric continues to perform well, enjoying strong demand Worldwide for its payment system software, principally credit card authorisation ("Authentic") and card fraud detection ("Fractals") software. Contracts have been won recently in the US, Mexico, Canada, Australia and New Zealand while a number of other promising contracts are in prospect, including in the Far East. Capacity to satisfy these orders is being met through continuing expansion of the office in Kuala Lumpur. Audited accounts for the year to 31 March 2011 showed significant growth in PBIT to £540k (NPBT of £419k) on £5.54 million sales, well ahead of budget. The budget for the current year to March 2012 shows substantial growth in sales and profitability.

@Futsal is one of the fastest growing indoor sports in the world with 30 million people currently playing this type of indoor football internationally. @Futsal's Swindon and Cardiff facilities are now fully operational and the third site in Birmingham has recently opened at which point a further £170,988 was provided from the Ordinary Shares fund to fund this expansion. Sales growth, however, is behind original expectations and progress towards profitability has been impacted as a result.

Silvigen received further funding of £83,336 to finance additional capital expenditure for its wood pellet plant which will enable increased production as well as provide additional working capital as the company builds its sales pipeline in the animal bedding and energy markets.

Land Energy has made good progress over the last six months, achieving positive EBITDA at a plant level for the period of January to March 2011. Demand continues to exceed supply at its Bridgend (Wales) wood pelleting plant – the further funding of £47,367 invested into Land Energy has financed capital expenditure and working capital at Bridgend to increase production as well as group working capital prior to the proposed merger with Silvigen. These two businesses both now operate in the same markets. It is expected that the merger will provide the enlarged group with a strong geographical footprint in the UK with access to a substantial volume of sales and waste wood feedstock suppliers.

With signs of increasing sales of Recruiter Account in late 2010, the Company invested a further £12,985 in SkillsMarket during the period to fund the operational costs associated with its turnaround strategy. Sales slowed appreciably however and were well behind budget during early 2011. As substantial further investment was required, the company's Board decided to accelerate a sales process. Despite considerable initial interest from a number of prospective purchasers, no offers were ultimately received and in consequence administrators were appointed on 18 May 2011.

Investment Manager's Report continued

I Investment Activity

Ordinary Shares Fund – Purchases

Six follow-on investments were made from the Ordinary Shares fund totalling £835,995. These were smartFOCUS (£371,319), @Futsal (£170,988), Closed Loop Recycling (£150,000), Silvigen (£83,336), Land Energy (£47,367) and SkillsMarket (£12,985).

Ordinary Shares Fund – Realisations

There were three realisations and three loan repayments totalling £6,859,275 in the period.

Foresight VCT's holding in smartFOCUS was sold to Francisco Partners for proceeds of £3,857,281 against an original cost of £1,076,539 generating a return of 3.6 times of original cost.

Actimax was sold to Synova Capital in April 2011 for total proceeds of £4.4 million. Foresight VCT's element of this was £1,953,215, a return of 3.6 times original cost of £546,668. A further payment of £166,048 was received during August 2011.

We took the opportunity to realise our entire holding in Ffastfill in the first six months of the year when the shares displayed underlying strength and we were able to exit at a price that represented a five year high for the business. This generated proceeds of £736,278.

Loan repayments were received from Camwood (£166,667), AppDNA (£83,333) and Trilogy Communications (£62,500) during the period.

Planned Exit Shares Fund – Realisations

One realisation was made from the Planned Exit Shares fund during the period. Foresight Luxembourg Solar 2 was sold to Foresight Solar VCT plc for original cost of £1,000,000, reflecting an independent third-party valuation.

I Outlook

The recovery in the underlying trading of many portfolio companies has benefited, to varying degrees, from the positive export conditions created by a weaker currency and reflects better than expected growth in portfolio companies' target markets. We remain reasonably optimistic about the current prospects and outlook for many portfolio companies, which continue to display strong order books and revenue and profit growth. This is tempered by continued challenging fundamentals and uncertainties that could lead to a prolonged period of low growth.

Foresight is actively pursuing a number of portfolio realisations across several market sectors to generate value and distributions for shareholders but M&A activity at the smaller company level is still limited. As the M&A market develops more momentum, we are confident that several portfolio companies across each of the Company's share classes could be attractive acquisition candidates.

David Hughes

Chief Investment Officer, Foresight Group

Investment Summary

ORDINARY SHARES FUND

Investment	30 June 2011			31 December 2010	
	Amount Invested £	Valuation £	Valuation Methodology	Amount Invested £	Valuation £
AppDNA Limited	173,712	4,554,321 *	Discounted revenue multiple	257,045	2,014,517
Clarke Power Services Limited	12,453,150	3,960,984 *	Asset basis	—	—
Autologic Diagnostics Holdings Limited (formerly Diagnos Holdings Limited)	750,000	3,068,256 *	Discounted earnings multiple	750,000	2,362,596
Aquasium Technology Limited	1,930,000	2,573,127 *	Discounted earnings multiple	1,930,000	2,089,808
Alaric Systems Limited	1,473,372	2,033,016 *	Discounted revenue multiple	1,473,372	2,033,016
Trilogy Communications Limited	825,000	1,855,989 *	Discounted earnings multiple	887,500	1,999,486
DCG Group Limited	249,970	1,662,165 *	Discounted revenue multiple	249,970	1,502,429
Closed Loop Recycling Limited	1,556,250	1,506,250 *	Price of recent funding round	1,406,250	1,356,250
Camwood Limited	90,379	1,018,548 *	Discounted earnings multiple	257,045	1,703,755
Infrared Integrated Systems Limited	250,005	626,367 *	Discounted earnings multiple	250,005	478,789
ANT plc (AIM listed)	1,225,600	456,917	Bid price	1,225,600	496,649
Silvigen Limited	617,341	439,288	Price of recent funding round less impairment	534,005	439,288
i-plas Group Limited	480,362	413,695	Price of recent funding round less impairment	480,362	413,695
iCore Limited	750,000	375,000	Cost less impairment	750,000	375,000
Corero Network Security plc (formerly Corero plc) (AIM listed)	1,635,616	324,910	Bid price	1,635,616	320,874
alwaysON Group Limited	405,306	303,980	Cost less impairment	405,306	303,980
Land Energy Limited	288,882	288,882	Cost	241,515	241,515
@Futsal Limited	270,988	270,988	Price of recent funding round	100,000	100,000
Rivington Street Holdings plc	284,441	239,264	Cost less impairment	284,441	284,441
Clarity Commerce Solutions plc (AIM listed)	674,900	201,400	Bid price	674,900	368,350
Aigis Blast Protection Limited	860,325	173,194	Discounted revenue multiple	860,325	182,933
Sarantel Group plc (AIM listed)	3,690,167	95,296	Bid price	3,690,167	419,036
Oxonica plc	2,804,473	77,344	Assets basis	2,804,473	154,687
DSM GeoData Limited	700,000	—	Nil value	700,000	—
Nanotecture Group plc	1,000,000	—	Nil value	1,000,000	—
SkillsMarket Limited	1,827,316	—	Nil value	1,814,331	244,472
Actimax plc	—	—	Sold	546,668	2,059,200
FastFill plc (AIM listed)	—	—	Sold	877,199	593,663
smartFOCUS Group plc (AIM listed)	—	—	Sold	705,220	2,019,723
	37,267,555	26,519,181		26,791,315	24,558,152

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

PLANNED EXIT SHARES FUND

Investment	30 June 2011			31 December 2010	
	Amount Invested £	Valuation £	Valuation Methodology	Amount Invested £	Valuation £
DCG Group Limited	750,000	810,245 *	Discounted revenue multiple	750,000	797,247
Closed Loop Recycling Limited	566,667	566,667 *	Cost	566,667	566,667
Channel Safety Systems Group Limited	565,000	565,000 *	Cost	565,000	565,000
i-plas Group Limited	524,030	484,127 *	Price of recent funding round less impairment	524,030	484,127
Clarke Power Services Limited	374,952	374,952 *	Cost	374,952	374,952
Foresight Luxembourg Solar 2 S.à.r.l.	—	—	Sold	1,000,000	957,660
	2,780,649	2,800,991		3,780,649	3,745,653

* All investments shown on page 7.

Investment Summary — Ordinary Shares Portfolio

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

AppDNA Limited

has developed software called *Apptitude*, which enables enterprises to automate the evaluation of the compatibility of their software estate for changes of operating system or for virtualisation. The company has offices in London, Chicago and Paris and has a blue chip customer base including BAE, Barclays, BT, Diageo and ExxonMobil. The company is currently performing strongly as companies increasingly consider migration to Windows 7 and virtualisation.



Clarke Power Services Limited

is carrying out its first project in Derby. This project is targeting 3.0MW of electricity generation from waste wood sourced from local suppliers. The project is being built in three phases with phase 1 currently under construction and expected to generate 0.5MW in October/November 2011, with the remaining two phases expected to be commissioned over the 12 month period post successful commissioning of phase 1. This project is being developed in conjunction with O-Gen UK Limited. A restructuring of Boyle Electrical Generation Limited, Burley Energy Limited, Clarke Power Services Limited, Cooke Generation Limited, Nevin Energy Resources and Spencer Energy Resources Limited was carried out in June 2011, reducing the companies down to Clarke Power Services only. This restructuring involved the transfer and hive up of all assets and liabilities into Clarke Power Services.



Autologic Diagnostics Holdings Limited (formerly Diagnos Holdings Limited)

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



Aquasium Technology Limited

is principally engaged in the design, manufacture, sales and servicing of electron beam welding and vacuum furnace equipment. The group also provides component manufacturing and processing services utilising electron beam welding, laser machining, heat treating, abrasive water jet cutting, conventional welding and machining.



Alaric Systems Limited

develops payment system software, principally credit card authorisation ("Authentic") and card fraud detection ("Fractals") software, which is sold to major financial institutions, card processors and, increasingly, major retailers worldwide. Alaric is enjoying strong growth and is continuing to win major new contracts. Contracts have been won recently in the USA, Mexico, Canada, Australia and New Zealand while a number of other promising contracts are in prospect, including in the Far East. Capacity to satisfy these orders is being met through continuing expansion of the office in Kuala Lumpur. Audited accounts for the year to 31 March 2011 showed significant growth in PBIT to £540k (NPBT of £419k) on £5.54 million sales, well ahead of budget, with cash at that date of £901k. The budget for the current year to March 2012 shows substantial growth in sales and profitability.



Investment Summary — **Ordinary Shares Portfolio** continued**Trilogy Communications Limited**

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

**DCG Group Limited**

is a provider of data storage and back-up solutions to corporates either remotely as a managed service or at customers' premises. The demand for Datapoint'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.

**Closed Loop Recycling Limited**

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

**Camwood Limited**

is the UK's leading application migration and change specialist. The company provides software, consultancy and implementation services to support Microsoft Windows application migration, for operating strategic upgrades and virtualisation as well as providing ongoing application management. Camwood provides strategic consulting programme management and project execution services.

**Infrared Integrated Systems Limited**

manufactures infra-red arrays and sells cameras and thermal imagers incorporating these arrays. The company's products are focused on three markets: queue management, people counting and thermal imaging. The queue management product, which combines the infra-red arrays with a software package, is targeted at major retail chains. The system improves the customer experience, reducing queue lengths, as well as enabling the supermarket to optimise staff deployment. The people counting products enable accurate measurement of flows of people, and are sold through a network of partners into a number of industries, including retail, leisure, transport and hospitality. The thermal imaging products, sold through a network of distributors, are used primarily for preventative maintenance. The company has made good progress in the US market.



Investment Summary — Planned Exit Shares Portfolio

All investments at 30 June 2011 are detailed below:

DCG Group Limited

is a provider of data storage and back-up solutions to corporates either remotely as a managed service or at customers' premises. The demand for Datapoint'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.



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Channel Safety Systems Group Limited

specialises in the design, distribution, installation and service of fire detection systems, emergency lighting, Disability Discrimination Act ("DDA") products and nurse call systems. 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.



i-plas Group Limited

is a well-established manufacturer of consumer and industrial products from recycled and waste plastics. It is well positioned in a growing market for recycled and sustainable goods that offer economic and environmental advantages. Based in Halifax, it plans to roll out multiple operations throughout the UK. Foresight funds have invested/committed £7.9 million to date, including £2.7 million in the last three months of 2010, which will significantly increase the company's capacity. This will enable it to meet the rapidly increasing demand for its industrial products in particular.



Clarke Power Services Limited

is carrying out its first project in Derby. This project is targeting 3.0MW of electricity generation from waste wood sourced from local suppliers. The project is being built in three phases with phase 1 currently under construction and expected to generate 0.5MW in October/November 2011, with the remaining two phases expected to be commissioned over the 12 month period post successful commissioning of phase 1. This project is being developed in conjunction with O-Gen UK Limited. A restructuring of Boyle Electrical Generation Limited, Burley Energy Limited, Clarke Power Services Limited, Cooke Generation Limited, Nevin Energy Resources and Spencer Energy Resources Limited was carried out in June 2011, reducing the companies down to Clarke Power Services only. This restructuring involved the transfer and hive up of all assets and liabilities into Clarke Power Services.



Unaudited Half-Yearly Results and Responsibility Statements

I 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 2010. A detailed explanation can be found on page 16 of the Annual Report and Accounts which is available on www.foresightgroup.eu or by writing to Foresight Group at ECA Court, South Park, Sevenoaks, Kent, TN13 1DU.

In the view of the Board, there have been no changes to the fundamental nature of these risks, except for currency risk, 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.

I 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).

I Going Concern

The Company's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Business Review in the 31 December 2010 annual report. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are described in the Chairman's Statement, Business Review and Notes to the Accounts of the 31 December 2010 annual report. In addition, the annual report includes the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

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

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

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

On behalf of the Board

John Gregory

Chairman

31 August 2011

Unaudited Non-Statutory Analysis between Ordinary Shares and Planned Exit Shares Funds

Income Statements

for the six months ended 30 June 2011

	Ordinary Shares Fund			Planned Exit Shares Fund		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Realised gains on investments	—	4,145	4,145	—	—	—
Investment holding (losses)/gains	—	(23)	(23)	—	55	55
Unrealised loss on the value of derivatives	—	—	—	—	(35)	(35)
Income	183	—	183	113	—	113
Investment management fees	(68)	(204)	(272)	(7)	(22)	(29)
Other expenses	(208)	—	(208)	(31)	—	(31)
(Loss)/return on ordinary activities before taxation	(93)	3,918	3,825	75	(2)	73
Taxation	3	—	3	(7)	4	(3)
(Loss)/return on ordinary activities after taxation	(90)	3,918	3,828	68	2	70
Return/(loss) per share	(0.3)p	11.0p	10.7p	1.1p	0.0p	1.1p

Balance Sheets

at 30 June 2011

	Ordinary Shares Fund £'000	Planned Exit Shares Fund £'000
Non-current assets		
Investments held at fair value through profit or loss	26,519	2,801
Current assets		
Debtors	1,028	306
Derivative financial instruments	—	12
Money market securities and other deposits	103	1,701
Cash	3,694	968
	4,825	2,987
Creditors		
Amounts falling due within one year	(126)	(1)
Net current assets	4,699	2,986
Net assets	31,218	5,787
Capital and reserves		
Called-up share capital	287	62
Share premium account	21,552	5,784
Special distributable reserve	10,583	(54)
Capital redemption reserve	344	—
Revenue reserve	(262)	160
Capital reserve	1,031	(175)
Revaluation reserve	(2,317)	10
Equity shareholders' funds	31,218	5,787
Number of shares in issue	28,694,271	6,179,833
Net asset value per share	108.8p	93.7p

Unaudited Non-Statutory Analysis between Ordinary Shares and Planned Exit Shares Funds continued

Reconciliation of Movements in Shareholders' Funds

for the six months ended 30 June 2011

Ordinary Shares

	Called-up share capital £'000	Share premium account £'000	Special distributable reserve £'000	Capital redemption reserve £'000	Revenue reserve £'000	Capital reserve £'000	Revaluation reserve £'000	Total £'000
As at 1 January 2011	475	11,893	18,070	29	(172)	(1,611)	(2,294)	26,390
Share reconstruction	(241)	—	—	241	—	—	—	—
Share issues in the period	127	9,785	—	—	—	—	—	9,912
Expenses in relation to share issues	—	(126)	—	—	—	—	—	(126)
Repurchase of shares	(74)	—	(7,283)	74	—	—	—	(7,283)
Net realised gain on disposal of investments	—	—	—	—	—	4,145	—	4,145
Investment holding losses	—	—	—	—	—	—	(23)	(23)
Dividends	—	—	—	—	—	(1,503)	—	(1,503)
Management fees charged to capital	—	—	(204)	—	—	—	—	(204)
Revenue loss for the period	—	—	—	—	(90)	—	—	(90)
As at 30 June 2011	287	21,552	10,583	344	(262)	1,031	(2,317)	31,218

Planned Exit Shares

	Called-up share capital £'000	Share premium account £'000	Special distributable reserve £'000	Capital redemption reserve £'000	Revenue reserve £'000	Capital reserve £'000	Revaluation reserve £'000	Total £'000
As at 1 January 2011	62	5,784	(32)	—	92	6	(10)	5,902
Investment holding gains	—	—	—	—	—	—	55	55
Unrealised loss on the value of derivatives	—	—	—	—	—	—	(35)	(35)
Dividends	—	—	—	—	—	(185)	—	(185)
Management fees charged to capital	—	—	(22)	—	—	—	—	(22)
Tax credited to capital	—	—	—	—	—	4	—	4
Revenue return for the period	—	—	—	—	68	—	—	68
As at 30 June 2011	62	5,784	(54)	—	160	(175)	10	5,787

Unaudited Income Statement

for the six months ended 30 June 2011

	Six months ended 30 June 2011 (unaudited)		Six months ended 30 June 2010 (unaudited)		Year ended 31 December 2010 (audited)	
	Revenue £'000	Capital £'000	Revenue £'000	Capital £'000	Revenue £'000	Capital £'000
Realised gains/(losses) on investments	—	4,145	—	(1,293)	—	(1,112)
Investment holding gains	—	32	—	4,950	—	8,748
Unrealised (loss)/gain on the value of derivatives	—	(35)	—	—	—	25
Income	296	—	303	—	665	—
Investment management fees	(75)	(226)	(50)	(149)	(113)	(339)
Other expenses	(239)	—	(200)	—	(355)	—
(Loss)/return on ordinary activities before taxation	(18)	3,916	53	3,508	197	7,322
Taxation	(4)	4	—	—	—	—
(Loss)/return on ordinary activities after taxation	(22)	3,920	53	3,508	197	7,322
Return/(loss) per share:						
Ordinary Share (restated)	(0.3)p	11.0p	0.1p	13.2p	0.4p	27.7p
Planned Exit Share	1.1p	0.0p	0.7p	(0.1)p	1.7p	(0.7)p
						1.0p
						28.1p
						7.519
						7.519

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 other than the acquisitions of Keydata Income VCT 1 plc and Keydata Income VCT 2 plc. No operations were discontinued in the year.

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

Unaudited Balance Sheet

at 30 June 2011

Registered Number: 03421340

	As at 30 June 2011 (unaudited) £'000	As at 30 June 2010 (unaudited) £'000	As at 31 December 2010 (audited) £'000
Non-current assets			
Investments held at fair value through profit or loss	29,320	22,663	28,304
Current assets			
Debtors	1,238	2,075	1,383
Derivative financial instruments	12	85	47
Money market securities and other deposits	1,804	3,622	1,998
Cash	4,662	211	670
	7,716	5,993	4,098
Creditors:			
Amounts falling due within one year	(31)	(198)	(110)
Net current assets	7,685	5,795	3,988
Net assets	37,005	28,458	32,292
Capital and reserves			
Called-up share capital	349	539	537
Share premium account	27,336	17,715	17,677
Special distributable reserve	10,529	18,314	18,038
Capital redemption reserve	344	27	29
Revenue reserve	(102)	(224)	(80)
Capital reserve	856	(1,786)	(1,605)
Revaluation reserve	(2,307)	(6,127)	(2,304)
Equity shareholders' funds	37,005	28,458	32,292
Net asset value per share:			
Ordinary Share	108.8p	85.3p*	100.1p*
Planned Exit Shares	93.7p	95.0p	95.5p

* Rebased due to Ordinary Shares reconstruction on 1 March 2011 using conversion ratio of 0.554417986.

Unaudited Reconciliation of Movements in Shareholders' Funds

for the six months ended 30 June 2011

Company

	Called-up share capital £'000	Share premium account £'000	Special distributable reserve £'000	Capital redemption reserve £'000	Revenue reserve £'000	Capital reserve £'000	Revaluation Reserve £'000	Total £'000
As at 1 January 2011	537	17,677	18,038	29	(80)	(1,605)	(2,304)	32,292
Share reconstruction	(241)	—	—	241	—	—	—	—
Share issues in the period	127	9,785	—	—	—	—	—	9,912
Expenses in relation to share issues	—	(126)	—	—	—	—	—	(126)
Repurchase of shares	(74)	—	(7,283)	74	—	—	—	(7,283)
Net realised gain on disposal of investments	—	—	—	—	—	4,145	—	4,145
Investment holding gains	—	—	—	—	—	—	32	32
Unrealised loss on the value of derivatives	—	—	—	—	—	—	(35)	(35)
Dividends	—	—	—	—	—	(1,688)	—	(1,688)
Management fees charged to capital	—	—	(226)	—	—	—	—	(226)
Tax credited to capital	—	—	—	—	—	4	—	4
Revenue loss for the period	—	—	—	—	(22)	—	—	(22)
As at 30 June 2011	349	27,336	10,529	344	(102)	856	(2,307)	37,005

Unaudited Summary Cash Flow Statement

for the six months ended 30 June 2011

	Six months ended 30 June 2011 (unaudited) £'000	Six months ended 30 June 2010 (unaudited) £'000	Year ended 31 December 2010 (audited) £'000
Cash flow from operating activities			
Investment income received	261	102	374
Deposit and similar interest received	7	2	12
Investment management fees paid	(293)	(98)	(480)
Secretarial fees paid	(41)	(59)	(118)
Other cash payments	(540)	(152)	(334)
Net cash outflow from operating activities and returns on investment	(606)	(205)	(546)
Taxation	—	—	—
Returns on investment and servicing of finance			
Purchase of investments	(837)	(2,035)	(4,350)
Net proceeds on sale of investments	7,875	20	775
Net proceeds from deferred consideration	—	19	20
Net capital inflow/(outflow) from financial investment	7,038	(1,996)	(3,555)
Equity dividends (paid)/received	(1,629)	11	11
Management of liquid resources			
Subscription to money market	—	(3,201)	(3,200)
Redemption from money market	194	149	1,772
	194	(3,052)	(1,428)
Financing			
Proceeds of fund raising	235	5,633	6,520
Acquisition issue shares	8	—	—
Expenses of fund raising	—	(273)	(339)
Repurchase of own shares	(1,248)	(140)	(226)
	(1,005)	5,220	5,955
Increase/(decrease) in cash	3,992	(22)	437

Notes to the Unaudited Half-Yearly Results

for the six months ended 30 June 2011

- 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 2010. 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 2011 and 30 June 2010 has been neither audited nor reviewed. Statutory accounts in respect of the period to 31 December 2010 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 2010 have been reported on by the Company's auditors or delivered to the Registrar of Companies.
- 3** Copies of the Interim Report will be sent to shareholders and will be available for inspection at the Registered Office of the Company at ECA Court, South Park, Sevenoaks, Kent, TN13 1DU.
- 4** **Acquisition of Keydata Income VCT 1 plc and Keydata Income VCT 2 plc ('Keydata')**
Following shareholder approval, the assets of Keydata (approximately £3.6 million) were acquired by the Company on 28 February 2011. A total of 6,463,504 Ordinary Shares (at an NAV of 55.44p per Ordinary Share – prior to the Ordinary Share reconstruction) in Foresight VCT plc were issued as consideration to the shareholders of Keydata. Following the completion of the merger there were 54,004,889 Ordinary Shares in issue. Dependent upon the commercial success of its gasification project in Derby, for which the Keydata assets were acquired, additional consideration may be payable to Keydata shareholders up to a maximum amount of £2.8 million on or shortly after 30 September 2013.
- 5** **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	
	Net	Number	Net	Number
	Assets	of Shares	Assets	of Shares
	£'000	in Issue	£'000	in Issue
30 June 2011	31,218	28,694,271	5,787	6,179,833
30 June 2010	22,585	47,741,385*	5,873	6,179,833
31 December 2010	26,390	47,541,385*	5,902	6,179,833

* The net asset values per share on page 12 have been rebased due to the Ordinary Shares reconstruction.

- 6** **Return per share**
The weighted average number of shares for the Ordinary Shares and Planned Exit Share funds used to calculate the respective returns are shown in the table below.

	Ordinary Shares Fund	Planned Exit Shares Fund
Six months ended 30 June 2011	35,674,443	6,179,833
Six months ended 30 June 2010	26,611,808*	4,213,657
Year ended 31 December 2010	26,528,417*	5,407,639

* The weighted average number of shares has been adjusted to take account of the Ordinary Shares reconstruction.

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

7 **Income**

	Six months ended 30 June 2011 (unaudited) £'000	Six months ended 30 June 2010 (unaudited) £'000	Year ended 31 December 2010 (audited) £'000
Loan stock interest	285	300	652
Overseas based Open Ended Investment Companies ("OEICs")	11	3	13
Bank deposits	—	—	—
Other	—	—	—
	296	303	665

Notes to the Unaudited Half-Yearly Results continued

for the six months ended 30 June 2011

8 Investments at fair value through profit or loss

Company	Quoted £'000	Unquoted £'000	Total £'000
Book cost as at 1 January 2011	9,095	21,478	30,573
Investment holding (losses)/gains	(4,592)	2,323	(2,269)
Valuation at 1 January 2011	4,503	23,801	28,304
Movements in the period:			
Cost of investments acquired	—	12,453	12,453
Investment holding losses of investments acquired	—	(8,493)	(8,493)
Purchases at cost	371	466	837
Disposal proceeds	(4,594)	(3,281)	(7,875)
Realised gains	2,640	1,422	4,062
Investment holding (losses)/gains	(1,602)	1,634	32
Valuation at 30 June 2011	1,318	28,002	29,320
Book cost at 30 June 2011	7,512	32,538	40,050
Investment holding losses	(6,194)	(4,536)	(10,730)
Valuation at 30 June 2011	1,318	28,002	29,320

Ordinary Shares	Quoted £'000	Unquoted £'000	Total £'000
Book cost as at 1 January 2011	9,095	17,697	26,792
Investment holding (losses)/gains	(4,592)	2,358	(2,234)
Valuation at 1 January 2011	4,503	20,055	24,558
Movements in the period:			
Cost of investments acquired	—	12,453	12,453
Investment holding losses of investments acquired	—	(8,493)	(8,493)
Purchases at cost	371	466	837
Disposal proceeds	(4,594)	(2,281)	(6,875)
Realised gains	2,640	1,422	4,062
Investment holding (losses)/gains	(1,602)	1,579	(23)
Valuation at 30 June 2011	1,318	25,201	26,519
Book cost at 30 June 2011	7,512	29,757	37,269
Investment holding losses	(6,194)	(4,556)	(10,750)
Valuation at 30 June 2011	1,318	25,201	26,519

Deferred consideration of £83,000 was also recognised by the Ordinary Shares fund in the period.

Planned Exit Shares	Quoted £'000	Unquoted £'000	Total £'000
Book cost as at 1 January 2011	—	3,781	3,781
Investment holding losses	—	(35)	(35)
Valuation at 1 January 2011	—	3,746	3,746
Movements in the period:			
Disposal proceeds	—	(1,000)	(1,000)
Investment holding gains	—	55	55
Valuation at 30 June 2011	—	2,801	2,801
Book cost at 30 June 2011	—	2,781	2,781
Investment holding gains	—	20	20
Valuation at 30 June 2011	—	2,801	2,801

Notes to the Unaudited Half-Yearly Results continued

for the six months ended 30 June 2011



9 Related Parties

Foresight Group, as investment Manager of the Company, is considered to be a related party by virtue of its management contract with the Company. During the period, services of a total value of £301,000 (30 June 2010: £199,000; 31 December 2010: £452,000) were purchased by the Company from Foresight Group. At 30 June 2011, the amount due from Foresight Group was £5,000.

Foresight Fund Managers Limited, as Secretary of the Company and as a subsidiary of Foresight Group, is also considered to be a related party of the Company. During the period, services of a total value of £50,000 excluding VAT (30 June 2010: £50,000; 31 December 2010: £100,000) were purchased by the Company from Foresight Fund Managers Limited. At 30 June 2011, the amount due to Foresight Fund Managers Limited included within creditors was £3,000 (excluding VAT).

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

Shareholder Information

Dividends

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

Notification of change of address

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

Trading shares

The Company's Ordinary and Planned Exit 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 Singer Capital Markets.

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.

Indicative financial calendar

April 2012 Announcement of preliminary results for the year ending 31 December 2011.

April 2012 Posting of the annual report for the year ending 31 December 2011.

May 2012 Annual General Meeting.

August 2012 Announcement of Half-Yearly Results for the six months ending 30 June 2011.

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: 01732 471800

Fax: 01732 471810

e-mail: info@foresightgroup.eu

website: www.foresightgroup.eu

Foresight VCT plc is managed by Foresight Group which is authorised and regulated by the Financial Services Authority. Past performance is not necessarily a guide to future performance. Stock markets and currency movements may cause the value of 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
Antony Diment (resigned 26 May 2011)

Company Secretary

Foresight Fund Managers Limited
ECA Court
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TN13 1DU

Registered Office and Investment Manager

Foresight Group
ECA Court
South Park
Sevenoaks
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Auditors and Tax Advisers

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Bankers

Lloyds TSB plc
Midland and North Wales Regional
Commercial Services Office
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Birmingham
B3 2DL

Solicitors and VCT Status Advisers

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B4 6AA

Registrar

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Bridgwater Road
Bristol
BS99 6ZZ

Registered Number

03421340

Contact Numbers

- Registrar's Shareholder Helpline — Computershare (0870 703 6388)
- General and Portfolio Queries — Foresight Group (01732 471800)